



# 2021 YEAR END EARNINGS REPORT PRESENTATION

JANUARY 27, 2022

## Safe Harbor

Except for the historical statements contained in this presentation, the matters discussed herein are forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements, including the 2022 EPS guidance, long-term EPS and dividend growth rate objectives, future sales, future expenses, future tax rates, future operating performance, estimated base capital expenditures and financing plans, projected capital additions and forecasted annual revenue requirements with respect to rider filings, expected rate increases to customers, expectations and intentions regarding regulatory proceedings, and expected impact on our results of operations, financial condition and cash flows of resettlement calculations and credit losses relating to certain energy transactions, as well as assumptions and other statements are intended to be identified in this document by the words “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “objective,” “outlook,” “plan,” “project,” “possible,” “potential,” “should,” “will,” “would” and similar expressions. Actual results may vary materially. Forward-looking statements speak only as of the date they are made, and we expressly disclaim any obligation to update any forward-looking information. The following factors, in addition to those discussed in Xcel Energy’s Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2020 and subsequent filings with the Securities and Exchange Commission, could cause actual results to differ materially from management expectations as suggested by such forward-looking information: uncertainty around the impacts and duration of the COVID-19 pandemic; operational safety, including our nuclear generation facilities; successful long-term operational planning; commodity risks associated with energy markets and production; rising energy prices and fuel costs; qualified employee workforce and third-party contractor factors; ability to recover costs, changes in regulation and subsidiaries’ ability to recover costs from customers; reductions in our credit ratings and the cost of maintaining certain contractual relationships; general economic conditions, including inflation rates, monetary fluctuations and their impact on capital expenditures and the ability of Xcel Energy Inc. and its subsidiaries to obtain financing on favorable terms; availability or cost of capital; our customers’ and counterparties’ ability to pay their debts to us; assumptions and costs relating to funding our employee benefit plans and health care benefits; our subsidiaries’ ability to make dividend payments; tax laws; effects of geopolitical events, including war and acts of terrorism; cyber security threats and data security breaches; seasonal weather patterns; changes in environmental laws and regulations; climate change and other weather; natural disasters and resource depletion, including compliance with any accompanying legislative and regulatory changes; and costs of potential regulatory penalties.

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## Contacts

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Xcel Energy app also available

# 2021 Financial and Operational Highlights

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- Delivered earnings of \$2.96 per share, the 17<sup>th</sup> consecutive year of meeting or exceeding guidance
- Raised annual dividend by 11 cents per share (6.4%), marking the 18<sup>th</sup> consecutive annual increase
- Achieved constructive regulatory outcomes:
  - Rate case settlements in Colorado, Texas, New Mexico, Wisconsin, North Dakota and Michigan
  - Settlements on several additional Colorado proceedings, including Uri storm cost recovery, our long-term resource plan and the Pathway transmission project
- Achieved nuclear capacity factor of ~92% and remain top-performing fleet in the country
- Installed more than 300,000 smart meters as part of our advanced grid program
- Reduced carbon emissions ~50% from 2005 levels; on track to achieve 80% reduction by 2030
- Completed 4 wind farms, adding ~800 MW of owned wind
- Accelerated timeline to transition out of coal to 2034
- Committed to 25% GHG reduction in our natural gas business by 2030, net zero by 2050
- Launched 12 electric vehicle programs and received approval for our New Mexico plan
- Earned a perfect score on the Human Rights Campaign's Corporate Equality Index (5<sup>th</sup> consecutive year)
- Announced 2022 EPS guidance consistent with our 5-7% long-term growth objective

# Colorado Resource Plan

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## 87% Carbon Reduction by 2030 & Coal Exit by 2034



### Full coal exit by 2034

- Hayden 1 & 2 (233 MW) retire 2028/2027
- Pawnee (505 MW) convert to nat gas 2026
- Comanche 3 (500 MW) retire 2034; reduced operations begin 2025



### Significant renewable additions

- Wind (~2,300 MW)
- Universal scale solar (~1,600 MW)
- Distributed solar (~1,200 MW)



### Firm peaking capacity

- ~1,300 MW flexible resources
- ~400 MW storage



### Transmission expansion

Pathway enables additional renewables while improving reliability

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March 2021  
Filed



November 2021  
Settlement reached



2022 Q1  
Anticipated decision

# Minnesota Resource Plan

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## 85% Carbon Reduction & Coal Exit by 2030



### Full coal exit by 2030

- King (511 MW) retire 2028
- Sherco 3 (517 MW) retire 2030



### Significant renewable additions

- Universal scale solar (3,150 MW)
- Wind (2,650 MW)



### Firm peaking capacity (reliability driven)

- 800 MW of hydrogen ready CTs
- 300 MW of repowered black start CTs
- 1,900 MW of dispatchable capacity



### Nuclear extension (Monticello to 2040)

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June 2021  
Updated filing

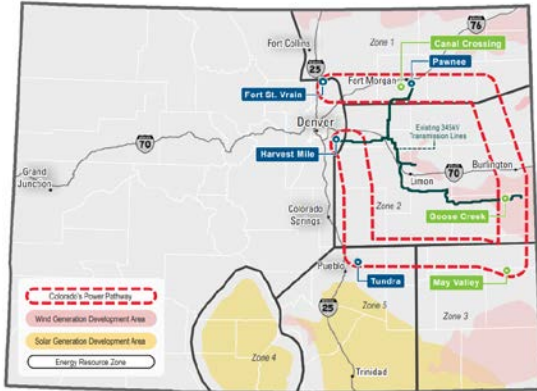


February 2022  
Commission deliberations



2022 Q1  
Anticipated decision

# Transmission Expansion - Colorado Pathway



## Transmission Backbone

- ~\$1.7 billion investment
- Enables ~5,500 MW of renewable generation
- ~560 miles of 345 kV lines; three new, four expanded substations
- Settlement reached with staff and other parties in November 2021, including the \$1.7 billion estimate and rider recovery
- Commission decision anticipated 2022 Q1

## Potential Incremental Capital Investment

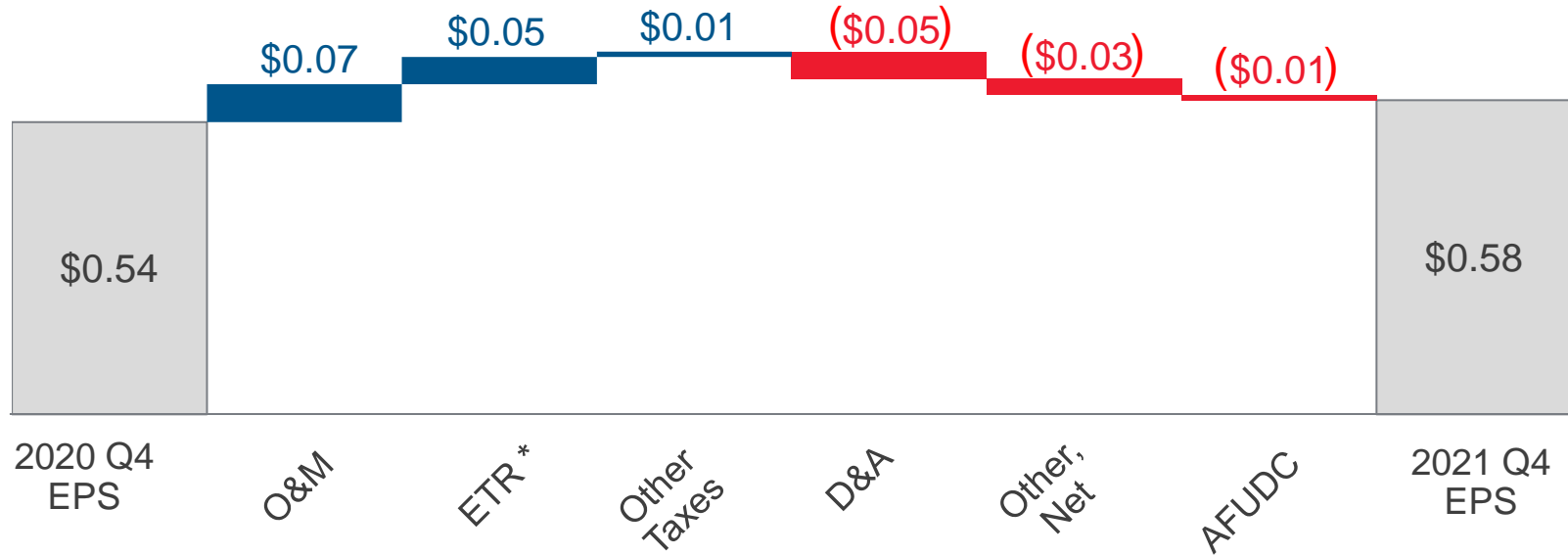
- Potential \$0.5 - \$1.0 billion investment for network upgrades, voltage support and interconnections
- Determined once resource mix and location has been identified as part of Colorado resource plan

## EPS Results by Operating Company

| Operating Company                         | Fourth Quarter |                | Full Year      |                |
|---|----------------|----------------|----------------|----------------|
|   | 2021           | 2020           | 2021           | 2020           |
| PSCo                                      | \$ 0.27        | \$ 0.25        | \$ 1.22        | \$ 1.11        |
| NSPM                                      | 0.22           | 0.23           | 1.12           | 1.12           |
| SPS                                       | 0.11           | 0.10           | 0.59           | 0.56           |
| NSPW                                      | 0.05           | 0.04           | 0.20           | 0.20           |
| Earnings from equity method investments   | 0.01           | 0.01           | 0.05           | 0.05           |
| Regulated utility                         | 0.65           | 0.63           | 3.18           | 3.04           |
| Holding company and other                 | (0.06)         | (0.09)         | (0.22)         | (0.25)         |
| <b>Total GAAP and ongoing diluted EPS</b> | <b>\$ 0.58</b> | <b>\$ 0.54</b> | <b>\$ 2.96</b> | <b>\$ 2.79</b> |

Amounts may not sum due to rounding

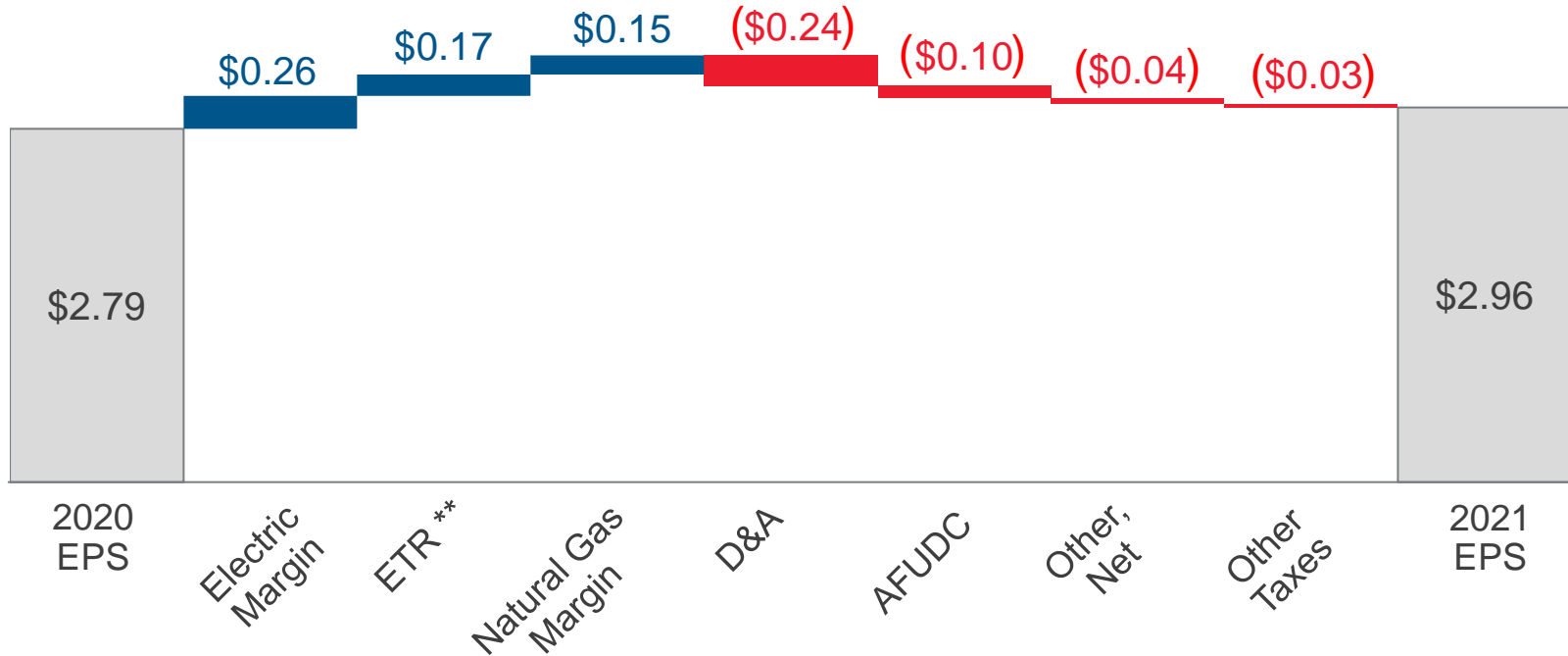
# Quarterly GAAP and Ongoing EPS Change



\* Includes PTCs and plant regulatory amounts, which are primarily offset in electric margin



# Annual GAAP and Ongoing EPS Change

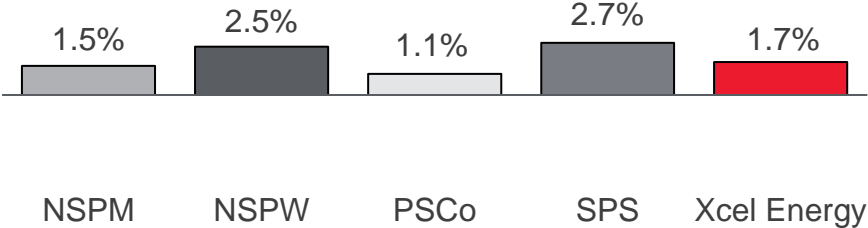


\* Combined electric and natural gas margins include ~\$0.03 of negative weather impacts (post decoupling)

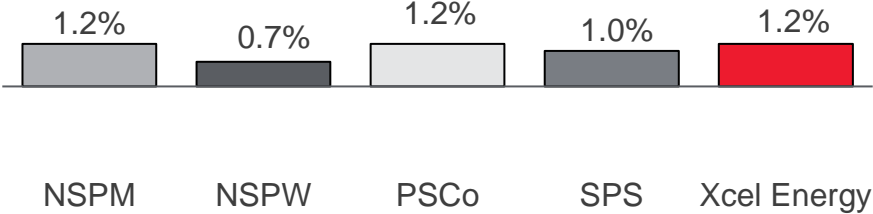
\*\* Includes PTCs and plant regulatory amounts, which are primarily offset in electric margin

# Sales and Customer Data

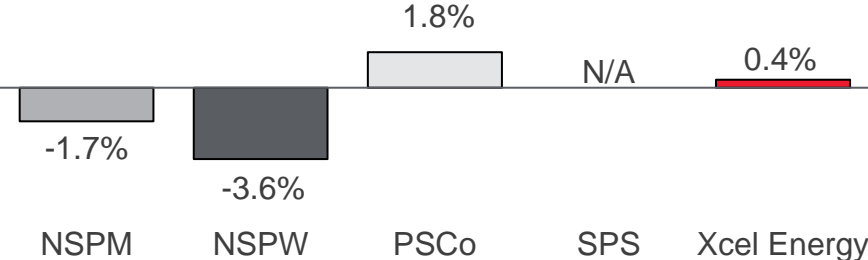
2021 W/A Retail Electric Sales Growth  
(leap year adjusted)



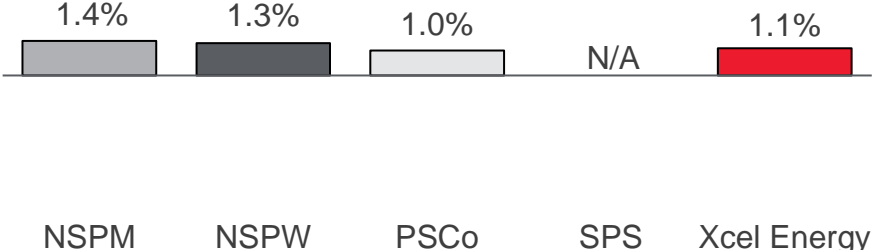
2021 YoY Electric Customer Growth



2021 W/A Natural Gas Sales Growth  
(leap year adjusted)



2021 YoY Natural Gas Customer Growth



# SPS Texas Electric Rate Case

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Proceeding No. 51802

- In February 2021, SPS filed a required electric rate case:
  - Requesting base rate increase of ~\$140 million
  - ROE of 10.35% and equity ratio of 54.6%
  - Rate base of ~\$3.3 billion
  - Historic test year ended December 31, 2020
  - Changes to depreciation rates to reflect early retirement of Tolk coal plant (2032) and Harrington plant coal handling assets due to conversion to natural gas (2024)
- In January 2022, the parties filed a blackbox settlement with the following terms:
  - Base rate increase of ~\$89 million, effective back to March 15, 2021
  - ROE of 9.35% and 7.01% weighted cost of capital for AFUDC purposes only
  - Accelerate the depreciation lives of Tolk coal plant to 2034 and Harrington coal assets to 2024
- Commission decision anticipated 2022 Q1

# NSPM Electric Rate Case

Proceeding No. 21-630

- In October 2021, NSPM filed a three-year electric rate case:
  - Requesting rate increase of \$677 million over three years
  - ROE of 10.2% and equity ratio of 52.5%
  - 2022 - 2024 forecast test years
  - Requested interim rates of \$288 million in January 2022 and an incremental \$135 million in January 2023 (subject to refund)

| <b>\$ Millions, Except Percentages</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> | <b>Total</b> |
|--|-------------|-------------|-------------|--------------|
| Rate request                           | \$396       | \$150       | \$131       | \$677        |
| Increase                               | 12.2%       | 4.8%        | 4.2%        | 21.2%        |
| Rate base                              | \$10,931    | \$11,446    | \$11,918    | N/A          |

- In December 2021, the Commission approved interim rates of \$247 million (reduction of \$41 million for residential class due to exigent circumstances caused by COVID-19)
- Decision expected 2023 Q2

# NSPM Natural Gas Rate Case

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Proceeding No. 21-678

- In November 2021, NSPM filed a natural gas rate case:
  - Requesting rate increase of ~\$36 million
  - ROE of 10.5% and equity ratio of 52.50%
  - Rate base of ~\$934 million
  - 2022 forecast test year
  - Requested interim rates of ~\$25 million in effect January 2022
- In December 2021, the Commission approved interim rates of \$25 million, effective January 2022 (subject to refund)
- Decision expected 2023 Q2

# PSCo Colorado Electric Rate Case

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Proceeding No. 21AL-0317E

- In July 2021, PSCo filed an electric rate case:
  - Requesting a net base rate increase of ~\$343 million
  - ROE of 10.0% and equity ratio of 55.64%
  - Rate base of ~\$10.3 billion
  - 2022 forecast test year
- In January 2022, PSCo filed a comprehensive unopposed settlement, including:
  - Net base rate increase of ~\$177 million
  - ROE of 9.3% and equity ratio of 55.69%
  - Current 2021 test year
- Decision anticipated 2022 Q1
- Rates effective April 2022

# PSCo Colorado Natural Gas Rate Case

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Proceeding No. 22AL-0046G

- In January 2022, PSCo filed a natural gas rate case:
  - Requesting a net base rate increase of ~\$107 million in 2022, with incremental step increases of \$40 million in 2023 and \$41 million in 2024
  - Total change to base rates is \$215 million, reflecting the transfer of \$108 million previously recovered from customers through the Pipeline System Integrity Adjustment rider
  - ROE of 10.25% and equity ratio of 55.66%
  - Rate base of ~\$3.6 billion
  - 2022 current test year
  - A historical test year including a 10.75% ROE was also filed as required
- Decision anticipated 2022 H2
- Rates effective November 2022

## 2022 GAAP and Ongoing EPS Guidance: \$3.10 - \$3.20

| Earnings Drivers                    | Key Assumptions (as compared to 2021 levels unless noted) |
|-------------------------------------|---|
| Regulatory proceedings              | Constructive outcomes in all proceedings                  |
| Weather                             | Normal weather patterns for the year                      |
| W/A retail electric sales           | Increase of ~1%   |
| W/A retail firm natural gas sales   | Increase of 0% to 1%                                      |
| Capital rider revenue (net of PTCs) | Increase of \$35 - \$45 million                           |
| O&M expenses                        | Increase of 1% to 2%                                      |
| Depreciation expense                | Increase of \$255 - \$265 million                         |
| Property taxes                      | Increase of \$40 - \$50 million                           |
| Interest exp. (net of AFUDC-debt)   | Increase of \$55 - \$65 million                           |
| AFUDC-equity                        | Remain relatively flat                                    |
| Effective tax rate (net of PTCs)    | Approximately (3%) to (5%)                                |

Ongoing earnings is calculated using net income and adjusting for certain nonrecurring or infrequent items that are, in management's view, not reflective of ongoing operations. Ongoing earnings could differ from those prepared in accordance with GAAP due to unplanned and/or unknown adjustments. Xcel Energy is unable to forecast if any of these items will occur or provide a quantitative reconciliation of the guidance for ongoing EPS to corresponding GAAP EPS.

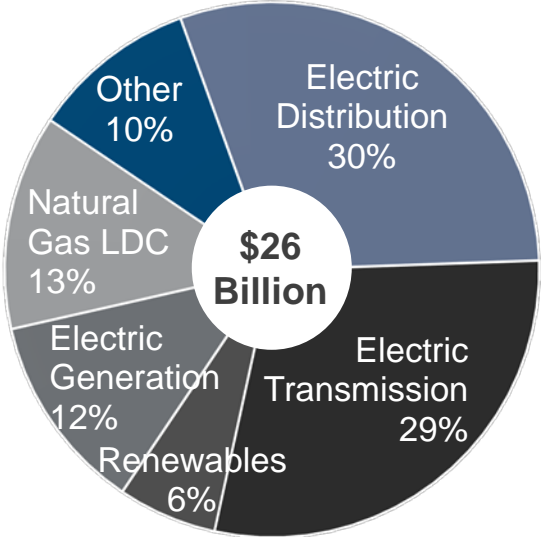


# APPENDIX

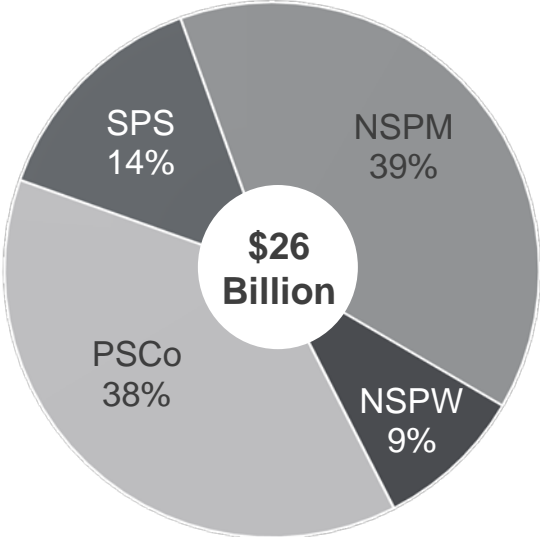
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# Robust Base Capital Forecast 2022 - 2026

### Investment by Function



### Investment by Company



Base capital forecast does not include potential incremental investment associated with resource plans

# Base Capital Expenditures by Function

\$ Millions

|                       | 2022           | 2023           | 2024           | 2025           | 2026           | Total           |
|-----------------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Electric Distribution | \$1,485        | \$1,600        | \$1,520        | \$1,605        | \$1,720        | \$7,930         |
| Electric Transmission | \$1,105        | \$1,220        | \$1,575        | \$1,965        | \$1,555        | \$7,420         |
| Natural Gas           | \$655          | \$670          | \$695          | \$660          | \$660          | \$3,340         |
| Electric Generation   | \$645          | \$580          | \$670          | \$650          | \$650          | \$3,195         |
| Other                 | \$725          | \$545          | \$450          | \$340          | \$450          | \$2,510         |
| Renewables            | \$665          | \$345          | \$230          | \$340          | \$25           | \$1,605         |
| <b>Total</b>          | <b>\$5,280</b> | <b>\$4,960</b> | <b>\$5,140</b> | <b>\$5,560</b> | <b>\$5,060</b> | <b>\$26,000</b> |

Base capital forecast does not include potential incremental investment associated with resource plans

# Base Capital Expenditures by Company

\$ Millions

|              | 2022           | 2023           | 2024           | 2025           | 2026           | Total           |
|--------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| NSPM         | \$2,250        | \$2,030        | \$1,830        | \$2,130        | \$2,010        | \$10,250        |
| NSPW         | \$480          | \$420          | \$540          | \$460          | \$390          | \$2,290         |
| PSCo         | \$1,930        | \$1,850        | \$2,070        | \$2,220        | \$1,860        | \$9,930         |
| SPS          | \$630          | \$660          | \$690          | \$780          | \$790          | \$3,550         |
| Other*       | (\$10)         | \$0            | \$10           | (\$30)         | \$10           | (\$20)          |
| <b>Total</b> | <b>\$5,280</b> | <b>\$4,960</b> | <b>\$5,140</b> | <b>\$5,560</b> | <b>\$5,060</b> | <b>\$26,000</b> |

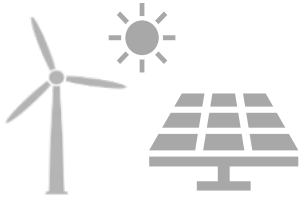
Base capital forecast does not include potential incremental investment associated with resource plans

\* Includes intercompany transfers for safe harbor wind turbines

# Potential Incremental Investment 2022 - 2026

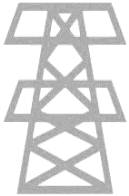
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## **\$1.5 - \$2.5 Billion in Incremental Opportunities**



### **\$1.0 - \$1.5 Billion Renewables**

~2,000 MW proposed additions across Colorado and Minnesota resource plans for 2024 - 2026, assuming 50% ownership



### **\$0.5 - \$1.0 Billion Transmission**

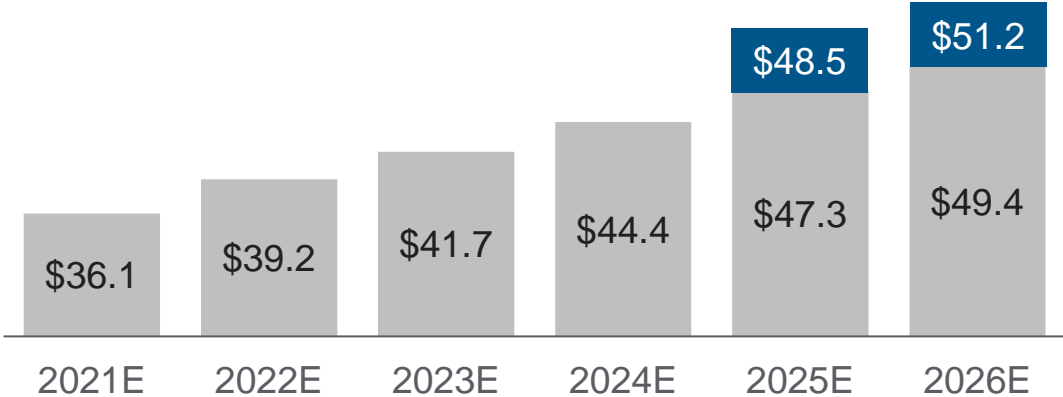
Enables renewables associated with the Colorado resource plan, including network upgrades, voltage support and interconnection work

# Strong Rate Base Growth

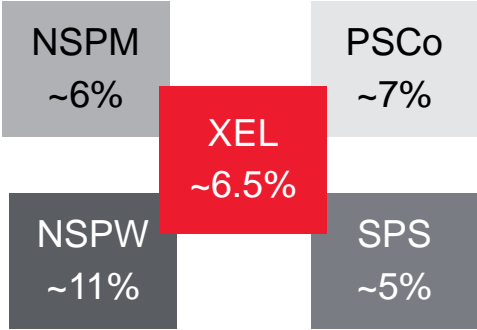
## Xcel Energy Consolidated

\$ Billions

Base 2021 - 2026 CAGR: ~6.5%  
 Incremental 2021 - 2026 CAGR: ~7.3%



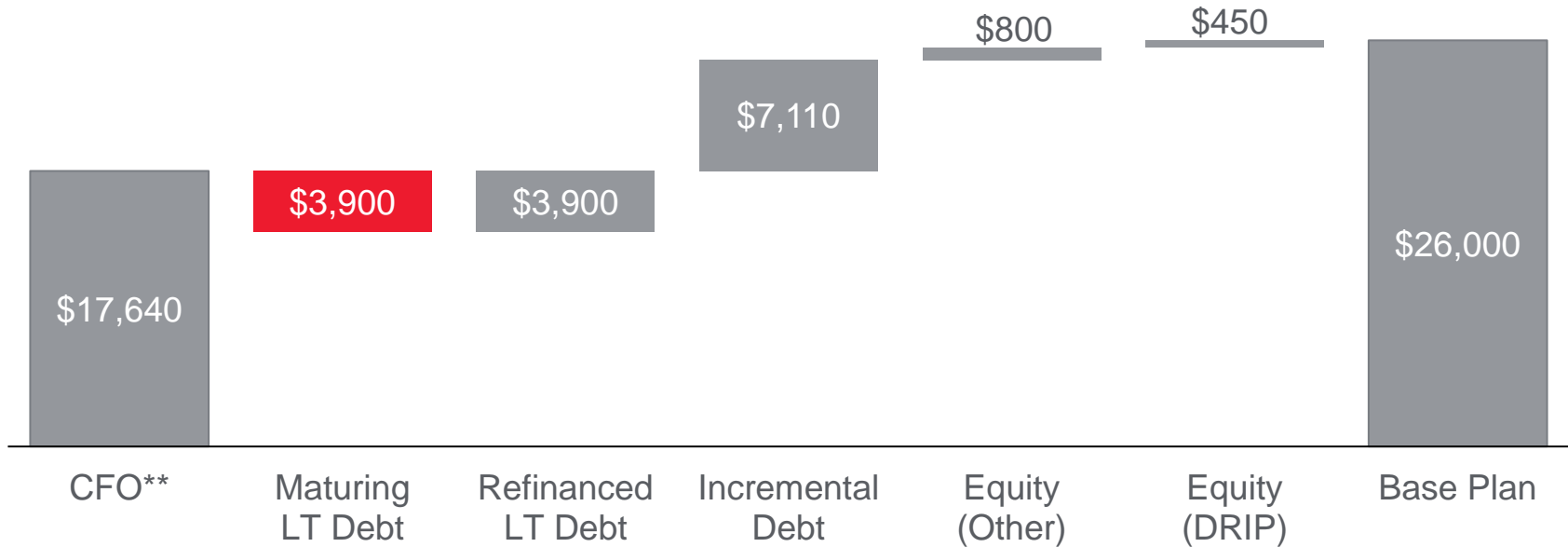
## Op Co Base CAGRs 2021-2026



Op Co CAGRs exclude potential incremental spend

# Financing Plan 2022 - 2026\*

\$ Millions



\* Financing plans are subject to change

\*\* Cash from operations is net of dividends and pension funding

# 2022 Debt Financing Plan

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\$ Millions

| <b>Issuer</b> | <b>Security</b>        | <b>Amount</b> | <b>Anticipated Timing</b> |
|---------------|------------------------|---------------|---------------------------|
| Hold Co       | Senior Unsecured Bonds | \$600         | Q2                        |
| NSPM          | First Mortgage Bonds   | \$500         | Q2                        |
| NSPW          | First Mortgage Bonds   | \$100         | Q3                        |
| PSCo          | First Mortgage Bonds   | \$650         | Q2                        |
| SPS           | First Mortgage Bonds   | \$150         | Q2                        |

Financing plans are subject to change, depending on capital expenditures, regulatory outcomes, internal cash generation, market conditions, changes in tax policies and other factors



## Strong Credit Metrics

| Plan                    | 2022 | 2023 | 2024 | 2025 | 2026 |
|-------------------------|------|------|------|------|------|
| FFO/Debt                | ~17% | ~17% | ~17% | ~17% | ~17% |
| Debt/EBITDA             | 5.0x | 4.9x | 4.8x | 4.8x | 4.7x |
| Equity Ratio            | 40%  | 41%  | 41%  | 41%  | 41%  |
| Hold Co Debt/Total Debt | 24%  | 23%  | 23%  | 23%  | 24%  |

| Credit Ratings        | Moody's | S&P  | Fitch |
|-----------------------|---------|------|-------|
| Xcel Energy Unsecured | Baa1    | BBB+ | BBB+  |
| NSPM Secured          | Aa3     | A    | A+    |
| NSPW Secured          | Aa3     | A    | A+    |
| PSCo Secured          | A1      | A    | A+    |
| SPS Secured           | A3      | A    | A-    |

Credit metrics are based on five-year capital plan and do not reflect rating agency adjustments

The credit metrics reflect the incremental debt issued for the assumed lag in Uri fuel cost recovery, which are pending regulatory decisions. FFO doesn't include impacts of regulatory lag for fuel recovery (a working capital adjustment).

# PSCo Colorado Comprehensive Settlement

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Proceeding No. 21A-0192EG

In October 2021, PSCo filed a settlement that proposes to address several regulatory items:

- Full recovery of all Winter Storm Uri deferred fuel costs through a rider
  - Electric: \$263 million electric over 24 months with no carrying charges
  - Natural gas: \$287 million over 30 months with no carrying charges
- Refund electric customers ~\$41 million (deferred revenue) from 2020 decoupling program
- Forego recovery of ~\$14 million of replacement power costs incurred due to an extended Comanche Unit 3 outage in 2020
- Will not seek recovery of ~\$11 million of deferred COVID-19 bad debt expense
- Commission decision anticipated 2022 H1

# SPS New Mexico Electric Rate Case Settlement

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Proceeding No. 20-00238-UT

- In January 2021, SPS filed a required electric rate case:
  - Requesting base rate increase of ~\$84 million
  - ROE of 10.35% and equity ratio of 54.72%
  - Retail rate base of ~\$1.9 billion
  - HTY ended September 30, 2020, including capital additions through February 2021
  - Changes to depreciation rates to reflect early retirement of Tolk coal plant (2032) and Harrington plant coal handling assets due to conversion to natural gas (2024)
- In June 2021, SPS and various parties filed an uncontested settlement, including:
  - Base revenue increase of \$62 million
  - ROE of 9.35% and equity ratio of 54.72% for filing purposes
  - Accelerated depreciation for Tolk plant (2032) and Harrington coal handling assets (2024)
- In December 2021, the Hearing Examiner recommended settlement approval without modification
- Commission decision anticipated 2022 Q1

# NSPM North Dakota Natural Gas Rate Case

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Proceeding No. PU-21-381

- In September 2021, NSPM filed a natural gas rate case:
  - Requesting rate increase of ~\$7 million
  - ROE of 10.5% and equity ratio of 52.54%
  - Rate base of ~\$140 million
  - 2022 forecast test year
  - Requested interim rates of ~\$7 million implemented November 1, 2021 (subject to refund)
- In October 2021, the Commission approved interim rates of \$7 million
- Decision expected early fall 2022

# 2021 ESG Highlights

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- Remain on track to achieve 80% carbon reduction by 2030; accelerated full coal exit from 2040 to 2034
- Committed to 25% GHG reduction in natural gas business by 2030 and net zero by 2050, including emission scopes 1, 2 and 3
- Issued additional voluntary disclosures
  - Natural gas goal and vision
  - Electric vehicle strategy
  - Form EEO-1
  - Supplier code of conduct
  - Sustainable financing framework and second-party opinion
- Recognized among Ethisphere's World's Most Ethical Companies® (2<sup>nd</sup> consecutive year)
- Named Best for Vets employer (7<sup>th</sup> consecutive year)
- Ranked by Disability:IN among the "Best Places to Work for Disability Inclusion" (2<sup>nd</sup> consecutive year)
- Earned perfect score on the Human Rights Campaign's Corporate Equality Index (5<sup>th</sup> consecutive year)

# Recognized for ESG Leadership



CLIMATE LEADERSHIP AWARDS 2020  
Organizational Leadership Award Winner



S&P GLOBAL PLATTS  
GLOBAL ENERGY AWARDS  
2019 WINNER



Exemplary EE Programs



Smartest Utility Projects (EV)



Safety Achievement Award

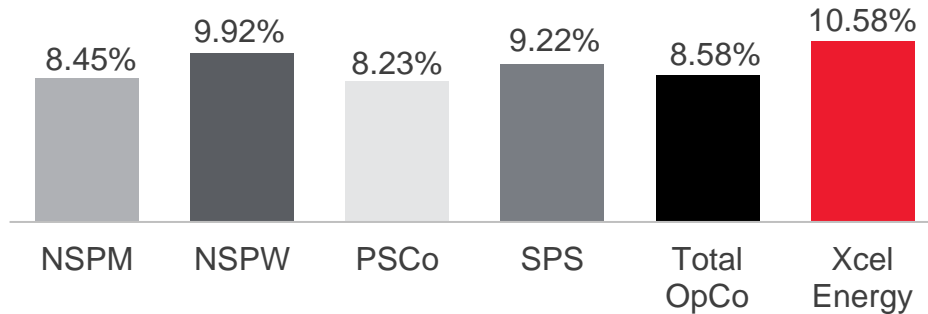


Emergency Response Award  
Outstanding Customer Service  
for National Accounts

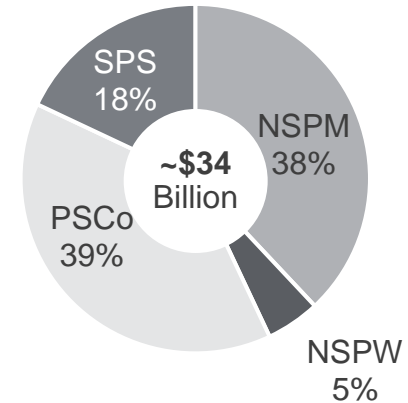
# ROE Results – GAAP and Ongoing Earnings

## GAAP and Ongoing ROE

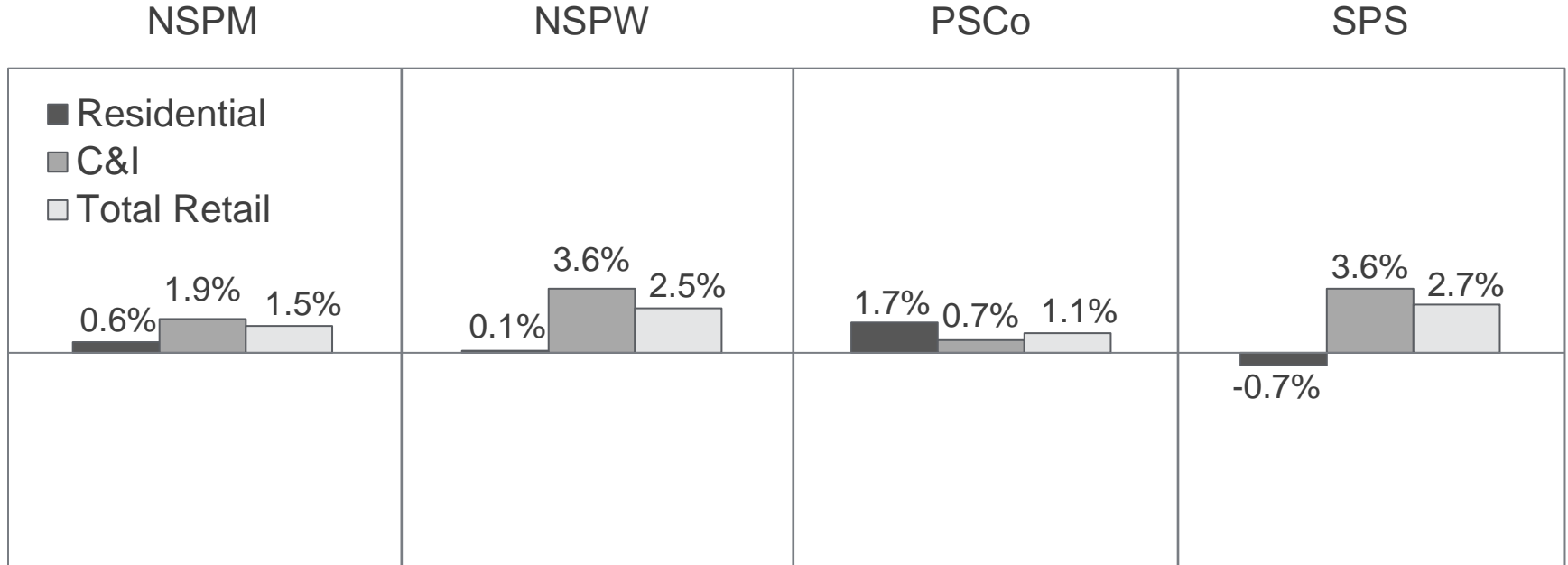
Twelve Months Ended 12/31/2021



## 2020 Rate Base



# 2021 W/A Electric Sales Growth

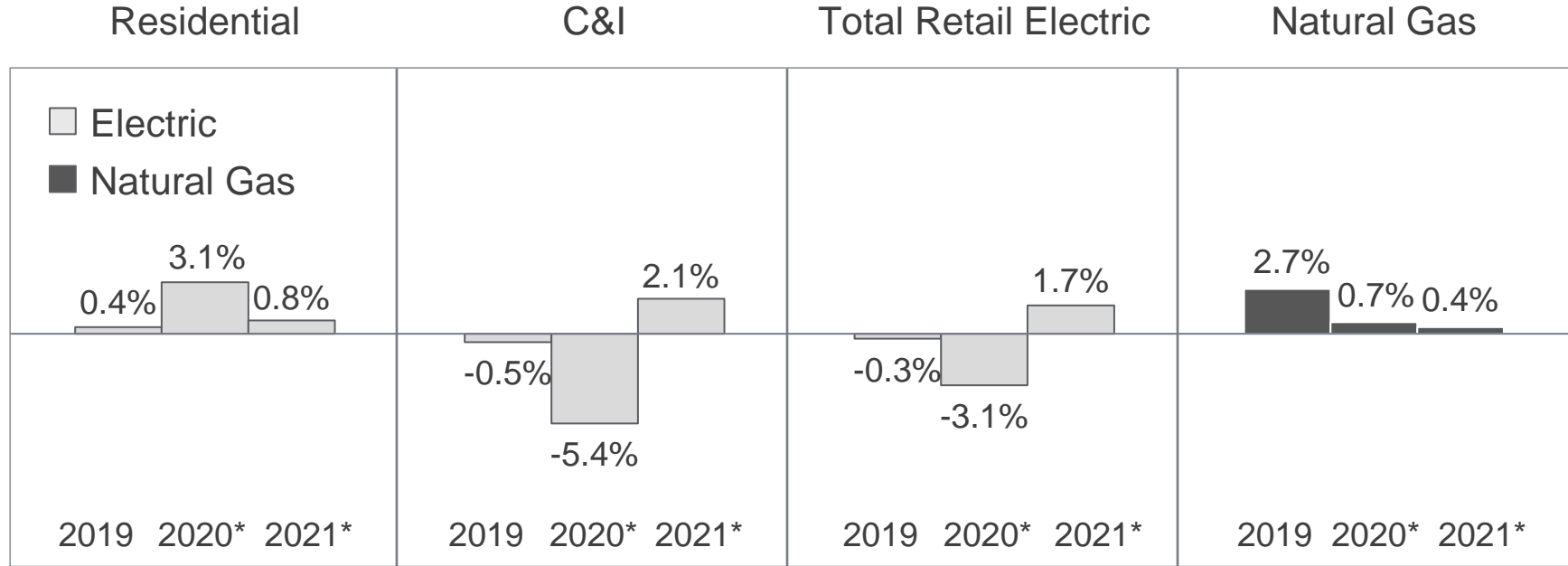


Leap year adjusted

Extreme weather variations, wind chill and cloud cover may not be reflected in growth (decline) estimates



# Xcel Energy W/A Sales Growth



\* Leap year adjusted

Extreme weather variations, wind chill and cloud cover may not be reflected in growth (decline) estimates

## 2022 Q1 Events

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| Events                           | Dates       |
|----------------------------------|-------------|
| Morgan Stanley Conference        | March 1     |
| Barclays Fixed Income Conference | March 1     |
| BofA Conference                  | March 2     |
| UBS Europe Conference            | March 22-23 |
| UBS Midwest Conference           | March 30    |

