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Company receives kudos for efforts in Boulder wind storm

Dear Xcel Energy:

Our power recently went out in gale force winds. We called Xcel Energy at 8:20 p.m. and were told that the estimated time for the power to come back on was 11:45 p.m.

I was very skeptical about this, given that a power line had been downed and trying to fix that in the wind seemed impossible. But at 11:39 p.m., the power came back on.

I was very impressed and kudos to Xcel Energy for the fine service. One has to wonder if a Boulder municipal power company would have been so, "Johnny on the spot."

Again, thank you Xcel Energy employees who came out in the middle of the night and in that wind to restore our power.

—A Boulder Customer

Notification saved 'a lot of stress'

Dear Xcel Energy:

Thank you for notifying me that my gas service had shut off. It sure saved me a lot of stress.

—Carol, Simrak, Golden, Colo.

Excellent service appreciated

Dear Xcel Energy:

Just a thank-you message for your excellent service when our power recently went out. One of your crews came, and power was restored within a half hour from when I called.

One member of the crew was kind enough to come over to our place to tell us what the problem was (a squirrel), and to make sure the power was back on for us. Many thanks and great work. So appreciated.

—Larry and Colleen Johnson, Monticello, Minn.

PHOTO OP



JUST PASSING THROUGH

Robert Mitchell, a controller with Distribution Operations at Lipan Distribution Center (LDC) in Denver, recently came across an inquisitive young red fox cruising through the distribution center's service yard. Mitchell reports that a family of foxes lives not too far from the LDC storage yard.

Editor's Note: "Photo Op" is a standing feature in Xtra. Each issue, a photo submitted by a reader or produced by a member of Corporate Communications will be published. Please submit high-resolution digital photos to the editor at the e-mail address listed on the back page of this publication. By submitting images for "Photo Op," employees give Xtra permission to run the photos.

Xcel Energy's leadership team during the recent webcast



WEBCAST

Eight states, 70 locations represented at first company-wide event of the year

Nearly 1,500 employees in 70 different locations joined together last month to participate in Ben Fowke's first CEO Webcast of the year.

Employees took part across the service territory and represented all of the eight states served by Xcel Energy, as well as the company's office in Washington, D.C.

Fowke, chairman, president and CEO, opened the Feb. 3 webcast with news about the company's year-end earnings call the day before.

"We announced earnings of \$1.72 a share for 2011, which were the upper end of our original guidance range," Fowke said. "It's the seventh consecutive year we have achieved earnings consistent with our guidance range."

"In addition, our stock price remains strong," he added. "We are achieving good regulatory relief, and that is translating to investors wanting to invest in us. And then our circle continues, and we can make the investments we need."

Fowke also commented on the strong operational year the company just completed.

"We had a tremendous year operationally," he said. "Our SAIDE scores – which measure how often customers are without power – were very strong. And that is in spite of some incredible storm activity that we experienced."

"We had tremendous drought and fires in Texas. We had snowstorms in Denver, and we had a terrible tornado in north Minneapolis. Yet we were able to recover very quickly from all of those events, and that is due to the hard work of everyone involved."

Safety and customer satisfaction were two other high points for 2011.

"We had a good safety year as measured by OSHA and DART scores, and we had a record customer satisfaction rating last year at 93 percent," Fowke said. "If we deliver for the customers with top reliability, safety and customer-care practices, they are going to be happy."

In addition, the company's environmental leadership position remained strong. For the fifth time, Xcel Energy was listed in the Dow Jones Sustainability Index, Fowke noted.



Ben Fowke

"I think we have a great foundation to build on and are positioned well to deliver on our mission of providing reliable, safe and clean energy at a reasonable cost to our customers.

"I hope we can continue to help each other be successful," he added. "I am asking managers and leaders to listen and lead and empower, because I do think the answers come from the bottom up, not necessarily the top down."

Fowke then invited employees to offer their perspectives and ask questions. He was joined in answering questions by the company's senior leadership team, which included Mike Connelly, Planning and Strategy; Kent Larson, Operations; Teresa Madden, chief financial officer; Marvin McDaniel, chief administrative officer; Dave Sparby, group president; Scott Wilensky, general counsel; Roy Palmer, Public Policy and External Affairs; and Terry Pickens, director of Nuclear Regulatory Policy, who attended on behalf of Dennis Koehl, chief nuclear officer.

"I am asking managers and leaders to listen and lead and empower, because I do think the answers come from the bottom up, not necessarily the top down."

"I was very happy with the February employee webcast," Fowke said after the event. "I appreciated all of the questions and the thought that obviously went into them.

"The whole process worked just the way I'd hoped it would – even though I wasn't able to get to every question," he added. "But you can count on more webcasts in the future."

Several employee comments after the webcast also spoke to the value of the communications effort. They included:

- "Keep doing these. They are a great way to align employees around a set of shared expectations. Also, they help employees connect to upper management, whose decisions may impact their day-to-day work. It helps employees understand 'why' we do things. Great job!"
- "I believe in leadership that stays connected with employees. Even though the webcast takes some time away from you, I think the investment will reward you and your leadership team going forward."
- "I thought it was fantastic. I had high expectations and this exceeded them. The interaction with employee questions was extremely valuable. Can't wait for the next webcast." ✕

NEWS BRIEF

Home Energy Squad marks 10,000 visit

Xcel Energy recently announced the 10,000th Home Energy Squad visit, a milestone the company says it reached earlier than expected due last fall to positive customer response.

Since its launch in January 2010, the program has saved enough energy through its improvements to provide nearly 1,300 homes with electricity and natural gas for a year.

"This is a big milestone and proves people are interested in learning how to save energy and money," said Jean Hammer, market manager. "The goal is to help people achieve energy efficiency one home at a time with easy tangible improvements."

The Home Energy Squad involves a home visit by two energy experts to quickly identify simple energy-improvements within the home that can add up to significant savings. During the visit, the homeowner chooses which improvements to make, and the squad installs the chosen energy-efficiency items on the spot.

Some of the recommendations include installing weather stripping on exterior doors, programmable thermostats, compact fluorescent lighting, water-saving shower heads and faucet aerators. The homeowner pays for the materials, but installation is free.

Customers choose from one of two packages and can purchase additional items for the experts to install. A customer's energy cost savings in the first year could more than cover the cost of the Home Energy Squad visit.

To be eligible for the program, the resident must be an Xcel Energy electricity customer and an Xcel Energy or CenterPoint Energy (in Minnesota) natural gas customer.

"Customer feedback has been so positive that we recently expanded the program to other parts of Minnesota," Hammer said. "Customers like getting expert advice on saving energy and money while at the same time making their own decisions about which measures to implement."

"The ease of having someone in the home who can consult and install, all in less than two hours, is a favorite feature of this program," she added.

The Home Energy Squad is ideal for customers who have had a home-energy audit and now need a service to install some of the smaller energy-saving items. The program is a partnership with the Neighborhood Energy Connection, the Center for Energy and Environment and CenterPoint Energy.



New effort highlights community commitment

A new expansion of Xcel Energy's Internet site provides Colorado business customers with a series of new informational tools – all in one convenient and easily accessed site. The new web pages highlight the company's commitment to economic development and civic initiatives.

"The programs we offer are dynamic tools that are only available in our service territories," said Jerome Davis, regional vice president for PSCo. "Sharing the information on the website shows our commitment to economic development, and also provides us an ability to work more closely with economic development groups and municipal officials who are trying to enhance their local economies. This, of course, can in turn help boost revenues for the company."

The new effort leverages everything the company offers for business, community and economic-development services, said Rob Osborn, director of Community Relations for PSCo.

"In one spot, anyone can now get in touch with our area managers, as well as the economic development and chamber of commerce groups we support throughout the state," Osborn said. "Plus, they can learn about the energy-efficiency incentives we offer. And the site helps inform elected officials and business owners how they benefit from being a partner with Xcel Energy and located in our service territory."

The new pages on xcelenergy.com can be found in the "About Us" tab. There visitors will find the "Economic Development" section for Colorado, with links to different pages related to the company's community and economic-development initiatives.

The pages offer:

- An interactive map of Colorado that makes it easy for site visitors to find their area manager's contact information and the cities that each manager serves.
- A step-by-step site selection tool to assist businesses in finding new locations within Xcel Energy's service territory.
- Information on how businesses can grow through the company's energy-efficiency and renewable-energy programs.
- Information on the Xcel Energy Foundation and other government and community economic-development initiatives.
- A list of the numerous business organizations that Xcel Energy partners with across Colorado.

The new web pages officially debuted in November and were presented at the Economic Development Council of Colorado's (EDCC) conference in Pueblo, Colo. Conference attendees received business cards with a smart-phone QR code that allows them to immediately connect to the site.

"The launch at the EDCC conference was great, and the site has been well received," Osborn said. "Many economic-development professionals attending said this would be a nice aid for them."



Rob Osborn

"The site makes it a one-stop shop for these folks, providing tools and information to help them retain, grow and attract businesses of all types and sizes to their regions served by Xcel Energy."

The process of developing the new PSCo web pages for business customers went smoothly, he said, thanks to the hard work and commitment of the site development

team. Representatives from Marketing also played a major role in working with Community Relations to structure the new web pages.

"My team's ability to combine our vision and the company's resources helped develop a communication tool that is easy for our stakeholders to use," Osborn said. "The web pages are the first of their kind for a utility in Colorado, and I'm excited about sharing what we have produced."

Ongoing evaluation of the site, including feedback from economic-development professionals, will help fine tune and develop the site further.

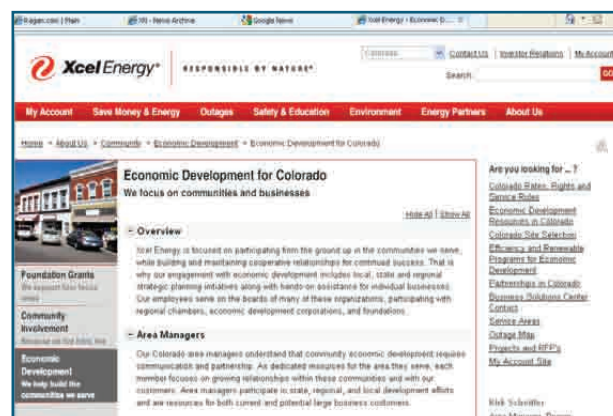
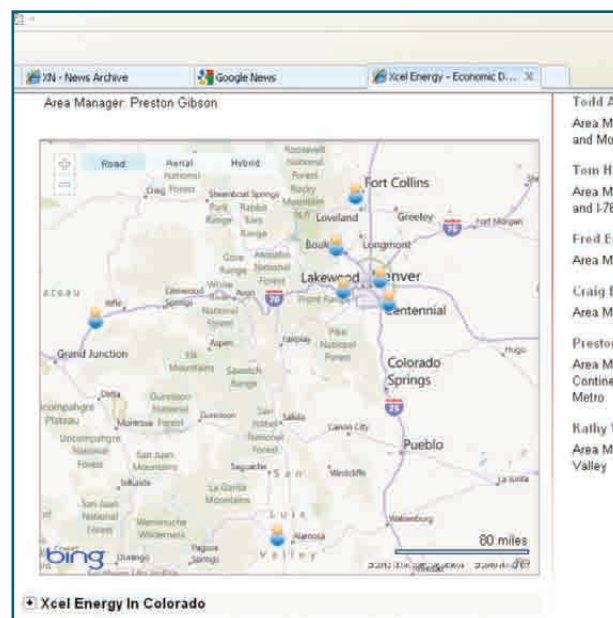
"We continue to add to and update the site to be more inclusive for ongoing efforts with our economic-development partners," he said. "For example, we are hosting a peer-group discussion of economic development practitioners to gather feedback on the site and options or enhancements we can make from their perspective."

"We also will have EDCC board of directors who represent communities throughout our service territory participate in the discussion," he added, "along with representatives from the Colorado Office of Economic Development and In-

ternational Trade."

While the new web pages are not a substitute for direct contact with customers, they will be a valuable communications tool to allow PSCo to highlight the multiple resources the company has to share with its business customers, Osborn said.

"The effort affords us an opportunity to show our stakeholders how Xcel Energy is an engaged community leader, a driver of business development and growth, and an advocate for sustainable community development," he added. "I feel we can gain a great deal of stakeholder support if we encourage our partners to use our programs and educate them on the benefits of being within the Xcel Energy service territory." X



WEB PAGES

The new expansion of Xcel Energy's Internet site leverages everything the company offers for business, community and economic-development services. In one spot, customers can now get in touch with the company's area managers, as well as the economic development and chamber of commerce groups Xcel Energy supports throughout the state.

Alamosa Solar

Several large utility-scale arrays helping company meet renewable-energy standard



Xcel Energy is blessed with one of the premier locations in the nation for solar generation.

Of course, it's sunny in Hawaii, California and other locales, too. But for solar power production, it's hard to beat Colorado's San Luis Valley because it is high, dry and cool. Humidity absorbs the sun's energy and low ambient temperatures keep photovoltaic (PV) panels cooler, which improves performance.

Factors such as altitude, water vapor and atmospheric pressure determine how much of the sun's energy reaches the ground and can be effectively converted into electricity, so even places one might consider to be "sunny" aren't necessarily the best for solar electric production.

According to the National Renewable Energy Laboratory, the San Luis Valley in south-central Colorado has significantly higher average "direct solar irradiation" (meaning good sun for producing energy) than does even Denver. Arrays near the city of Alamosa in the valley can produce more energy annually with the same solar panel.

From a power-production perspective, that helps explain why it's more efficient and cost-effective to site large solar generation plants in superior locations, said Dana Echter, manager of Renewable Energy Purchases.

And that is exactly what Xcel Energy has done through several utility-scale, purchase-power agreements that the company has negotiated to meet Colorado's Renewable Energy Standard (RES).

"The large utility-scale arrays are more cost effective as they produce clean energy for all of our customers and help us meet the RES standard," Echter said. "And contracting for this solar power is another step in our continued commitment as a company to add solar to our renewable energy portfolio."

To make the most of the great sunshine in the San Luis Valley, SunPower completed the largest PV solar plant in Colorado in 2010. The Greater Sandhill facility produces 17 megawatts of solar power, relying on 63,000 PV modules.

However, now two even larger world-class projects in the area are beginning to produce another 60 megawatts. And they join an earlier SunEdison project completed in 2007, which became the inaugural, utility-scale solar project in the valley, producing seven megawatts of power.

Iberdrola recently completed the 30-megawatt San Luis Solar facility, and Cogentrix Solar Services is nearly done with the 30-megawatt Cogentrix of Alamosa solar project. The San Luis Solar project relies on 110,000 modules, and the Cogentrix effort employs a high-concentration PV technology and is the largest facility of its type in the world.

The technology, developed by Amonix Inc., uses optics and a dual-axis tracking system to focus large amounts of sunlight onto high-efficiency PV cells. The tracking system can rotate and tilt the cells throughout the day so the surfaces on the panels maintain an optimal angle with respect to the sun.



According to Amonix, it can produce more energy per acre than any other solar technology, making it well suited for utility-scale applications in sunny and dry climates, and about twice as efficient as more traditional PV panels. And to boot, the huge installations, which stand on wind-turbine like stanchions, look like something straight out of a Star Wars movie.

The large San Luis Valley installations all use tracking systems that tilt panels toward the sun as it moves across the sky. SunPower's Greater Sandhill installation can generate 30 percent more energy than a fixed-angle array of the same size. And that's on top of the production increase afforded by an ideal location.


"These installations are some of the largest and most innovative PV solar plants in the country," Echter said. "They will further solidify Xcel Energy's standing as a leader in clean energy."

"We're pleased to be working in the San Luis Valley to bring clean renewable energy to Xcel Energy customers throughout Colorado at a reasonable cost," he added. "And

the projects will better help us understand how solar can be integrated into our system."

Renewable-energy credits purchased through these purchase-power contracts are ensuring that the company has acquired enough solar-electric generation to meet the wholesale distributed-generation mandate under the RES. The projects also make the beautiful drive through the San Luis Valley on Colorado Highway 17 all that more interesting for all.

In addition, Xcel Energy is one of the nation's top 10 electric utilities for the amount of solar power added to its system per customer served in 2010, the last complete year for data produced by Solar Electric Power Association (SEPA). Of the 230 utilities that participated in the SEPA survey, Xcel Energy ranked No. 4 in the category.

Xcel Energy also moved up from No. 14 to No. 4 place in SEPA's rankings for new solar watts-per-customer added in 2010. In terms of total solar energy capacity on the company's electric system, the company is ranked No. 7 among U.S. utilities. 



SAN LUIS VALLEY SOLAR

To make the most of the great sunshine in Colorado's San Luis Valley, four large solar facilities are producing power for the company through purchase-power agreements. The Greater Sandhill facility joined an earlier seven-megawatt effort and now produces 17 megawatts of solar power. The two newest projects include the 30-megawatt San Luis Solar facility and the 30-megawatt Cogentrix of Alamosa solar project.



VIDEO

To see a video about the construction of the Greater Sandhill project, scan this code with a smartphone app or search "Greater Sandhill" at vimeo.com.

Rail Car Savings

Team's effort results in cost savings of more than half a million dollars a year



Shunning a “business as usual” approach proved effective in Energy Supply’s recent negotiations to renew rail-car contracts.

A 15-year lease of 223 rail cars in Minnesota, set to expire at the end of 2010, was structured as a capitalized lease. At the end of the lease, the company could either buy the rail cars outright or pay a residual value and return them to the leasing company.

A unique deal evolved, however, to sell the aging coal cars to a third party, avoiding the residual costs and leasing the equipment at current market rates. The effort resulted in cutting related costs by more than half – saving the company more than half a million dollars annually.

Members of the Fuel Supply Operations team recognized the opportunity to reduce the ongoing expense of the cars, said Craig Romer, director of Fuel Supply Operations.

“The lease agreement required a payment at the end of the term of \$6.3 million,” he explained. “But the team devised an alternative plan to reduce the impact of this expense on ratepayers by selling the cars.

“It was a challenge, but we found a buyer for the cars,” he added. “And we achieved ongoing savings by negotiating a lease for new cars to replace the old ones at a 40 percent savings – or \$600,000 annually compared to the previous lease expense.”

In order to achieve the objectives and meet all stakeholders’ needs, the team had to coordinate the sale and purchase of the cars between two banks, an insurance company, the new buyer and Xcel Energy. The team also needed to develop a new lease agreement to ensure sufficient equipment was available to provide fuel to company facilities during the transition.

The savings are not only a cost benefit to Xcel Energy, but also will have positive impacts on Minnesota ratepayers, Romer said. Fuel-delivery costs, which include rail-car lease and maintenance expenses, are factors in the total cost of fuel delivered to company power plants.

“By reducing fuel-delivery costs, the final cost of generation is in turn lowered,” Romer said. “The result is that Xcel Energy customers end up paying less for electricity.”

The novel approach to renegotiating coal-car leases brings other considerable benefits as well, he added. Black Dog Generating Station, near Burnsville, Minn., was slated to shift its fuel from coal to natural gas following the retirement of coal units and construction of new combined-cycle gas units. The new rail-car leases now accommodate the transition period between unit retirement and construction start dates without incurring any financial penalties for early rail-car returns.

“This is one of the areas that the new lease worked out

well," he said. "Leases of rail cars are typically long term – from seven to 15 years – but the new lease is very short term, just 15 to 36 months.

"Previously, when a power plant was shut down for conversion, the related expenses of ongoing rail costs fell to ratepayers," Romer added. "But the new lease is short term, allowing for flexibility and cost savings as Black Dog is converted to run on natural gas."

The new agreement involved the releasing of some of the rail cars that had been sold as part of the negotiation, as well as placing new cars from a separate leasing company in service to NSP plant destinations. Both sets of cars add value for the rate payer either in the form of reduced maintenance expense or initial start up costs, he said.

This is a significant advantage, as it will ease the process of routine inspections and maintenance on the cars – no small task considering that there are more than 2,500 cars in the company's fleet.

"One of our biggest challenges is gathering up all of our older rail cars for inspection and maintenance," Romer said. "That has meant coordinating with all of our rail lines across the service territory, and slicing up trains and digging out the cars that needed to be inspected by our shop in Nebraska.

"One of the nice parts about leasing back some of our old rail cars is that all necessary upgrades already have been done," he added. "We knew exactly what we were getting, so we didn't have to do any of the expensive customizing or up-

grading of those cars to comply with Xcel Energy standards."

The costs are typically \$1,000 per car, he said. That means another \$140,000 in cost avoidance. Additionally, the newly added 105 rail cars will reduce maintenance costs by roughly \$100,000 per year.

"Normally, we would have either returned the cars and paid the residual fees, or just bought the cars outright," Romer said. "But this new arrangement is unique. It incorporated the sale of old equipment, the addition of new equipment, and added the flexibility of a short-term lease to accommodate a plant retirement in a few years.

"This shift away from a business-as-usual approach is the impressive result of a diverse group of employees, who worked very well together in a creative way to produce tremendous cost savings."

Key players in the effort included: Steve Bush, transportation portfolio coordinator, who handled the paperwork for the contracts and bills of sale, and also coordinated with the various banks, insurance companies and lien holders; Apryl Eby, transpor-

tation portfolio coordinator, who coordinated the move of the cars to the rail shop with the various rail carriers and shop personnel; and Dennis Wanless, senior consultant with Fuel Supply Operations, who supervised the rail-car maintenance and component additions for the fleet, while also working with the various stakeholders.

"This team is the driving force behind the successful outcome and additional value that was created for both the Minnesota rate payers and Xcel Energy," Romer said. **X**



Craig Romer



COST SAVINGS

Members of the Fuel Supply Operations team recognized the opportunity to reduce rail-car expenses and achieved ongoing savings by negotiating a lease for new cars to replace the old ones at a 40 percent savings – or \$600,000 annually compared to the previous lease expense. Rail cars for transporting coal are common visitors at company facilities, as shown at left and on page 11.

NEWS BRIEFS

Fowke announces realignment of Xcel Energy councils

The formation of Xcel Energy's new leadership councils recently was announced by Ben Fowke, chairman, president and CEO. The councils are established to provide quicker action and a clearer line of sight on key issues facing the company.

The five councils will govern the key areas of Xcel Energy's organization, he said. New council chairs will establish meeting frequency and communicate additional details of their roles and missions.

The following is a brief description of each council and a list of the members who serve on each:

- The Financial Council is responsible for establishing and executing the financial strategy and goals of Xcel Energy and its subsidiaries, including the short- and long-term earnings objectives and capital-investment profile. Teresa Madden, senior vice president and CFO, will chair the council, and members include Dave Sparby, Kent Larson, Dennis Koehl, Scott Wilensky, Marvin McDaniel, Mike Connelly, Roy Palmer, George Tyson, Judy Pofert, Mark Stoering, David Eves and Riley Hill.
- The Workforce Council is responsible for establishing and executing the workforce strategy and goals of Xcel Energy and its operating business areas, including maintaining a safe and effective market-priced workforce structure. Marvin McDaniel, senior vice president and CAO, will chair the council, and members include Dave Sparby,
- Dennis Koehl, David Eves, Teresa Madden, Cheryl Campbell, Cathy Hart, Steve Hjermstead, Darla Figoli, Priti Patel, Riley Hill and Richard Ostberg.
- The Strategy and Policy Council looks over the horizon at opportunities and threats, and develops business-strategy and public-policy positions to serve as benchmarks for future actions. It will address growth and business-development opportunities within the utility industry or related industries; legislative and regulatory actions to achieve business goals; and responses to competitive and public policy threats to the company. Mike Connelly, senior vice president, Strategy and Planning, and Roy Palmer, senior vice president, Public Policy and External Affairs, will co-chair the council. Members include Teresa Madden, Dave Sparby, Scott Wilensky, Marvin McDaniel, Teresa Mogensen, Frank Prager and Jay Herrmann. Operating company presidents also will join as their schedules permit and the agenda dictates.
- The Operations Council is responsible for reviewing strategic operations initiatives and projects, promoting productivity and continuous improvement across business areas, monitoring technology innovation and determining long-term impacts. Kent Larson, senior vice president, Operations, will chair the council. Members include Cheryl Campbell, Greg Chamberlain, Larry Crosby, Michael Gersack, Dave Harkness, Riley Hill, Paul Johnson, Steve Mills, Jim Molden and Judy Pofert.
- The Executive Council will consist of Fowke's direct reports and will meet as needed to review the work of the four other councils and make recommendations to Fowke about key business decisions and forward-looking strategic positioning.

2011 earnings announced

Xcel Energy recently reported 2011 GAAP earnings of \$841 million, or \$1.72 per share compared with 2010 GAAP earnings of \$756 million, or \$1.62 per share. (GAAP stands for "generally accepted accounting principles.")

Ongoing earnings for 2011, which exclude adjustments for certain items, were \$1.72 per share compared with \$1.62 per share in 2010. Ongoing earnings increased primarily due to higher electric margins as a result of warmer than normal summer weather across the company's service territory and rate increases in various states.

The higher margins were partially offset by expected increases in operating and maintenance expenses, depreciation, interest expense and property taxes. The increase in expenses was largely driven by capital investment in Xcel Energy's utility business.

"We had an excellent year in 2011," said Ben Fowke, chairman, president and CEO. "We delivered earnings in the upper half of our guidance range, which represents the seventh consecutive year in which we have met or exceeded our earnings guidance.

"We exceeded our energy-efficiency and conserva-

tion program targets," he added. "In addition, we provided excellent customer service and reliability despite severe weather across our service territory during the latter half of the year.

In addition, the recent decision by the D.C. Circuit to stay the Cross-State Air Pollution Rule will provide the company more time to comply with the rule in a cost-effective manner in Texas, he said, preventing customers from being burdened by significant cost increases and avoiding potential reliability concerns.

"While it is early in the year, we are facing headwinds in 2012," Fowke said. "The decision by the Colorado Public Utilities Commission to deny our request for interim rates will increase regulatory lag in Colorado, although the impact will be partially offset by the commission's approval of deferred accounting for a portion of our interim rate request.

"In addition, we are experiencing sluggish electric and natural gas sales, warmer than normal winter weather and higher than anticipated property taxes," he said. "However, we are committed to achieving our earnings guidance range, and we have implemented cost reductions to help offset the impact of these negative factors. As a result, we expect 2012 earnings per share to be in the lower half of our \$1.75 to \$1.85 guidance range."



10 MILLION

2012 safety challenge aims at millions of safe work hours

Mike Paffel is a good role model for the company's safety challenge in 2012. The goal is to collectively reach a total of 10 million safe work hours by Xcel Energy employees in the calendar year.

Paffel, a senior engineering technician in Rice Lake, Wis., has worked in some tricky conditions – including slippery floors, old wiring, and mud and snow – on hundreds of Wisconsin farms over his 20-year career at the company. However, he also has initiated a number of efforts to improve safety, and continually makes suggestions and improvements to help fellow employees work more safely.

For example, he researched and selected boots that work well on slippery surfaces in the Wisconsin farm settings he and others work in to help customers operate their businesses more efficiently and safely. There are more than 7,000 live-stock farms operating in the Wisconsin service territory and about 2,500 of those are dairy operations. Paffel also identified necessary personal-protective equipment for higher-voltage farm environments.

Paffel's safety efforts dovetail nicely with the expectation of millions of safe work hours by all Xcel Energy employees this year.

Xcel Energy employees already reached a significant safety milestone in the first month of the year – collectively working more than 1 million safe work hours. In fact, employees tallied just over 1.1 million safe works hours, including 18 days in January completely injury free.

"If we can continue this pace, the company will be on track to reach its goal of 10 million safe work hours before the end of the year," said Ed Lutz, vice president of Safety and Training. "The solid start to this year shows a shared commitment from all employees to do their jobs in the safest manner possible and live our values day in and day out.

"Safety is a corporate value at Xcel Energy," he added. "Through our Journey to Zero initiative, we've pursued a bold and worthwhile goal of zero employee injuries. We have seen extraordinary results and proof that we can all make a difference – one hour, one job and one day at a time."

"We are putting forth a challenge to each and every employee to see how many millions of safe hours we can work safely in 2012," he said. "Our goal is ambitious, but within reach."

The Safety organization currently tracks employees' safe work hours using the PeopleSoft system. Another software system, Risk Master, tracks employee injuries.



SAFE WORK HOURS

Mike Paffle, a senior engineering technician in Rice Lake, Wis., has worked in some tricky conditions on hundreds of Wisconsin farms over his 20-year career at the company, including slippery floors, old wiring, and mud and snow. Paffle (pictured above), along with all employees across the service territory, will be working to collectively put together more than 10 million safe work hours in 2012.

For purposes of the 10 Million Safe Work Hour Challenge, whenever employees complete an entire day injury free, the systems will tally the entire day's productive work hours and add that to the collective company-wide total, said Julie West, manager of Field Safety and Technical Training. In the event of an OSHA recordable injury, the company will not count any work hours for the date on which the injury occurred.

An OSHA recordable injury is an occupational injury that requires medical treatment (more than simple first aid), she said, and must be recorded in Xcel Energy's software system. Program administrators will track safe work hours for all full-time, part-time, bargaining and non-bargaining employees.

"Throughout the course of the year, the Safety organization will update you on progress toward our 10 million safe hour challenge, and celebrate successes and milestones reached along the way," West said. "We'll let you know about our best performance 'stretches' and also offer seasonal advice for staying safe year round."

"When you choose to do your jobs in the safest manner possible, you are doing much more than getting yourself home safely at the end of the day," she added. "You also are playing a vital role in helping to keep your co-workers safe, and you are reaffirming a commitment to developing and sustaining a culture that places the utmost value on safety."

Mike Paffle's focus on safety in Wisconsin definitely goes beyond himself, said Kevin Schnack, manager of Agricultural

Customer Services.

"Mike's safety messages and initiatives have contributed to the success of the entire department, and he has inspired others to be safe," Schnack said. "Considering the challenges he and the other farm representatives face, I have a real appreciation for what he's accomplished."

"I'm proud I've been able to keep my feet on the ground and have achieved overall safety all these years," Paffel said. "It's important to me and my family that I come home safe every day and can enjoy life without injury."

Consider the following facts:

- On average as a company, employees work 64,000 safe productive work hours per day.
- The average days-between-injuries rate has been 1.3 days.
- The longest number of consecutive days Xcel Energy has worked without a recordable injury is 15.75 days in 2005.
- Last year, the company's longest injury-free streak was eight consecutive days.
- In 2011, the company experienced the highest number of recordable injuries for the year in January.
- In 2011, both June and November were tied for the months with the fewest number of recordable injuries.

The 10 Million Safe Work Hours Challenge is managed by Xcel Energy Safety and Training group. Anyone with questions can contact Julie West at: Julia.West@xcelenergy.com or at 303-628-2833. ☒

WOMEN'S INTERESTS NETWORK

WIN recognizes winning quartet of networkers, contributors

The Women's Interests Network (WIN) recently recognized four employees with the group's first annual "Power of WIN" award.

"This new award honors employees who have gone above and beyond to help WIN carry out its mission," said Lynn Patzner, current WIN steering committee chair. "WIN works to improve the lives of women by facilitating development, supporting diversity and building collaborative relationships."

The following four employees, representing the company's four jurisdictions, were singled out for this first set of awards:

- Christie Boatman, administrative assistant III, Design and Construction, NSP-Wisconsin.
- Pete Gomez, principal consultant, Integrity Management Programs, PSCo.
- Torri Johnson, design performance manager, Design Strategy and Planning, NSP-Minnesota.
- Becky Jones, administrative assistant III, Southern Design Engineering, SPS.

Each recipient received an award signed by Cathy Hart, vice president and corporate secretary and WIN's executive sponsor, as well as a \$50 recognition gift certificate.

"Thanks to these strong supporters who have surpassed expectations to assist WIN, our mission to help women help the business thrive at Xcel Energy," Patzner said. "We are excited to recognize these recipients for their efforts, time and dedication to WIN. And we are proud to be part of a company that encourages recognition for employees who make a differ-

ence in the advancement of all employees."

WIN is an employee network organization dedicated to issues of interest to women, Patzner explained. It focuses on issues such as professional development, education, networking and work-life balance. "But these are really interests of all Xcel Energy employees, and we encourage all to participate," she said.

Winner Christie Boatman: "Christie has shared her time and knowledge to assist with WIN event planning, including the annual Powerful You job exploration event and the recent interviewing skills lunch and learn," said Liz Wolf Green, WIN Steering Committee member. "Thanks to Christie's efforts, we are able to offer programs that make a real difference in the advancement of all employees."

"I am honored to be recognized by the WIN organization," Boatman said. "And I appreciate Xcel Energy's commitment to helping employees thrive throughout the company."

Winner Pete Gomez: Gomez explained that his extensive networking experience contributed to his WIN recognition.

"I was president of Xcelente, the Xcel Energy Latino employee network, at the time," he said. "In my tenure as president, I strove to ensure cooperation among different employee groups."

Gomez cited projects between Xcelente and Source, and also Xcelente and WIN.

"With WIN, we joined together on several events and really solidified our partnership," he said, which included a professional development seminar that WIN and Xcelente held

last year. "We videotaped the session and made it available to all employees for lunch-and-learn sessions.

"One thing about the employee networks at Xcel Energy is that we're all on one team," Gomez added. "We work together for all employees. It's that mission that really prompted the partnership between Xcelente and WIN."

Winner Torri Johnson: "While WIN has many supportive members, as well as executives who value WIN's contributions to Xcel Energy's culture and professional development, Torri Johnson stood out this year in Minnesota," Patzner said.

"In this past year, she engaged numerous employees to attend and volunteer for WIN events, volunteered her own time for WIN events, and consistently brought attention to various local events and seminars for WIN members to attend," she added. "Those included the 2011 Energetic Women Conference, St. Catherine's University Leadership Lecture Series and RMEL's Women in Energy panel event.

"Torri has an amazing amount of energy that she uses to positively influence those around her," Patzner said. "And

WIN has been fortunate to be one of the many recipients of her efforts for many years."

"While we work on issues that are important to women in the industry, we work on solutions that will affect all employees," Johnson said. "That's really a huge thing for WIN."

Winner Becky Jones: "I'm honored to be recognized for my participation and involvement in WIN," Jones said. "My efforts involved helping set up and coordinate some of the WIN events at SPS. For instance, I helped work the booth at the job fair, recruiting more members for WIN and explaining WIN to other employees."

Now Jones is at work on creating and developing more WIN programs for 2012.

"I've been a member of WIN from the start here at SPS," she said. "I definitely want to continue my involvement and help promote its benefits – networking and exploring other avenues employees can take if they want to advance their careers.

"My hope is to help it grow and help other employees grow with it." X



WIN HONOREES

Clockwise from top left, employees recently honored for their efforts on behalf of the Women's Interests Network include: Pete Gomez, principal consultant, Integrity Management Programs, PSCo; Becky Jones, administrative assistant III, Southern Design Engineering, SPS; Christie Boatman, administrative assistant III, Design and Construction, NSP-Wisconsin; and Torri Johnson, design performance manager, Design Strategy and Planning, NSP-Minnesota.

FRIENDS WE'LL MISS

Stephen R. Anderson

68, business process specialist, Riverside Plant, died Jan. 2, 2012. He worked for NSP from 1969 to 2002.

William W. Barton

88, died Jan. 17, 2012. He worked for SPS from 1952 to 1986.

Robert W. Castle

85, administrator, Budget Division, General Office, Minneapolis, Minn., died Jan. 21, 2012. He worked for NSP from 1947 to 1982.

Thomas E. Crepeau

61, lineman, Normandale, Minn., died Dec. 7, 2011. He worked for NSP from 1969 to 1979.

Paul G. Culhane

72, line crew foreman, Normandale, Minn., died Dec. 26, 2011. He worked for NSP from 1952 to 1986.

Kenneth K. Dols

90, manager, General System Operation, General Office, Minneapolis, Minn., died Jan. 3, 2012. He worked for NSP from 1948 to 1985.

Richard D. Emerson

83, production training, General Office, Minneapolis, Minn., died Dec. 21, 2011. He worked for NSP from 1949 to 1984.

Michael J. Heffernan

85, inspector trainer, Transportation, Colorado, died Dec. 27, 2011. He worked for PSCo from 1954 to 1986.

Joseph C. Holcomb

82, analyst, Material Control, Colorado, died Jan. 13, 2012. He worked for PSCo from 1974 to 1994.

James E. Lageson

82, account analyst, Northwest Division, died Jan. 1, 2012. He worked for NSP from 1950 to 1984.

Daniel J. Lykke

56, died Nov. 10, 2011. He worked for NSP from 1994 to 2001.

Gordon F. McCray

84, dispatcher, Boulder Service Center, Boulder, Colo., died Dec. 6, 2011. He worked for PSCo from 1954 to 1986.

Eskil H. Morrison

91, janitor, died Jan. 4, 2012. He worked for NSP from 1972 to 1986.

Darrel J. Olesen

84, training supervisor, Division Operations, died Dec. 18, 2011. He worked for NSP from 1949 to 1983.

Norman H. Pedersen

95, Ashland, Wis., died Dec. 13, 2011. He worked for NSP from 1948 to 1980.

William Riegel

96, division dispatcher, Fargo, N.D., died Dec. 16, 2011. He worked for NSP from 1946 to 1980.

Tedrick H. Ussery

66, working foreman, died Dec. 20, 2011. He worked for SPS from 1973 to 2008.

Robert W. Walters

senior service fitter B, Colorado, died Jan. 14, 2012. He worked for PSCo from 1962 to 1994.

Leon G. Wittner

92, supervisor, Maintenance, Colorado, died Jan. 6, 2012. He worked for PSCo from 1943 to 1983.

Gene L. Yoss

74, Colorado, died Dec. 28, 2011. He worked for PSCo from 1964 to 1994.

Eugene J. Yunker

81, gas foreman, died Jan. 16, 2012. He worked for NSP from 1953 to 1987.

RETIRING

Kenneth L. Craig

(zone1006@aol.com), working foreman, Transmission Line Construction, Amarillo, Texas, retired Feb. 15, 2012. He worked for Xcel Energy for 40 years.

Jayshree Desai

environmental analyst, Environmental Services, retired in 2011. She worked for Xcel Energy for 21 years.

Ron Elsner

(elsnerrw@gmail.com), director, Construction and Project Services, Marquette Plaza, Minneapolis, Minn., retired Feb. 28, 2012. He worked for Xcel Energy for 28 years.

Bruce Josewski

(josewski@sherbtel.net), yard supervisor, Sherco Plant, Becker, Minn., retired Feb. 29, 2012. He worked for Xcel Energy for 34 years.

Daniel Kegley

(dankegley@comcast.net), principal engineer, Control Center and Trouble Operations, retired Jan. 31, 2012. He worked for Xcel Energy for 34 years.

Debby Kelly

(collielover4@hotmail.com), administrative assistant II, Cameo Generating Station, Palisade, Colo., retired Feb. 17, 2012. She worked for Xcel Energy for 23 years.

Pamela Kilian

customer service representative, Customer Care, Sky Park, Eau Claire, Wis., retired Feb. 10, 2012. She worked for Xcel Energy for 10 years.

Fredrick N. Lindt

(CLindt@pvt.net), plant superintendant, Energy Supply, Tolk Station, Earth, Texas, retired Feb. 28, 2012. He worked for Xcel Energy for 39 years.

David K. Milbern

journeyman mechanic, Harrington Generating Station, Amarillo, Texas, retires March 31, 2012. He worked for Xcel Energy for 40 years.

Lonnie A. Sloman

classified welder, Thermal District Maintenance, Denver, Colo., retired Feb. 10, 2012. He worked for Xcel Energy for 23 years.

Mike Winter

general supervisor, Mechanical Maintenance, Monticello Nuclear Generating Plant, Monticello, Minn., retires March 12, 2012. He worked for Xcel Energy for 36 years.

AROUND THE COMPANY

Xcel Energy named No. 2 most trustworthy public company for 2011

Xcel Energy recently was named the nation's second most trustworthy company by Trust Across America, a think tank dedicated to trustworthy business behavior.

The group announced the results of its second annual study of nearly 2,500 public companies in December, naming Smithfield Foods as the most trustworthy public company for 2011, and Xcel Energy as the second most trustworthy.

Nike Inc. followed as No. 3, and other companies in the top 10 included LexMark International, Dole Food Co. and Texas Instruments.

"It's great to be recognized for qualities – like integrity – that are fundamental to our success, but somewhat hard to measure, said Ben Fowke, chairman, president and CEO.

The Trust Across America (TAA) study independently analyzes more than 200 data points with respect to five key corporate indicators of trustworthy business behavior:

- Financial stability and strength.
- Accounting conservativeness.
- Corporate integrity.
- Transparency.
- And Sustainability.

In addition, TAA also recognized Fowke as one of the nation's top thought leaders at trustworthy companies.

Companies do not participate in the analysis, said Barbara Kimmel, executive director of TAA. The framework, initially conceived and developed in 2008 with a group of academics, corporate leaders and consultants, is the most holistic and comprehensive trust "health" checkup for public companies, she said.

TAA has developed an audit model for measuring trustworthy business behavior. The audit breaks through the traditional corporate reporting model, and provides companies and industries with an assessment tool for measuring trustworthy behavior, she said. It also provides a new method of telling an integrated, unbiased and unified story to stakeholders.

The following is a ranked list of TAA's top 10 most trustworthy companies for 2011:

1. Smithfield Foods, a global food company.
2. Xcel Energy, a regional supplier of electric power and natural gas.
3. Nike, Inc., a global marketer of athletic footwear, apparel and equipment.
4. Dole Food Co., the world's largest producer of fruits and vegetables.
5. Advanced Micro Devices, a semiconductor design innovator.
6. Allergan, a global multi-specialty healthcare company.
7. Temple-Inland, a low-cost corrugated packaging and building products company.
8. Herman Miller, a designer and manufacturer of furniture.
9. Texas Instruments, a developer of analog, digital signal processing, and semiconductor technologies.
10. Lexmark International, a provider of printing and imaging products and software solutions.

Company signs \$500 million fuel-supply contract for Monticello plant

AREVA has signed a unique integrated-fuel and related-services contract with Xcel Energy to supply Monticello Nuclear Generating Plant, near Monticello, Minn.

The approximately \$500 million integrated contract covers uranium, conversion, enrichment, fuel design and fabrication, as well as related engineering services. It is the first such award by a U.S. nuclear utility to a fuel supplier in several decades.

Under the agreement, AREVA will provide six fuel reloads, including a decade of fuel supply, with deliveries beginning in 2015.

The contract includes transition of the Monticello plant to use AREVA's ATRIUM™ 10XM boiling water reactor fuel. This will be the first time that Xcel Energy will use AREVA fuel in its plants.

Dennis Koehl, senior vice president and chief nuclear officer, said Xcel Energy looks forward to working with AREVA.

"This contract represents the start of a productive working relationship between AREVA and Xcel Energy – one we believe will benefit our customers by controlling fuel costs," Koehl said.

"AREVA is pleased with the trust placed in us by Xcel

Energy," added Luc Oursel, CEO of AREVA. "This success was made possible thanks to our integrated business model, which draws on a broad portfolio of products and services tailored to meet our customers' needs."

Monticello Nuclear Generating Station, Monticello, Minn.





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