Total Rewards for Employees

Our Approach
As our industry changes, it is essential that we are able to offer current and prospective employees an attractive package of pay, benefits and professional development. With that in mind, Xcel Energy is committed to providing employees with market-competitive compensation and benefits. Through benchmarking and employing best practices, we strive to provide programs aligned with the market and attractive to our workforce, while finding ways to manage costs to keep our compensation and benefits programs financially viable.

Employee Total Rewards
Xcel Energy’s total rewards package includes base and variable compensation, along with benefits like health and wellness, retirement and pension, paid time off, recognition and talent development.

Our Total Rewards Statement tool is offered to show most of our employees the full value of the benefits package we provide. It offers a personalized snapshot of pay and benefits information, as well as links to additional program and service information. Employees can access their individual statements online.

Xcel Energy Sample Total Rewards Statement

- Pay for Time Off: 9%
- Other Cash Compensation: 4%
- Health and Welfare Benefits: 17%
- Retirement Benefits: 10%
- Base Compensation: 60%
Benefits

A significant portion of our investment in employees is made through a benefits package that remains consistently competitive in the marketplace. Offering a comprehensive approach to well-being, Xcel Energy provides programs that address the physical, emotional and financial health of our employees.

We are committed to supporting the health of employees and offer a medical plan that provides comprehensive coverage, encouraging preventive care so health issues can be identified and treated before they start.

Our Employee Assistance Program connects employees with free, confidential support to resolve a variety of issues, from mental health counseling to elder care, financial and legal advice.

Xcel Energy continues to offer a basic pension plan along with a 401(k) savings plan, which demonstrates our commitment to partnering with employees to meet their long-term financial goals. Unlike many employers who have frozen pension plans or reduced contributions to 401(k) accounts, we continue to contribute to these plans as a sign of our commitment to provide savings vehicles that enable employees to fully engage while working, yet able to exit the workforce at an appropriate age. We also balance financial and workforce objectives with providing a fair and market-based benefits package, which results in our ability to recruit and retain top talent to serve our customers.

**Xcel Energy Benefits Package for eligible Non-bargaining Unit Employees***

| Health Benefit Plans | • High Deductible Healthcare Plan (HDHP)  
|                      |   – Reasonable and affordable premiums  
|                      |   – Includes a Health Savings Account (HSA) employees can contribute pre-tax dollars  
|                      |   – In aggregate, Xcel Energy pays almost 75% of medical costs  
|                      | • Dental plan  
|                      |   – Xcel Energy offers a basic and enhanced dental plan  
|                      | • Vision plan  
|                      |   – Xcel Energy offers access to a vision plan  
|                      | • Wellness Program  
|                      |   – Financial incentives to encourage healthy lifestyles  
|                      |   – Wellness coaching including tobacco cessation, weight management, diabetes management, onsite yoga and flu shots  
|                      |   – Fitness center reimbursements  
| Retirement Plans     | • Pension plan  
|                      |   – 5 percent cash balance plan for new employees and legacy formulas for other employees  
|                      |   – 100 percent paid by Xcel Energy  
|                      | • 401(k) savings plan  
|                      |   – Savings Plan allows employees to save for their future through automatic payroll deductions (pre-tax, Roth 401(k) after-tax or a combination of both)  
|                      |   – Variety of investment options (cash, bond and stock investments)  
|                      |   – Company matching contributions  
| Income Protection    | • Life Insurance  
|                      |   – Xcel Energy covers the full cost of basic life insurance  
|                      |   – Offers voluntary supplemental and dependent life insurance coverage  
|                      | • Paid Time Off  
|                      |   – Xcel Energy covers the full cost of short-term and long-term disability for eligible employees  
| Professional development programs | • Tuition reimbursement  
|                      | • Variety of internal and external development opportunities  

* Xcel Energy Benefits Package for eligible Non-bargaining Unit Employees includes

**Notes:**

1. Benefits are subject to change and vary by location.
2. Specific details and terms of benefits may vary based on individual employee eligibility and location.
Professional Development

Total Rewards is more than pay and benefits. It also includes providing opportunities for the professional development of our employees. Xcel Energy is committed to professional development and maintaining an environment where learning and growth can occur. Employees are ultimately responsible for owning and managing their own professional development; however, we expect managers to encourage development through feedback, suggestions and support.

With this in mind, we offer employees resources and tools to support their personal and professional development, including a Learning Management System, which provides e-learning, virtual and traditional training options. We also provide employees with development planning tools, assessments and suggestions for practicing new skills and behaviors.

In 2016, employees completed a total of 332,275 internal learning opportunities. Additionally, our tuition reimbursement program provided $953,871 to 288 employees in 2016.

### 2016 Professional Development Opportunities

<table>
<thead>
<tr>
<th>Learning Programs</th>
<th>Completions in 2016</th>
<th>Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online Courses</td>
<td>231,851 completions of 2,278 course titles</td>
<td>We offer an extensive catalog of online courses for employees to complete, ranging from technical and computer application training to professional and management training to compliance-related education and more. Some of these training programs are mandatory.</td>
</tr>
<tr>
<td>Classroom Courses</td>
<td>100,424 completions of 2,131 course titles</td>
<td>Employees can choose to attend a number of different training programs that are taught in person, ranging from safety and compliance-related classes to professional development classes to technical trainings. Depending on job responsibilities, some of these courses are mandatory.</td>
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<tr>
<td>Career Development Assignment Program</td>
<td>40 completions</td>
<td>The Career Development Assignment Program is an intentional effort to support the development of high performing employees through cross-functional experience aligned to business needs. Employees may be pre-identified through succession planning or, in some cases, the opportunity may be posted.</td>
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### 2016 Leadership Development Opportunities

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<tr>
<td>Talent Review</td>
<td>300+</td>
<td>Our talent review process identifies individuals who might be successors for critical positions at Xcel Energy. In all, about 240 key positions have been identified and more than 1,500 leaders and individual contributors have been assessed. Through this systematic process, executives and managers discuss assessments regarding the long-term performance, leadership potential and career aspirations of their employees. Working in teams, they determine the developmental readiness of each employee, create customized development plans and identify talent gaps.</td>
</tr>
<tr>
<td>Coaching in the Moment</td>
<td>314</td>
<td>Coaching in the Moment is a full-day learning opportunity that teaches leaders how to coach employees by using insightful observations, shifting their worldviews and empowering them to take meaningful action. This training is transforming how our leaders interact with their team members by helping them learn to resolve their own dilemmas.</td>
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## Learning Programs

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<td>The Leadership Challenge</td>
<td>915</td>
<td>The Leadership Challenge is a leadership development program designed for leaders to equip and empower them to lead effectively through change and transition. The program targets Xcel Energy leaders (supervisor to director) who have direct reports, or who regularly manage people as part of their job, with an emphasis on those who will be impacted most by change.</td>
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