



June 4, 2021

Mr. Richard R. Schrubbe
AVP, Financial Analysis & Planning
Xcel Energy Inc.
401 Nicollet Mall
3rd Floor
Minneapolis, MN 55401

2021 US GAAP COST RESULTS AND 2022-2026 COST ESTIMATES

Dear Rick:

This letter summarizes the final 2021 US GAAP costs (prior to potential settlement charges) and updated 2022-2026 US GAAP cost estimates for the Xcel Energy Qualified Pension Plans, Nonqualified Pension Plan, Retiree Medical and Life Plan, Long-Term Disability (LTD) plan and Workers' Compensation plan. Final 2021 funding results are expected later this year after the 2019 and 2020 valuations are revised for funding relief provided under ARPA. Results for the plans noted below have been updated from the results provided February 5, 2021 and May 12, 2021:

2021 census data and final discount rate for the LTD and Workers' Compensation plans 2021 costs and 2022-2026 cost estimates for all other plans are unchanged from May 12, 2021.

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.

LONG-TERM DISABILITY AND WORKERS' COMPENSATION RESULTS

The combined 2021 cost/(income) for the Workers' Compensation plan and the Long-Term Disability plan is \$1.5 million, which is unchanged from the 2021 estimated cost/(income) for the plans provided in February. The final discount rate used for these plans remains unchanged at 2.53%.

Suite 1700
8400 Normandale Lake Boulevard
Minneapolis, MN 55437

T +1 952 842 7000
F +1 952 842 7001
W willistowerswatson.com

RESULTS EXHIBITS

Final 2021 benefit costs (prior to potential/final settlement charges) and 2022-2026 benefit cost forecasts are attached to the end of this letter. Except as noted above, benefit cost results and forecasts are unchanged from the results provided on February 5, 2021. 2021 benefit costs and estimates of 2022-2026 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. Non-Bargaining Pension Plan (South) [NCE Non-Bargaining Plan]
- New Century Energies Inc. Retirement Plan for SPS Bargaining Unit Employees and Former Non-Bargaining Unit Employees [SPS Bargaining Plan]
- New Century Energies Inc. Retirement Plan for PSCo Bargaining Unit Employees and Former Non-Bargaining Unit Employees [PSCo Bargaining Plan]
- Xcel Energy Nonqualified Defined Benefit Plan
- 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

FORECAST RESULTS

Forecast results are based on the information summarized below.

The following provides a reconciliation of actual 2021 costs to 2022 estimated costs, prior to regulatory effects and potential qualified plan settlement charges:

Reconciliation of Benefit Costs (prior to regulatory effects and potential settlement charges)

(\$ in Millions)	Qualified Pension ¹	Nonqualified Pension	Retiree Medical	Workers' Compensation	Long Term Disability	Total
Final 2021	\$102.7	\$4.3	(\$3.8)	\$0.5	\$1.0	\$104.7
Historical asset performance	(16.2)	0.0	0.0	0.0	0.0	(16.2)
Expected liability, asset, and loss amortization changes	(14.7)	(0.1)	1.0	(0.3)	(0.8)	(14.9)
Initial 2022 Estimate	\$71.8	\$4.2	(\$2.8)	\$0.2	\$0.2	\$73.6

¹ 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.

DATA, ASSUMPTIONS, METHODS, MODELS AND PLAN PROVISIONS FOR BENEFIT COSTS

The 2021 benefit costs, and estimated 2022-2026 costs reflect the following data, assumptions, models, methods and plan provisions:

Data

For the qualified and nonqualified pension plans, and the retiree medical plan, the 2021 benefit cost results and estimates for 2022-2026 are based on participant data as of January 1, 2020, projected to the end of the year based on status, compensation and benefit changes through November 30, 2020, and known retirements for December 2020. Actual new entrants through November 30, 2020 and expected new entrants through December 31, 2020 are included for the pension plans. For the Long-Term Disability and Workers' Compensation plans, the 2021 benefit cost results and estimated costs for 2022-2026 are based on participant data as of January 1, 2021.

Economic Assumptions

The key assumptions used to determine the actual 2021 and estimated 2022-2026 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.

June 4, 2021 Results	
Benefit Cost	
Discount Rate – ASC 715:	
Xcel Energy Pension Plan	2.65%
NCE Non-Bargaining Pension Plan	2.50%
SPS Bargaining Pension Plan	2.84%
PSCo Bargaining Pension Plan	2.83%
Nonqualified Pension Plan	2.47%
Retiree Medical and Life Insurance Plan	2.65%
Workers' Compensation and LTD	2.53%
Expected Return on Assets Assumption – Pension:	
Xcel Energy Pension Plan	6.60%
NCE Non-Bargaining Pension Plan	6.60%
SPS Bargaining Pension Plan	6.35%
PSCo Bargaining Pension Plan	6.35%
Weighted Average Expected Return	6.49%
Expected Return on Assets Assumption – VEBA (Bargaining/Non-Bargaining)	4.10%
Discount Rate – Aggregate Cost	6.60%
Salary Scale¹	3.75%
Initial Medical Trend:	
Pre-Medicare	5.50%
Post-Medicare	5.00%
Ultimate Medical Trend	4.50%
Year Ultimate Trend is Reached	2026

¹ Career average of age-graded table (Non-Bargaining) and service-graded table (bargaining)

- The interest rate for converting lump sums to annuities and annuities to lump sums was updated from 3.25% to 2.50% in all years. The pre-PPA lump sum conversion interest rate was updated from 2.50% to 1.75%.
- The interest crediting rate for the 5% cash balance formula was updated from 2.50% to 1.75%. The interest crediting rate for the Retirement Spending Account was updated from 2.50% to 1.25%.

Demographic Assumptions

- Participant counts from January 1, 2020 were adjusted for terminations/retirements as described above under Data. Actual new entrants through November 30, 2020 and expected new entrants through December 31, 2020 are included for the pension plans. No additional changes in headcount levels are assumed.
- The mortality improvement scale was updated from an adjusted SOA MP-2019 methodology to an adjusted SOA MP-2020 methodology.
- The mortality assumption for converting between lump sums and annuities was updated to the prescribed IRS tables for conversions in 2021 and 2022 and projected for 2022 and later conversions with static mortality improvements using MP-2020.
- Termination rates, retirement rates, lump sum election assumptions and spouse age and participation for Retiree Medical Plan were updated based on a review of recent experience and future expectations.
- 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 8.00% (12.00% increase pre-65, 5.70% increase post-65), compared to an expected increase of 6.00% for pre-65 and 5.10% for post-65. The expected Medicare Part D reimbursement for eligible retirees increased 0.20% versus an expected increase of 5.10%. The Medicare Part D reimbursement eligibility assumption for current and future M/M retirees that pay 100% of the retiree premiums was updated from indefinite eligibility to eligibility up to the year 2050.
- The initial retiree medical trend assumption for non-HRA benefits was updated from 4.90% to 5.00% for Medicare eligible participants and years to ultimate 4.50% trend rate was lengthened from 2 to 5 years for both pre and Medicare eligible retirees.
- The retiree medical trend assumption for Medicare eligible retirees receiving an HRA contribution was decreased from 2.00% per year to 0.00% per year.
- A retiree medical liability for current unused HRA balances is reflected in the retiree medical valuation. The liability has been calculated based on \$3,200,000 of current unused HRA balances, with an expected future utilization equal to 55% of the current unused balance drawn down evenly over 10 years.

For additional economic and demographic assumption details, see our December 31, 2020 valuation report appendices dated March 16, 2021.

Pension Contributions

The forecasts reflect actual 2021 contributions of \$125 million made on January 4, 2021. At this time, the contribution forecasts have not been updated for final 2020 asset returns, discount rate levels or the funding relief provisions of the American Rescue Plan Act (ARPA). The cost estimates included in this letter reflect the planned contributions provided by Xcel Energy for 2022 through 2026. Contribution forecasts will be re-evaluated when final 2021 funding results are available later this year. The table below summarizes the amounts assigned to each plan over the forecast period:

Plan	Year					
	2021	2022	2023	2024	2025	2026
Xcel Energy Pension Plan	\$ 65.0	\$ 48.0	\$ 70.0	\$ 90.0	\$ 75.0	\$ 0.0
NCE Non-Bargaining Plan	14.0	12.0	15.0	5.0	5.0	0.0
SPS Bargaining Plan	10.0	5.0	0.0	5.0	15.0	0.0
PSCo Bargaining Plan	36.0	35.0	15.0	55.0	60.0	5.0
Total Contribution	\$ 125.0	\$ 100.0	\$ 100.0	\$ 155.0	\$ 155.0	\$ 5.0

- Contributions in 2022 and beyond are assumed to be paid on January 15th and assigned to the prior plan year.

Plan Provision Updates

There have been no changes to plan provisions since the prior valuation.

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.

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 Xcel Energy Inc. Willis Towers Watson has concurred with these assumptions and methods, except for the expected rate of return on plan assets selected as of January 1, 2021. A complete evaluation of the expected return assumption was outside the scope of Willis Towers Watson's assignment and would have required substantial additional work that we were not engaged to perform. Based on information Willis Towers Watson received from Xcel Energy, we believe the expected return on plan assets assumption does not significantly conflict with what would be reasonable as it is not significantly biased. U.S. GAAP requires that each significant assumption "individually represent the best estimate of a particular future event."

The results shown in this report have been developed based on actuarial assumptions that, to the extent evaluated by Willis Towers Watson, 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.

Xcel Energy Inc. uses the standards set out in ASC 715 to calculate pension cost for each plan in total; pension cost for the subsidiaries is calculated based on plan assets allocated to each subsidiary in proportion to the PBO for each subsidiary. Beginning in fiscal 2010, Discontinued Operations is allocated assets in proportion to its PBO, similar to non-discontinued operations. The gain/(loss) amortization is allocated to each subsidiary in proportion to the gain/(loss) balance for each subsidiary (excluding deferred asset gains and losses). This methodology is consistent with former NSP's methodology since 1998 and has been applied to the former NCE pension plans since January 1, 2001. A similar methodology is used for the ASC 715 costs for the Retiree Medical and Life Plan, except separate asset accounts are used for each subsidiary.

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.

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 Willis Towers Watson in advance of this distribution. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited without Willis Towers Watson's prior written consent. Willis Towers Watson 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 Workers' Compensation and LTD the results presented are based on the data, assumptions, methods, models and plan provisions outlined in our February 5, 2021 letter and the actuarial valuation reports to determine accounting requirements for the plan year ending December 31, 2020 and beginning January 1, 2021 dated March 16, 2021. For the Workers' Compensation and LTD 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 to be delivered later this month. 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.



Mr. Richard R. Schrubbe
June 4, 2021

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.

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 cursive.

Mark A. Afdahl, FSA, EA
Director, Retirement

Handwritten signature of Kristoff M. Hendrickson in cursive.

Kristoff M. Hendrickson, FSA, EA
Director, Retirement

Handwritten signature of Ali Rehan Rattansi in cursive.

Ali Rehan Rattansi, ASA, EA
Associate Director, Retirement

cc: Todd Degrugillier — Xcel Energy Inc.
Darla Figoli — Xcel Energy Inc.
Levi Glines — Xcel Energy Inc.
Kris Lindemann — Xcel Energy Inc.
Ruth Lowenthal — Xcel Energy Inc.
Garrett Mikrut — Xcel Energy Inc.
Debbie Robin — Xcel Energy Inc.
Jeff Savage — Xcel Energy Inc.
Sarah Soong — Xcel Energy Inc.
Greg Zick — Xcel Energy Inc.

Mark Anderson — Willis Towers Watson
Beth Fernandez — Willis Towers Watson
Zach Hansen — Willis Towers Watson
Scott Lund — Willis Towers Watson
Nancy Monson — Willis Towers Watson
Liz Scott — Willis Towers Watson
Jim Shaddy — Willis Towers Watson

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

EXHIBIT I
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2021

Xcel Energy Pension Plan (XEPP)

	Service Cost	Interest Cost	Expected Return on Assets	Amortizations		Settlement Charge ¹	Aggregate Cost Compensation Method	Aggregate Cost 20-year Amortization Method	January 1 Prepaid (Accrued)	Contribution	PBO
				Prior Service Cost	Net (Gain)/Loss						
Discontinued Operations ²	-	2,044	(4,263)	-	3,553	1,334	-	N/A	37,850	2,649	80,128
Xcel Energy Nuclear	6,024	2,889	(6,016)	(214)	1,111	3,794	-	3,675	(6,870)	3,797	114,229
NSP - MN	23,508	21,941	(45,631)	179	32,968	32,965	-	28,136	328,001	29,346	874,567
NSP - WI	5,244	3,910	(8,150)	(24)	5,028	6,008	-	N/A	45,654	5,182	154,058
Xcel Services ³	26,755	18,660	(38,828)	(985)	17,242	22,844	-	N/A	109,357	24,009	737,012
XEPC (former EMI)	-	14	(28)	-	8	(6)	-	N/A	12	17	526
Total XEPP	61,531	49,458	(102,916)	(1,044)	59,910	66,939	-	31,811	514,004	65,000	1,960,520

NCE Non-Bargaining Pension Plan

Discontinued Operations - Cheyenne	-	88	(200)	-	155	43	-	N/A	1,552	179	3,665
PSCo	3,829	4,516	(10,292)	(165)	3,877	1,765	-	N/A	20,196	9,657	188,758
SPS	2,660	2,059	(4,666)	(137)	2,576	2,492	-	N/A	20,190	4,164	86,992
Total NCE	6,489	6,663	(15,158)	(302)	6,608	4,300	-	N/A	41,938	14,000	279,415

SPS Bargaining Plan

SPS	7,869	13,164	(25,026)	-	11,524	7,531	-	N/A	129,909	10,000	474,732
Total SPS	7,869	13,164	(25,026)	-	11,524	7,531	-	N/A	129,909	10,000	474,732

PSCo Bargaining Plan

Discontinued Operations - Cheyenne	-	277	(505)	-	467	239	-	N/A	6,398	292	10,162
PSCo	28,219	34,128	(62,428)	16	28,702	28,637	-	N/A	265,590	35,708	1,239,490
Total PSCo	28,219	34,405	(62,933)	16	29,169	28,876	-	N/A	271,988	36,000	1,249,652
Total Xcel Energy	104,108	103,690	(206,033)	(1,330)	107,211	107,646	-	31,811	957,839	125,000	3,964,319

¹ 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.

² Includes NRG, BMG, Viking, Natro Gas, Utility Engineering, Seren, Quixx, Crockett, QPS and MEC

³ Includes Eloigne

Assumptions

Discount Rate - U.S. GAAP

XEPP 2.65%

NCE 2.50%

SPS 2.84%

PSCo 2.83%

Discount Rate - Aggregate Normal Cost

Salary Scale 6.60%

Expected Return on Assets 3.75%

XEPP 6.60%

NCE 6.60%

SPS 6.35%

PSCo 6.35%

Assumed Mortality Table

Bargaining Participants

Non-bargaining Participants

See June 4, 2021 letter for additional information on data, assumptions, methods, models and plan provisions.

Contributions already made are allocated in accordance with the January 4, 2021 contribution directives.

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

2022

Xcel Energy Pension Plan (XEPP)

	Service Cost	Interest Cost	Expected Return on Assets	Amortizations			Settlement Charge ¹	Aggregate Cost Compensation Method	Aggregate Cost 20-year Amortization Method	January 1 Prepaid (Accrued)	Contribution	PBO
				Prior Service Cost	Net (Gain)/Loss							
Discontinued Operations ²	-	1,955	(4,293)	-	3,188		850	-	N/A	39,165	1,937	76,154
Xcel Energy Nuclear	5,768	2,875	(6,306)	(214)	672		2,795	-	2,962	(6,867)	2,875	113,047
NSP - MN	23,032	20,852	(45,682)	179	28,076		26,457	-	21,710	324,382	21,068	828,522
NSP - WI	5,113	3,822	(8,385)	(24)	4,225		4,751	-	N/A	44,828	3,827	150,478
Xcel Services ³	26,412	18,283	(40,111)	(985)	13,966		17,565	-	N/A	110,522	18,280	718,819
XEPC (former EMI)	-	13	(29)	-	7		(9)	-	N/A	35	13	515
Total XEPP	60,325	47,800	(104,806)	(1,044)	50,134		52,409	-	24,672	512,065	48,000	1,887,535

NCE Non-Bargaining Pension Plan

Discontinued Operations - Cheyenne	-	82	(204)	-	131		9	-	N/A	1,688	154	3,439
PSCo	3,742	4,347	(10,796)	(165)	3,046		174	-	N/A	28,088	8,133	181,087
SPS	2,577	1,969	(4,887)	(137)	1,996		1,518	-	N/A	21,862	3,713	82,665
Total NCE	6,319	6,398	(15,887)	(302)	5,173		1,701	-	N/A	51,638	12,000	267,191

SPS Bargaining Plan

SPS	7,719	13,120	(26,461)	-	9,553		3,931	-	N/A	132,378	5,000	473,514
Total SPS	7,719	13,120	(26,461)	-	9,553		3,931	-	N/A	132,378	5,000	473,514

PSCo Bargaining Plan

Discontinued Operations - Cheyenne	-	264	(516)	-	403		151	-	N/A	6,451	272	9,687
PSCo	27,510	34,001	(66,670)	16	23,337		18,194	-	N/A	272,661	34,728	1,235,726
Total PSCo	27,510	34,265	(67,186)	16	23,740		18,345	-	N/A	279,112	35,000	1,245,413
Total Xcel Energy	101,873	101,583	(214,340)	(1,330)	88,600		76,386	-	24,672	975,193	100,000	3,873,653

¹ 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.

² Includes NRG, BMG, Viking, Natro Gas, Utility Engineering, Seren, Quixx, Crockett, QPS and MEC

³ Includes Eloigne

Assumptions

Discount Rate - U.S. GAAP

XEPP 2.65%

NCE 2.50%

SPS 2.84%

PSCo 2.83%

Discount Rate - Aggregate Normal Cost

Salary Scale 6.60%

Expected Return on Assets 3.75%

XEPP 6.60%

NCE 6.60%

SPS 6.35%

PSCo 6.35%

Assumed Mortality Table

Bargaining Participants

Non-bargaining Participants

See June 4, 2021 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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Pri-2012 Blue Collar, as adjusted for 2019 Xcel Energy mortality study, projected with generational mortality improvements using an adjusted SOA MP-2020 methodology
Pri-2012 White Collar, as adjusted for 2019 Xcel Energy mortality study, projected with generational mortality improvements using an adjusted SOA MP-2020 methodology

XCEL ENERGY INC. - Nonqualified Pension Plans

Cost by Legal Entity

EXHIBIT II

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(\$ in Thousands)

Amortizations

	Service Cost	Interest Cost	Expected Return on Assets	Prior Service Cost	Net (Gain)/Loss	Settlement Charge ¹	Net Cost	January 1 Prepaid (Accrued)	Expected Benefit Payments
2021									
Discontinued Operations ²	-	16	-	-	(54)	-	(38)	(1,224)	91
Xcel Energy Nuclear	41	10	-	-	(34)	-	17	(786)	48
NSP - MN	37	77	-	-	289	-	403	(430)	436
NSP - WI	18	13	-	-	11	-	42	(436)	61
PSCo ³	30	50	-	-	223	-	303	44	285
SPS	18	47	-	-	157	-	222	(471)	273
Xcel Services ⁴	872	762	-	130	1,560	-	3,324	(18,397)	6,488
XEPC (former EMI)	-	-	-	-	(2)	-	(2)	(22)	-
Total Xcel Energy	1,016	975	-	130	2,150	-	4,271	(21,722)	7,682

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

² Includes NRG, BMG, Viking, Natrogas, Quixx, Seren and UE

³ Includes Fort St. Vrain

⁴ Includes Eloigne

Assumptions

Discount Rate	2.47%
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 June 4, 2021 letter for additional information on data, assumptions, methods, models and plan provisions.

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XCEL ENERGY INC. - Nonqualified Pension Plans

EXHIBIT II
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Cost by Legal Entity
(\$ in Thousands)

2022	Service Cost	Interest Cost	Expected Return on Assets	Prior Service Cost	Amortizations (Gain)/Loss	Settlement Charge ¹	Net Cost	January 1 Prepaid (Accrued)	Expected Benefit Payments
Discontinued Operations ²	-	15	-	-	(46)	-	(31)	(1,095)	87
Xcel Energy Nuclear	45	11	-	-	(29)	-	27	(755)	43
NSP - MN	40	73	-	-	281	-	394	(397)	404
NSP - WI	20	13	-	-	12	-	45	(417)	59
PSCo ³	33	48	-	-	215	-	296	26	279
SPS	20	44	-	-	153	-	217	(420)	256
Xcel Services ⁴	950	697	-	-	1,580	-	3,227	(15,233)	4,982
XEPC (former EMI)	-	-	-	-	(2)	-	(2)	(20)	-
Total Xcel Energy	1,108	901	-	-	2,164	-	4,173	(18,311)	6,110

¹ 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.

² Includes NRG, BMG, Viking, Natrogas, Quixx, Seren and UE

³ Includes Fort St. Vrain

⁴ Includes Elbogne

Assumptions

Discount Rate

2.47%

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)

EXHIBIT III
Page 1 of 6

2021	Amortizations						Contribution
	Service Cost	Interest Cost	Expected Return on Assets	Prior Service Cost	Net (Gain)/Loss	Net Cost	
Discontinued Operations ¹	-	170	(64)	(111)	48	43	567
Xcel Energy Nuclear	10	26	-	95	(12)	119	23
NSP - MN ²	170	1,820	(67)	(3,014)	1,606	515	6,539
NSP - WI	42	325	(9)	(337)	300	321	1,061
PSCo	806	10,600	(15,972)	(3,762)	3,473	(4,855)	-
SPS ³	849	982	(1,769)	(425)	(759)	(1,122)	-
Xcel Services ³	37	743	(6)	(365)	741	1,150	1,592
XEPC (former EMI)	-	1	-	-	(4)	(3)	1
Total Xcel Energy	1,914	14,667	(17,887)	(7,919)	5,393	(3,832)	9,783

¹Includes NRG, BMG, Viking, Natrogas, Cheyenne, Quixx and UE.

²Includes Elbigne and Seren.

³Includes Executive Life Insurance benefits.

Assumptions

Discount Rate	2.65%
Expected Return on Assets	4.10%
Medical Trend	Pre-65
Initial (2021)	5.00%
Ultimate	4.50%
Year Ultimate Reached	2026

Assumed Mortality Table

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 June 4, 2021 letter for additional information on data, assumptions, models, methods, and plan provisions.

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

EXHIBIT III
Page 2 of 6

2022	Amortizations						Contribution
	Service Cost	Interest Cost	Expected Return on Assets	Prior Service Cost	Net (Gain)/Loss	Net Cost	
Discontinued Operations ¹	-	160	(66)	(88)	47	53	570
Xcel Energy Nuclear	9	26	-	95	(11)	119	24
NSP - MN ²	160	1,692	(70)	(3,014)	1,516	284	5,913
NSP - WI	40	305	(9)	(337)	283	282	935
PSCo	682	10,137	(15,434)	(2,316)	3,339	(3,592)	-
SPS ³	812	956	(1,728)	(425)	(730)	(1,115)	-
Xcel Services ³	34	722	(7)	(278)	710	1,181	1,527
XEPC (former EMI)	-	1	-	-	(4)	(3)	1
Total Xcel Energy	1,737	13,999	(17,314)	(6,363)	5,150	(2,791)	8,970

¹Includes NRG, BMG, Viking, Natrogas, Cheyenne, Quixx and UE.

²Includes Elbigne and Seren.

³Includes Executive Life Insurance benefits.

Assumptions

Discount Rate	2.65%
Expected Return on Assets	4.10%
Medical Trend	Pre-65
Initial (2021)	5.00%
Ultimate	4.50%
Year Ultimate Reached	2026

Assumed Mortality Table

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.

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.

Non-bargaining:

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.

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Xcel Energy Inc. - Qualified Pension Plans
 Benefit Cost Reconciliation Details
 (\$ in Thousands)

Exhibit VII

	ASC 715 ¹			NSP-MN & Xcel Energy Nuclear				
	XEPP	NCE	SPS	PSCo	Total	ASC 715 ¹	Aggregate Cost Compensation Method	Aggregate Cost 20-Year Amortization Method
Initial 2021 Estimate (May 15, 2020)	52,071	4,437	5,555	26,372	88,435	29,420	26,238	25,248
Estimated 2020 demographic experience ²	6,170	605	(32)	(1,454)	5,289	1,369	2,411	1,601
Update forward looking demographic assumptions ³	953	35	420	553	1,961	1,005	2,543	1,969
Updated mortality improvement assumption ⁴	(696)	(150)	(361)	(1,055)	(2,262)	(361)	(150)	(118)
Discount rates ⁵	3,683	184	1,519	4,477	9,863	2,829	(39)	21
Estimated 2020 asset performance ⁶	(3,092)	(18)	(880)	(2,256)	(6,246)	(1,022)	(1,356)	(1,064)
Expected return on assets assumption ⁷	9,316	917	1,960	2,466	14,659	4,731	3,838	2,662
Updated 2021 Estimate (December 2020)	68,405	6,010	8,181	29,103	111,699	37,971	33,485	30,319
Final demographic experience ⁸	(996)	(1,345)	(459)	(313)	(3,113)	(887)	(777)	(601)
Final discount rates	1,841	301	492	1,788	4,422	969	-	-
Final 2020 asset returns	(879)	(674)	(305)	(761)	(2,619)	(580)	(228)	(119)
Expected return on assets assumption update ⁹	(1,432)	(211)	(378)	(941)	(2,962)	(714)	(669)	(474)
Preliminary 2021 Costs (February 5, 2021)	66,939	4,081	7,531	28,876	107,427	36,759	31,811	29,125
NCE MRVA update	-	219	-	-	219	-	-	-
Final 2021 Costs (June 4, 2021)	66,939	4,300	7,531	28,876	107,646	36,759	31,811	29,125
Historical asset performance	(8,462)	(1,359)	(2,056)	(5,161)	(17,038)	(4,303)	(3,491)	(2,647)
Expected liability, asset and loss amortization changes	(6,068)	(1,240)	(1,544)	(5,370)	(14,222)	(3,204)	(3,648)	(2,211)
Initial 2022 Estimate (June 4, 2021)	52,409	1,701	3,931	18,345	76,386	29,252	24,672	24,267

¹ Does not include potential settlement charges.

² Estimated impact of updated participant status and compensation data through September 30, 2020 with additional adjustments for expected retirements and lump sum payments through December 2020.

Primary drivers include compensation increases approximately 0.2% larger than expected and reflecting a full year of new entrants while only including actual deaths and terminations through September 30.

Actual deaths and terminations through November 30 will be reflected in final census update at year end.

³ Includes updates to forward looking termination and retirement rates, lump sum election percentages.

⁴ Update projection scale to 2020 version of RPEC model with custom long-term improvement rates and convergence period.

⁵ December 31, 2020 discount rates assumed to be equal to the discount rates from Willis Towers Watson BOND.Link model results as of November 30, 2020. Bond model excludes collateralized bonds.

Also includes updates to underlying cash balance crediting rates and lump sum/annuity conversion interest rates.

⁶ Estimate assumes year-end asset values are equal to November 30, 2020 estimates provided by Goldman Sachs with adjustments for one month of estimated disbursements (estimated 2020 return of 14.3%).

⁷ Reduce weighted average pension EROA from 6.87% to 6.39%.

⁸ Impact of updated participant status and compensation data through November 30, 2020 and benefit payment experience.

⁹ Increase weighted average pension EROA from 6.39% to 6.49%.

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