



Mr. Richard R. Schrubbe  
 May 13, 2022

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Mr. Richard R. Schrubbe  
 AVP, Financial Analysis & Planning  
 Xcel Energy Inc.  
 401 Nicollet Mall  
 3<sup>rd</sup> Floor  
 Minneapolis, Minnesota 55401

## 2022 VALUATION RESULTS AND 2023-2027 BENEFIT COST ESTIMATES

Dear Rick:

This letter summarizes the results of the 2022 plan year IRS funding valuations for Xcel Energy's qualified pension plans. Final results for the Long-Term Disability and Workers' Compensation plans will be provided in an updated version of this letter after the results are completed in the next few weeks. 2022 costs and 2023-2027 cost estimates for all other plans are unchanged from February 4, 2022.

Attached to this letter are benefit cost exhibits and an exhibit that provides plan specific details of the cost reconciliations for the qualified pension plans.

### Pension plan funding

#### Summary of key results

The key results for each plan are provided in the following table:

(\$ in millions)	Xcel Energy Pension Plan	NCE Nonbargaining Plan	SPS Bargaining Plan	PSCo Bargaining Plan
Effective interest rate	5.33%	5.27%	5.42%	5.41%
<b>Contribution requirements for the 2022 plan year (as of January 1, 2022)</b>				
Minimum required contribution before funding balance	\$19.6	\$0.0	\$0.0	\$0.0
Minimum required contribution after funding balance	\$0.0	\$0.0	\$0.0	\$0.0
<b>2022 PBGC premiums (due by October 15, 2022)</b>				
Estimated PBGC flat rate premiums	\$1.0	\$0.1	\$0.2	\$0.6
PBGC variable rate premiums	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>
Total PBGC premiums	\$1.0	\$0.1	\$0.2	\$0.6

The April 2022 funding balance election for the Xcel Energy Pension Plan satisfied all requirements due in calendar year 2022 with the remaining minimum (\$3.2 million as of January 1, 2022) due by January 15, 2023. Additionally, the April 2022 funding balance elections exceeded the 2022 plan year minimum funding requirements for the SPS Bargaining Plan (\$1.8 million excess) and the PSCo Bargaining Plan (\$5.4 million excess). The excess elections can be revoked prior to December 31, 2022. We will discuss revocation of the excess in more detail with you during the upcoming contribution planning analysis.



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## Funded status

A plan's funded status is measured by comparing the present value of plan benefits to the value of plan assets. The following table summarizes the 2022 plan year funded percentages:

Minimum funding and benefit restrictions – 2022 (\$ in millions)	Xcel Energy Pension Plan	NCE Nonbargaining Plan	SPS Bargaining Plan	PSCo Bargaining Plan
1. Effective interest rate	5.33%	5.27%	5.42%	5.41%
2. Target liability as of January 1	\$1,379.4	\$210.8	\$336.3	\$910.8
3. Actuarial value of assets as of January 1 <sup>1</sup>	\$1,668.2	\$257.8	\$448.6	\$1,165.4
4. Funding balance as of January 1	\$251.5	\$24.2	\$87.5	\$220.1
5. Funded percentage before funding balance reduction from plan assets [(3) / (2)]	120.9%	122.3%	133.4%	128.0%
6. Funded percentage with funding balance reduction from plan assets (FTAP) [((3) – (4)) / (2)]	102.7%	110.8%	107.4%	103.8%
7. Preliminary Adjusted Funding Target Attainment Percentage (AFTAP) <sup>2</sup>	120.9%	122.3%	133.4%	128.3%

<sup>1</sup> Includes present value of receivable contributions

<sup>2</sup> If actuarial value of assets/target liability >= 100%, the AFTAP matches line 5; otherwise it matches line 6

## Benefit restrictions

Based on the 2022 funding results, benefit restrictions are not expected to apply for the 2022 plan year since the preliminary AFTAP for each plan exceeds 80.0%. We will provide our certification of the funded status prior to the September 30, 2022 deadline.



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## Funding balances

The following summarizes the funding balance activity for the Xcel Energy pension plans.

(\$ in millions)	Xcel Energy Pension Plan	NCE Nonbargaining Plan	SPS Bargaining Plan	PSCo Bargaining Plan
<b>Funding balances at January 1, 2021</b>	<b>\$281.8</b>	<b>\$21.6</b>	<b>\$88.0</b>	<b>\$187.6</b>
Funding balances used for the 2021 plan year	(65.9)	0.0	(7.1)	(21.6)
Excess contributions expected to be elected to be added to funding balance <sup>1</sup>	15.8	0.6	0.0	40.5
Investment experience adjustments	19.8	2.0	6.6	13.5
Amount of funding balance forfeited for AFTAP purposes	0.0	0.0	0.0	0.0
<b>Funding balances at January 1, 2022</b>	<b>\$251.5</b>	<b>\$24.2</b>	<b>\$87.5</b>	<b>\$220.0</b>

<sup>1</sup> No elections have been made as of May 13, 2022. Results shown assume Xcel Energy elects to create the maximum available amount of funding balance. WTW will discuss the funding balance creation elections with Xcel Energy in the next few weeks and election forms will be provided shortly thereafter.

## PBGC premiums

The PBGC variable rate premium amounts in the table on page two are based on the Alternative Premium Funding Target for all four plans. Once an election is made to change methods, that election cannot be changed again for five years. The Xcel Energy Pension Plan and SPS Bargaining Plan are currently eligible to change methods while the NCE Nonbargaining Plan and PSCo Bargaining Plan are locked-in to the alternative method until 2025. With no variable rate premiums due in 2022, we do not recommend any method changes for 2022 premiums and will evaluate again next year.



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## ERISA 4010 funded status

An ERISA 4010 filing is required if any 4010 Funding Target Attainment Percentage (4010 FTAP) for a plan within the controlled group of the plan sponsor is less than 80%. For this purpose, the target liability is calculated using interest rates that do not reflect interest rate stabilization and plan assets are reduced by the amount of the prefunding balance. This determination is done as of the valuation date for the plan year ending within the information year ending December 31, 2022 (i.e., the 2022 plan year). The valuation date for the 2022 plan year is January 1, 2022. The January 1, 2022 4010 FTAPs for all Xcel Energy pension plans are as follows:

4010 FTAP – 2022 (\$ in millions)	Xcel Energy Pension Plan	NCE Nonbargaining Plan	SPS Bargaining Plan	PSCo Bargaining Plan
1. Effective interest rate	2.77%	2.68%	2.92%	2.91%
2. Target liability as of January 1	\$1,718.5	\$256.4	\$448.9	\$1,202.8
3. Actuarial value of assets as of January 1	\$1,668.2	\$257.8	\$448.6	\$1,165.4
4. Funding balance as of January 1	\$251.5	\$24.2	\$87.5	\$220.1
5. Funded percentage with funding balance reduction from plan assets (4010 FTAP) [((3) – (4)) / (2)]	82.4%	91.1%	80.5%	78.6%

Based on the results above, a filing will be required for the 2022 information (fiscal) year unless an additional contribution for the 2021 plan year of at least \$16.9 million (as of January 1, 2022 plus interest to the contribution date) is made to the PSCo Bargaining Plan and no additional funding balance is created. The deadline for this contribution is September 15, 2022. Alternatively, \$16.9 million of funding balance may be forfeited by December 31, 2022 (or \$16.9 million less than the maximum amount available is created by September 15, 2022) such that the 4010 FTAP for the PSCo Bargaining Plan is at least 80%. If no action is taken and a 4010 filing is required for the 2022 information year, the submission deadline will be April 15, 2023. We will discuss the alternatives in more detail with you during the upcoming contribution planning analysis.

## Long-term disability and workers' compensation results

Results will be updated after finalizing the 2022 census data for both plans.



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## Results exhibits

Final 2022 benefit costs (prior to potential/final settlement charges) and 2023-2027 benefit cost forecasts are attached to the end of this letter. Except as noted on page one of this letter, benefit cost results and forecasts are unchanged from the results provided on February 4, 2022. 2022 benefit costs and estimates of 2023-2027 benefit costs summarized by legal entity are presented in the attached exhibits as follows:

- Exhibit I: Benefit Cost Estimates – Qualified Pension Plans
- Exhibit II: Benefit Cost Estimates – Nonqualified Pension Plans
- Exhibit III: Benefit Cost Estimates – Retiree Medical and Life Insurance Plan
- Exhibit IV: Liabilities – LTD and Workers' Compensation
- Exhibit V: Claims and Expenses – LTD and Workers' Compensation
- Exhibit VI: Benefit Cost Estimates – LTD and Workers' Compensation
- Exhibit VII: Benefit Cost Reconciliation Details – Qualified Pension Plans

## Plans valued

The attached exhibits include estimates for the following employee benefit plans maintained by Xcel Energy Inc. (Xcel Energy):

- Xcel Energy Pension Plan
- Xcel Energy Inc. Nonbargaining Pension Plan (South) [NCE Nonbargaining Plan]
- New Century Energies Inc. Retirement Plan for SPS Bargaining Unit Employees and Former Nonbargaining Unit Employees [SPS Bargaining Plan]
- New Century Energies Inc. Retirement Plan for PSCo Bargaining Unit Employees and Former Nonbargaining Unit Employees [PSCo Bargaining Plan]
- Xcel Energy Nonqualified Defined Benefit Plan, including:
  - Xcel Energy SERP
  - SPS SERP
  - Employment Agreements
  - Fort St. Vrain Nuclear Operations Personnel Plan
  - NMC SERP Part A
- Xcel Energy Retiree Medical and Life Insurance Plan (including Executive Life Insurance)
- Xcel Energy Workers' Compensation
- Xcel Energy Long-Term Disability (LTD) Income



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## Forecast results

Forecast results are based on the information summarized below.

The following provides a reconciliation of actual 2022 costs to 2023 estimated costs, prior to regulatory effects and potential settlement charges:

### Reconciliation of benefit costs (prior to regulatory effects and potential settlement charges)

(\$ in millions)	Qualified Pension <sup>1</sup>	Nonqualified Pension	Retiree Medical	Workers' Compensation	Long Term Disability	Total
<b>Final 2022<sup>2</sup></b>	<b>\$71.6</b>	<b>\$3.6</b>	<b>(\$4.9)</b>	<b>\$TBD</b>	<b>\$TBD</b>	<b>\$TBD</b>
Historical asset performance	(12.0)	0.0	0.0	TBD	TBD	TBD
Expected liability, asset, and loss amortization changes	(8.9)	(0.2)	5.3	TBD	TBD	TBD
Reduced loss amortization from estimated 2022 settlement charge	0.0	(1.7)	0.0	TBD	TBD	TBD
<b>Initial 2023 estimate</b>	<b>\$50.7</b>	<b>\$1.7</b>	<b>\$0.4</b>	<b>\$TBD</b>	<b>\$TBD</b>	<b>\$TBD</b>

<sup>1</sup> Qualified Pension Plan costs reflect the assumption that NSP-MN and Xcel Energy Nuclear costs are determined under the Aggregate Cost Compensation Method. No additional regulatory deferrals have been reflected. See Exhibit VII for additional details.

<sup>2</sup> Not including estimated 2022 settlement charges or potential remeasurement impacts.

## Data, assumptions, methods and plan provisions for benefit costs

The 2022 benefit costs, and estimated 2023-2027 costs reflect the following data, assumptions, methods and plan provisions:

### Data

Results for 2022-2027 are based on participant data as of January 1, 2021 projected to the end of the year based on status, compensation and benefit changes through November 30, 2021 and known retirements for December 2021. Actual new entrants through November 30, 2021 and expected new entrants through December 31, 2021 are included for the pension plans.



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## Economic assumptions

The key assumptions used to determine the actual 2022 and estimated 2023-2027 benefit cost results are provided below. The assumptions used to calculate the cost under the aggregate cost method are the same as used to prepare the ASC 715 results, except as noted. Actual asset returns net of administrative expenses are assumed to equal the expected return on assets assumptions throughout the forecast period.

May 13, 2022 results	
<b>Benefit cost</b>	
<b>Discount rate – ASC 715:</b>	
Xcel Energy Pension Plan	3.07%
NCE Nonbargaining Pension Plan	3.02%
SPS Bargaining Pension Plan	3.14%
PSCo Bargaining Pension Plan	3.14%
Nonqualified Pension Plan	2.67%
Retiree Medical and Life Insurance Plan	3.09%
Workers' Compensation and LTD	3.03%
<b>Expected return on assets assumption – Pension:</b>	
Xcel Energy Pension Plan	6.60%
NCE Nonbargaining Pension Plan	6.60%
SPS Bargaining Pension Plan	6.35%
PSCo Bargaining Pension Plan	6.35%
Weighted average expected return	6.49%
<b>Expected return on assets assumption – VEBA (Bargaining/Nonbargaining)</b>	4.10%
<b>Discount rate – aggregate cost</b>	6.60%
<b>Salary scale<sup>1</sup></b>	3.75%
<b>Initial medical trend:</b>	
Pre-Medicare	5.30%
Post-Medicare	4.90%
<b>Ultimate medical trend</b>	4.50%
<b>Year ultimate trend is reached</b>	2026

<sup>1</sup> Career average of age-graded table (nonbargaining) and service-graded table (bargaining)

- The interest rate for converting lump sums to annuities and annuities to lump sums was updated from 2.50% to 2.90% in all years. The pre-PPA lump sum conversion interest rate was updated from 1.75% to 2.00%.
- The interest crediting rate for the 5% cash balance formula was updated from 1.75% to 2.00%. The interest crediting rate for the Retirement Spending Account was updated from 1.25% to 1.50%.



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## Demographic assumptions

- Active participant counts are assumed to remain level throughout the forecast period.
- Participant counts from January 1, 2021 were adjusted for terminations/retirements as described above under Data. Actual new entrants through November 30, 2021 and expected new entrants through December 31, 2021 are included for the pension plans.
- The mortality assumption for converting between lump sums and annuities was updated to the prescribed IRS tables for conversions in 2022 and projected for 2023 and later conversions with static mortality improvements using MP-2021.
- The assumed per capita claims costs were updated for the Xcel Energy Retiree Medical and Life Insurance Plan. The assumed per capita claims costs increased approximately 1.0% (2.7% decrease pre-65, 3.2% increase post-65), compared to an expected increase of 5.5% for pre-65 and 5.0% for post-65. The expected Medicare Part D reimbursement for eligible retirees increased 9.0% versus an expected increase of 5.0%.

For additional economic and demographic assumption details, see our December 31, 2021 valuation report appendices dated February 28, 2022 and March 4, 2022. **Pension contributions**

The forecasts reflect actual 2022 contributions of \$50 million made on January 3, 2022. At this time, the contribution forecasts have not been updated for final 2021 asset returns and discount rate levels. The cost estimates included in this letter reflect the planned contributions provided by Xcel Energy for 2023 through 2027 with the exception of a \$10 million shift from PSCo to XEPP in 2023 to offset the final 2022 contribution allocation. Contribution forecasts will be re-evaluated later this year. The table below summarizes the amounts assigned to each plan over the forecast period:

	Year					
	2022	2023	2024	2025	2026	2027
Xcel Energy Pension Plan	\$ 10.0	\$ 40.0	\$ 40.0	\$ 40.0	\$ 40.0	\$ 0.0
NCE Nonbargaining Plan	0.0	0.0	0.0	0.0	0.0	0.0
SPS Bargaining Plan	0.0	0.0	0.0	0.0	0.0	0.0
PSCo Bargaining Plan	40.0	10.0	10.0	10.0	10.0	0.0
<b>Total Contribution</b>	<b>\$ 50.0</b>	<b>\$ 50.0</b>	<b>\$ 50.0</b>	<b>\$ 50.0</b>	<b>\$ 50.0</b>	<b>\$ 0.0</b>

- Contributions in 2023 and beyond are assumed to be paid on January 15<sup>th</sup> and assigned to the prior plan year.

## Plan provision updates

All plan provisions valued are the same as our 2022 valuation reports dated March 4, 2022, including the December 8, 2021 benefit increases for certain individuals in the Xcel Energy Pension Plan and NCE Nonbargaining Plan.





## Data, assumptions, methods and plan provisions for pension plan funding

### Data

The 2022 pension funding results are based on data as of January 1, 2022 as summarized in the data memo delivered May 11, 2022.

### Economic assumptions

All economic assumptions for the funding results are the same as noted above under the Benefit Cost section, except the discount rates and interest rates for converting between form of payment types. These assumptions are prescribed by IRS regulations. The discount rates and form of payment conversions are based on the following 3-segment rates:

- 3-segment rates reflecting stabilization (4.75% / 5.18% / 5.92%)
- 3-segment rates not reflecting stabilization (1.07% / 2.68% / 3.36%)
- Applicable month: September

### Demographic assumptions

All demographic assumptions for the funding results are the same as noted above under the Benefit Cost section, except the mortality assumption. The mortality assumption reflects the IRS prescribed static mortality assumption for 2022 valuations.

### Plan provision updates

All plan provisions valued for the funding results are the same as the January 1, 2021 valuations, except the benefits for certain individuals in the Xcel Energy Pension Plan and the NCE Nonbargaining Plan were increased effective December 8, 2021.



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## Actuarial certification

This valuation has been conducted in accordance with generally accepted actuarial principles and practices. However, please note the information discussed below regarding this valuation.

### Reliances

In preparing the results presented in this report, we have relied upon information regarding plan provisions, participants, assets, and sponsor accounting policies and methods provided by Xcel Energy Inc. and other persons or organizations designated by Xcel Energy Inc. We have relied on all the data and information provided as complete and accurate. We have reviewed this information for overall reasonableness and consistency but have neither audited nor independently verified this information. Based on discussions with and concurrence by the plan sponsor, assumptions or estimates may have been made if data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations. The results presented in this report are directly dependent upon the accuracy and completeness of the underlying data and information. Any material inaccuracy in the data, assets, plan provisions or other information provided to us may have produced results that are not suitable for the purposes of this report and such inaccuracies, as corrected by Xcel Energy Inc., may produce materially different results that could require that a revised report be issued.

### Measurement of benefit obligations, plan assets and balance sheet adjustments

For benefit cost, the measurement date is December 31, 2021. The benefit obligations were measured as of the Company's December 31, 2021 fiscal year-end and are based on participant data as of the census date, January 1, 2021. We have projected forward benefit obligations to the end of the year, adjusting for benefit payments, expected growth in benefit obligations, changes in key assumptions and plan provisions, and changes in participant status and compensation through November 30, 2021.

Information about the fair value of plan assets and the general ledger account balances for the pension plan cost at December 31, 2021, which reflect the expected funded status of the plan was reviewed for reasonableness and consistency, but no audit was performed.

Accumulated other comprehensive (income)/loss amounts shown in the report are shown prior to adjustment for tax effects. Any tax effects in AOCI should be determined by the Company in consultation with its tax advisors and independent accountants.

Per the company's accounting policy, we have not allocated any surplus assets to discontinued operations within each accounting plan.

For the minimum funding results, liabilities and assets were measured as of the January 1, 2022 valuation date.

### Assumptions and methods under U.S. GAAP

As required by U.S. GAAP, the actuarial assumptions and methods employed in the development of the pension cost and other financial reporting have been selected by the Company. WTW has evaluated the assumptions used and believes that they do not significantly conflict with what would be reasonable. U.S. GAAP requires that each significant assumption "individually represent the best estimate of the plan's future experience solely with respect to that assumption."

The results shown in this report have been developed based on actuarial assumptions that, to the extent evaluated by WTW, we consider to be reasonable. Other actuarial assumptions could also be considered to



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be reasonable. Thus, reasonable results differing from those presented in this report could have been developed by selecting different reasonable assumptions.

Please see the actuarial valuation reports to determine accounting requirements for the plan year ending December 31, 2021 and beginning January 1, 2022 dated February 28, 2022 and March 4, 2022 for additional details. Note that any subsequent changes in methods or assumptions for the December 31, 2021 measurement date will change the results shown in this report.

Certain models (as described in ASOP No. 56) were used in preparing the information presented herein. Further information on these models can be found in the valuation report.

### **Assumptions and methods under ERISA and the Internal Revenue Code for funding purposes**

The plan sponsor selected, as prescribed by regulation, key assumptions and funding methods (including the mortality assumption, asset valuation method and the choice among prescribed interest rates) employed in the development of the results presented in this report and communicated them to us in the letter dated April 8, 2022.

To the extent not prescribed by ERISA, the Internal Revenue Code and regulatory guidance from the Treasury and the IRS, or selected by the sponsor, the actuarial assumptions and methods employed in the development of the results presented in this report have been selected by WTW, with the concurrence of the plan sponsor. It is beyond the scope of this actuarial valuation to analyze the reasonableness and appropriateness of prescribed methods and assumptions, or to analyze other sponsor elections from among the alternatives available for prescribed methods and assumptions.

Other than prescribed assumptions, ERISA and the Internal Revenue Code require the use of assumptions each of which is “reasonable (taking into account the experience of the plan and reasonable expectations), and which, in combination, offer the actuary’s best estimate of anticipated experience under the plan.” The results shown in this report have been developed based on actuarial assumptions that, to the extent evaluated or selected by WTW, we consider to be reasonable. Other actuarial assumptions could also be considered to be reasonable. Thus, reasonable results differing from those presented in this report could have been developed by selecting different reasonable assumptions. Nature of actuarial calculations

The results shown in this report are estimates based on data that may be imperfect and on assumptions about future events that cannot be predicted with any certainty. The effects of certain plan provisions may be approximated or determined to be insignificant and therefore not valued. Reasonable efforts were made in preparing this valuation to confirm that items that are significant in the context of the actuarial liabilities or costs are treated appropriately and are not excluded or included inappropriately. Any rounding (or lack thereof) used for displaying numbers in this report is not intended to imply a degree of precision, which is not a characteristic of actuarial calculations.

If overall future plan experience produces higher benefit payments or lower investment returns than assumed, the relative level of plan costs reported in this valuation will likely increase in future valuations (and vice versa). Future actuarial measurements may differ significantly from the current measurements presented in this report due to many factors, including: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for the measurements (such as the end of an amortization period), and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements.

Certain models (as described in ASOP No. 56) were used in preparing the information presented herein. Further information on these models can be found in the valuation report.



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## Limitations on use

This report is provided subject to the terms set out herein and, in our engagement, letter dated June 1, 2011 and any accompanying or referenced terms and conditions.

The information contained in this report was prepared for the internal use of Xcel Energy Inc. and its auditors in connection with our actuarial valuation of the pension plans as described in Purposes of Valuation above. It is not intended for and may not be used for other purposes, and we accept no responsibility or liability in this regard. Xcel Energy Inc. may distribute this actuarial valuation report to the appropriate authorities who have the legal right to require Xcel Energy Inc. to provide them this report, in which case Xcel Energy Inc. will use best efforts to notify WTW in advance of this distribution. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited without WTW's prior written consent. WTW accepts no responsibility for any consequences arising from any other party relying on this report or any advice relating to its contents.

Except as otherwise provided herein, for all plans other than LTD, the accounting results presented are based on the data, assumptions, methods, models and plan provisions outlined in our February 4, 2022 letter and the actuarial valuation reports to determine accounting requirements for the plan year ending December 31, 2021 and beginning January 1, 2022 dated February 28, 2022 and March 4, 2022. For the LTD and Workers' compensation plans, the results presented are based on the data, assumptions, methods, models and plan provisions outlined in our reports for the plan year beginning January 1, 2021, except as noted above. The minimum funding results are also based on the actuarial valuation reports to determine funding requirements for the plan year beginning January 1, 2021 dated September 30, 2021, with updates to the assumptions and data as noted above. Therefore, the descriptions of the data, assumptions, methods, models, plan provisions and limitations of the valuation and its use should be considered part of this letter report.



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## Professional qualifications

The undersigned consulting actuaries are members of the Society of Actuaries and meet the “Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States” relating to pension and postretirement welfare plans. Our objectivity is not impaired by any relationship between the plan sponsor and our employer, Willis Towers Watson US LLC (WTW).

## NEXT STEPS

If you have any questions or would like to discuss, please contact Mark at 952-842-6445, Kristoff at 952-842-6359 or Ali at 952-842-6225.

Sincerely,

Handwritten signature of Mark A. Afdahl in black ink.

Mark A. Afdahl, FSA, EA  
Director, Retirement

Handwritten signature of Kristoff M. Hendrickson in black ink.

Kristoff M. Hendrickson, FSA, EA  
Director, Retirement

Handwritten signature of Ali Rehan Rattansi in black ink.

Ali Rehan Rattansi, ASA, EA  
Associate Director, Retirement

cc:    Todd Degrugillier — Xcel Energy Inc.                    Mark Anderson — WTW  
      Rachel Filippi — Xcel Energy Inc.                    Beth Fernandez — WTW  
      Levi Glines — Xcel Energy Inc.                        Zach Hansen — WTW  
      Paul Johnson — Xcel Energy Inc.                     Jon Nilson — WTW  
      Kris Lindemann — Xcel Energy Inc.                   Nancy Monson — WTW  
      Ruth Lowenthal — Xcel Energy Inc.                   Liz Scott — WTW  
      Garrett Mikrut — Xcel Energy Inc.                   Jim Shaddy — WTW  
      Debbie Robin — Xcel Energy Inc.  
      Greg Zick — Xcel Energy Inc.

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**XCEL ENERGY INC. - Qualified Pension Plans**  
 Cost by Legal Entity  
 (\$ in Thousands)



	Amortizations			Net (Gain)/Loss	Settlement Charge <sup>1</sup>	Aggregate Cost Compensation Method	Aggregate Cost 20-year Amortization Method	January 1 Prepaid (Accrued)	Contribution	PBO
	Service Cost	Interest Cost	Expected Return on Assets							
<b>2022</b>										
<b>Xcel Energy Pension Plan (XEPP)</b>										
Discontinued Operations <sup>2</sup>	-	2,207	(4,202)	2,680	685	-	N/A	35,029	411	74,675
Xcel Energy Nuclear	5,028	2,807	(5,334)	370	2,657	-	2,913	(6,689)	532	96,209
NSP - MN	22,030	22,313	(42,291)	23,248	25,479	-	23,649	289,923	4,375	780,985
NSP - WI	4,793	4,092	(7,772)	3,460	4,549	-	N/A	39,906	779	140,856
Xcel Services <sup>3</sup>	25,870	20,614	(39,189)	11,529	17,839	-	N/A	98,950	3,900	704,838
XEPC (former EMI)	-	15	(28)	5	(6)	-	N/A	30	3	498
Total XEPP	57,721	52,048	(98,816)	41,292	51,201	-	26,562	457,149	10,000	1,798,061
<b>NCE Non-Bargaining Pension Plan</b>										
Discontinued Operations - Cheyenne	-	97	(191)	123	29	-	N/A	1,688	-	3,382
PSCo	3,547	5,043	(10,295)	2,470	600	-	N/A	28,276	-	175,115
SPS	2,543	2,374	(4,840)	1,728	1,686	-	N/A	22,069	-	83,587
Total NCE	6,090	7,514	(15,326)	4,319	2,295	-	N/A	52,033	-	262,084
<b>SPS Bargaining Plan</b>										
SPS	7,271	14,113	(26,220)	8,717	3,881	-	N/A	132,378	-	461,057
Total SPS	7,271	14,113	(26,220)	8,717	3,881	-	N/A	132,378	-	461,057
<b>PSCo Bargaining Plan</b>										
Discontinued Operations - Cheyenne	-	281	(522)	371	130	-	N/A	6,451	309	9,315
PSCo	25,903	36,244	(67,389)	20,041	14,815	-	N/A	272,661	39,691	1,187,695
Total PSCo	25,903	36,525	(67,911)	20,412	14,945	-	N/A	279,112	40,000	1,197,010
<b>Total Xcel Energy</b>	96,985	110,200	(208,273)	74,740	72,322	-	26,562	920,672	50,000	3,718,212

<sup>1</sup> Settlement accounting may be required if lump sum benefit payments exceed the sum of service cost and interest on a plan by plan basis. No settlements have been estimated at this time.  
<sup>2</sup> Includes NRG, BMG, Viking, Naitro Gas, Utility Engineering, Seren, Quixx, Crockett, QPS and MEC  
<sup>3</sup> Includes Elbigne

**Assumptions**

Discount Rate - U.S. GAAP	
XEPP	3.07%
NCE	3.02%
SPS	3.14%
PSCo	3.14%
Discount Rate - Aggregate Normal Cost	6.60%
Salary Scale	3.75%
Expected Return on Assets	
XEPP	6.60%
NCE	6.60%
SPS	6.35%
PSCo	6.35%

Assumed Mortality Table  
 Bargaining Participants  
 Non-bargaining Participants  
 See May 13, 2022 letter for additional information on data, assumptions, methods, models and plan provisions.  
 Contributions already made are allocated in accordance with the January 3, 2022 contribution directives.  
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**XCEL ENERGY INC. - Qualified Pension Plans**  
 Cost by Legal Entity  
 (\$ in Thousands)



	Amortizations			Net (Gain)/Loss	Settlement Charge <sup>1</sup>	Aggregate Cost Compensation Method	Aggregate Cost 20-year Amortization Method	January 1 Prepaid (Accrued)	Contribution	PBO
	Service Cost	Interest Cost	Expected Return on Assets							
<b>2023</b>										
<b>Xcel Energy Pension Plan (XEPP)</b>										
Discontinued Operations <sup>2</sup>	-	2,115	(4,189)	2,464	390	-	N/A	34,755	1,672	71,330
Xcel Energy Nuclear	4,814	2,791	(5,825)	116	1,982	-	2,571	(8,814)	2,221	94,727
NSP - MN	20,720	21,050	(41,649)	19,956	20,295	-	19,489	288,819	16,837	718,100
NSP - WI	4,487	3,977	(7,874)	2,925	3,491	-	N/A	36,136	3,161	134,825
Xcel Services <sup>3</sup>	25,598	20,222	(40,028)	9,396	14,203	-	N/A	85,011	16,098	686,626
XEPC (former EMI)	-	15	(29)	5	(9)	-	N/A	41	11	488
Total XEPP	55,619	50,170	(99,294)	34,862	40,313	-	22,060	415,948	40,000	1,706,097
<b>NCE Non-Bargaining Pension Plan</b>										
Discontinued Operations - Cheyenne	-	91	(178)	115	28	-	N/A	1,659	-	3,166
PSCO	3,486	4,856	(10,025)	2,189	341	-	N/A	27,676	-	167,722
SPS	2,468	2,265	(4,673)	1,478	1,401	-	N/A	20,403	-	78,728
Total NCE	5,954	7,212	(14,876)	3,782	1,770	-	N/A	49,738	-	249,616
<b>SPS Bargaining Plan</b>										
SPS	7,158	14,051	(27,212)	7,153	1,150	-	N/A	128,497	-	459,392
Total SPS	7,158	14,051	(27,212)	7,153	1,150	-	N/A	128,497	-	459,392
<b>PSCO Bargaining Plan</b>										
Discontinued Operations - Cheyenne	-	268	(500)	333	101	-	N/A	6,630	-	8,887
PSCO	25,339	36,107	(70,082)	16,193	7,573	-	N/A	297,537	10,000	1,184,014
Total PSCO	25,339	36,375	(70,582)	16,526	7,674	-	N/A	304,167	10,000	1,192,901
<b>Total Xcel Energy</b>	94,070	107,808	(211,964)	62,323	50,907	-	22,060	898,350	50,000	3,608,006

<sup>1</sup> Settlement accounting may be required if lump sum benefit payments exceed the sum of service cost and interest on a plan by plan basis. No settlements have been estimated at this time.

<sup>2</sup> Includes NRG, BMG, Viking, Naitro Gas, Utility Engineering, Seren, Quixx, Crockett, QPS and MEC

<sup>3</sup> Includes Elbigne

**Assumptions**

Discount Rate - U.S. GAAP	
XEPP	3.07%
NCE	3.02%
SPS	3.14%
PSCO	3.14%
Discount Rate - Aggregate Normal Cost	6.60%
Salary Scale	3.75%
Expected Return on Assets	
XEPP	6.60%
NCE	6.60%
SPS	6.35%
PSCO	6.35%

Assumed Mortality Table  
 Bargaining Participants  
 Non-bargaining Participants  
 See May 13, 2022 letter for additional information on data, assumptions, methods, models and plan provisions.  
 Contributions are allocated based on PBO for each legal entity.  
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**XCEL ENERGY INC. - Nonqualified Pension Plans**  
**Cost by Legal Entity**  
(\$ in Thousands)

Amortizations

	Service Cost	Interest Cost	Expected Return on Assets	Prior Service Cost	Net (Gain)/Loss	Settlement Charge <sup>1</sup>	Net Cost	January 1 Prepaid (Accrued)	Expected Benefit Payments
Discontinued Operations <sup>2</sup>	-	16	-	-	(53)	-	(37)	(1,181)	91
Xcel Energy Nuclear	41	7	-	-	(52)	-	(4)	(803)	16
NSP - MN	38	60	-	-	228	-	326	(59)	344
NSP - WI	17	12	-	-	7	-	36	(391)	50
PSCO <sup>3</sup>	31	45	-	-	200	-	276	237	270
SPS	24	40	-	-	120	-	184	(378)	220
Xcel Services <sup>4</sup>	655	530	-	-	1,612	14,700	17,497	(19,150)	31,847
XEPC (former EMI)	-	-	-	-	(2)	-	(2)	(20)	-
<b>Total Xcel Energy</b>	<b>806</b>	<b>710</b>	<b>-</b>	<b>-</b>	<b>2,060</b>	<b>14,700</b>	<b>18,276</b>	<b>(21,745)</b>	<b>32,838</b>

<sup>1</sup> Estimated assumes an August 1 measurement date, \$31.4 million of lump sums and no additional gains or losses upon remeasurement. Additional 2022 lump sums will result in additional charges.

<sup>2</sup> Includes NRG, BMG, Viking, Natrogas, Quixx, Seren and UE

<sup>3</sup> Includes Fort St. Vrain

<sup>4</sup> Includes Eloigne

**Assumptions**

Discount Rate	2.67%
Salary Scale (career average)	3.75%
Assumed Mortality Table	Pri-2012 White Collar, as adjusted for 2019 Xcel Energy mortality study, projected with generational mortality improvements using an adjusted SOA MP-2020 methodology

See May 13, 2022 letter for additional information on data, assumptions, methods, models and plan provisions.

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**XCEL ENERGY INC. - Nonqualified Pension Plans**  
 Cost by Legal Entity  
 (\$ in Thousands)

EXHIBIT II  
 Page 2 of 6

	Amortizations					Net Cost	January 1 Prepaid (Accrued)	Expected Benefit Payments
	Service Cost	Interest Cost	Expected Return on Assets	Prior Service Cost	Net (Gain)/Loss			
<b>2023</b>								
Discontinued Operations <sup>2</sup>	-	14	-	-	(43)	(29)	(1,053)	87
Xcel Energy Nuclear	45	8	-	-	(43)	10	(783)	28
NSP - MN	41	56	-	-	206	303	(41)	321
NSP - WI	19	12	-	-	8	39	(377)	48
PSCo <sup>3</sup>	34	43	-	-	179	256	231	227
SPS	26	38	-	-	110	174	(342)	207
Xcel Services <sup>4</sup>	714	137	-	-	52	903	(4,800)	462
XEPC (former EMI)	-	-	-	-	(2)	(2)	(18)	-
<b>Total Xcel Energy</b>	<b>879</b>	<b>308</b>	<b>-</b>	<b>-</b>	<b>467</b>	<b>1,654</b>	<b>(7,183)</b>	<b>1,360</b>

<sup>1</sup> Settlement accounting may be required if actual lump sum payments exceed the sum of service cost and interest cost. No settlements have been estimated at this time.

<sup>2</sup> Includes NRG, BMG, Viking, Natrogas, Quixx, Seren and UE

<sup>3</sup> Includes Fort St. Vrain

<sup>4</sup> Includes Eloigne

**Assumptions**

Discount Rate 2.67%

Salary Scale 3.75%

Assumed Mortality Table Pri-2012 White Collar, as adjusted for 2019 Xcel Energy mortality study, projected with generational mortality improvements using an adjusted SOA MP-2020 methodology

Estimates reflect a 5% load on the projected liabilities to reflect the potential for demographic experience that is less favorable than expected.

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**XCEL ENERGY INC. - Postretirement Benefits**  
**U.S. GAAP Cost Estimates by Legal Entity**  
**(\$ in Thousands)**

Amortizations

2022	Service Cost	Interest Cost	Expected Return on Assets	Prior Service Cost	Net (Gain)/Loss	Net Cost	January 1 Prepaid (Accrued)	Contribution
Discontinued Operations <sup>1</sup>	-	184	(65)	(88)	44	75	(3,206)	572
Xcel Energy Nuclear	8	27	-	95	(11)	119	(1,168)	24
NSP - MN <sup>2</sup>	148	1,851	(133)	(3,014)	876	(272)	(32,408)	6,104
NSP - WI	36	331	(24)	(337)	169	175	(5,051)	1,003
PSCO	570	10,964	(15,534)	(2,316)	1,356	(4,960)	69,622	-
SPS <sup>3</sup>	755	1,024	(1,708)	(425)	(552)	(906)	(11,472)	-
Xcel Services <sup>3</sup>	35	808	(41)	(278)	426	950	(11,237)	1,629
XEPC (former EMI)	-	-	-	-	(3)	(3)	(109)	1
Total Xcel Energy	1,552	15,189	(17,505)	(6,363)	2,305	(4,822)	4,971	9,333

<sup>1</sup>Includes NRG, BMG, Viking, Natrogas, Cheyenne, Quixx and UE.

<sup>2</sup>Includes Eloigne and Seren.

<sup>3</sup>Includes Executive Life Insurance benefits.

**Assumptions**

Discount Rate	3.09%
Expected Return on Assets	4.10%
Medical Trend	Pre-65
Initial (2022)	Post-65
Ultimate	4.90%
Year Ultimate Reached	4.50%
Assumed Mortality Table	2026

Bargaining: PriH-2012 Blue Collar headcount-weighted table adjusted for Xcel Energy mortality study, projected with generational mortality improvements using an adjusted SOA MP-2020 methodology.

Non-bargaining: PriH-2012 White Collar headcount-weighted table adjusted for Xcel Energy mortality study, projected with generational mortality improvements using an adjusted SOA MP-2020 methodology.

Contributions for PSCO and SPS are assumed equal to the net cost, but not less than zero. Contributions for other legal entities are assumed equal to the expected benefit payments. See May 13, 2022 letter for additional information on data, assumptions, methods, models and plan provisions.

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**XCEL ENERGY INC. - Postretirement Benefits**  
**U.S. GAAP Cost Estimates by Legal Entity**  
**(\$ in Thousands)**

Amortizations

2023	Service Cost	Interest Cost	Expected Return on Assets	Prior Service Cost	Net (Gain)/Loss	Net Cost	January 1 Prepaid (Accrued)	Contribution
Discontinued Operations <sup>1</sup>	-	173	(67)	(10)	45	141	(2,709)	546
Xcel Energy Nuclear	7	27	-	20	(12)	42	(1,263)	26
NSP - MN <sup>2</sup>	142	1,724	(138)	(606)	868	1,990	(26,032)	5,557
NSP - WI	35	313	(25)	(70)	169	422	(4,223)	882
PSCO	502	10,472	(15,044)	(31)	1,358	(2,743)	74,582	-
SPS <sup>3</sup>	730	999	(1,675)	(84)	(554)	(584)	(10,566)	-
Xcel Services <sup>3</sup>	33	783	(42)	(33)	424	1,165	(10,558)	1,539
XEPC (former EMI)	-	-	-	-	(3)	(3)	(105)	1
Total Xcel Energy	1,449	14,491	(16,991)	(814)	2,295	430	19,126	8,551

<sup>1</sup>Includes NRG, BMG, Viking, Natrogas, Cheyenne, Quixx and UE.

<sup>2</sup>Includes Eloigne and Seren.

<sup>3</sup>Includes Executive Life Insurance benefits.

**Assumptions**

Discount Rate	3.09%
Expected Return on Assets	4.10%
Medical Trend	Pre-65
Initial (2022)	Post-65
Ultimate	4.90%
Year Ultimate Reached	4.50%
Assumed Mortality Table	2026

Bargaining: PriH-2012 Blue Collar headcount-weighted table adjusted for Xcel Energy mortality study, projected with generational mortality improvements using an adjusted SOA MP-2020 methodology.

Non-bargaining: PriH-2012 White Collar headcount-weighted table adjusted for Xcel Energy mortality study, projected with generational mortality improvements using an adjusted SOA MP-2020 methodology.

Contributions for PSCO and SPS are assumed equal to the net cost, but not less than zero. Contributions for other legal entities are assumed equal to the expected benefit payments. See May 13, 2022 letter for additional information on data, assumptions, methods, models and plan provisions.

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**Xcel Energy Inc. - LTD and Workers' Compensation  
Benefit Cost Estimates by Legal Entity  
(\$ in Thousands)**

<i>Fiscal Year Ending</i>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
<b>U.S. GAAP</b>	Actual	Budget	Budget	Budget	Budget	Budget	Budget
<i>Discount Rate- Workers' Compensation</i>	2.53%	3.03%	3.03%	3.03%	3.03%	3.03%	3.03%
<i>Former NSP - Workers' Compensation<sup>1</sup></i>	355	167	169	158	147	136	126
<i>MN/SD</i>	117	463	3	2	2	1	2
<i>MI/WI</i>	472	630	172	160	149	137	128
<i>Former NCE - Workers' Compensation<sup>1</sup></i>	59	78	31	31	29	28	27
<i>Colorado - PSCo</i>	-	-	-	-	-	-	-
<i>Deductible States - Workers' Compensation</i>	-	-	-	-	-	-	-
<i>Deductible States - SPS (KS, OK, NMI, and TX)</i>	-	-	-	-	-	-	-
<b>Total Xcel Energy Workers' Compensation</b>	<b>531</b>	<b>708</b>	<b>203</b>	<b>191</b>	<b>178</b>	<b>165</b>	<b>155</b>
<i>Discount Rate - LTD Income</i>	2.53%	3.03%	3.03%	3.03%	3.03%	3.03%	3.03%
<b>LTD Income</b>	(16)	(21)	1	-	1	-	-
<i>Discontinued Operations - Cheyenne</i>	62	(40)	15	15	14	12	12
<i>Discontinued Operations<sup>2</sup></i>	579	(1)	139	131	122	114	106
<i>NSP-MN</i>	148	(43)	30	27	27	25	23
<i>NSP-WI</i>	91	71	17	12	10	8	7
<i>PSCo</i>	29	19	4	2	1	-	-
<i>SPS</i>	(2)	(6)	1	-	1	1	-
<i>Utility Engineering</i>	122	90	5	4	4	2	3
<i>Xcel Services</i>	2	-	-	-	-	-	-
<i>XEPC</i>	-	-	-	-	-	-	-
<b>Total Xcel Energy LTD Income</b>	<b>1,015</b>	<b>69</b>	<b>212</b>	<b>191</b>	<b>180</b>	<b>162</b>	<b>151</b>
<b>Total Xcel Energy U.S. GAAP</b>	<b>1,546</b>	<b>777</b>	<b>415</b>	<b>382</b>	<b>358</b>	<b>327</b>	<b>306</b>

<sup>1</sup> Results for former NSP states include income replacement and medical benefits as well as reserve for bankrupt insurers.

Colorado results include reserve for bankrupt insurers.

<sup>2</sup> Includes NRG, BMG, Viking and Natrogas.

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