

Hayden

Plant in northwest Colorado marks
20 years of service for company

FLEET:

Series of initiatives aim at productivity and cost-saving successes

LEADERSHIP:

Pair of conferences tackles issues facing the company

ENGAGEMENT:

Survey to focus on supporting company priorities





FEATURES

FLEET 4
The company's growing fleet, coupled with increasing annual fuel costs, calls for ongoing and careful management.

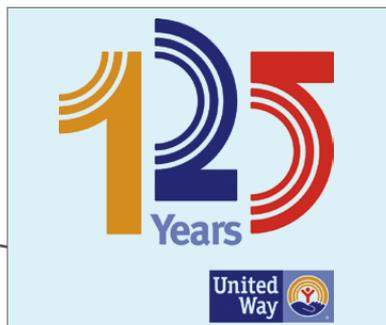
LEADERSHIP 6
More than 350 leaders recently gathered in Denver and Minneapolis to discuss strategic issues facing the company this year and beyond.



ENGAGEMENT 8
A new employee engagement survey focuses on 12 key categories that support the company's strategic priorities.

HAYDEN 10
Thanks to an important Colorado agreement 20 years ago, Hayden Generating Station has since been an important fixture at the company.

COMMUNITY 14
Company's annual United Way campaign offers an opportunity to join together and make a difference across Xcel Energy jurisdictions.



HORSE RESCUE 16
Prairie Island's Jony Allen finds taking the time to make other people's days better very rewarding.



PEOPLE 18
The most recent Friends We'll Miss and Retirement announcements.

ON THE COVER
Hayden Generating Station is one of the cleanest coal-fired generating plants in the region, with plenty of advanced emissions-control equipment in operation. Hayden is pictured here through an irrigation system in fields adjacent to the west of the plant. For more information, please see story on page 10.

Colorado Springs sends thanks for help

Dear Xcel Energy:

On behalf of Colorado Springs Utilities, I would like to express my deepest gratitude to Xcel Energy and the employees who responded to our request for assistance in the aftermath of the Waldo Canyon Fire that was so devastating to our community.

The help extended by Rodney Hunter, Sharon Craig and Bob Macias to prepare for the response, and your field operations staff who contributed to a successful collaborative restoration, is greatly appreciated.

It is reassuring to know in times of crisis, we have a neighbor we can call upon to help when needed most.

Several of our customer-care and energy-operations managers expressed explicit praise for the professional working relationship that Xcel Energy crews exhibited working alongside Colorado Springs Utilities crews.

Please know that the citizens of Colorado Springs are very grateful to Xcel Energy for its support in this time of need.

—Jerry Forte, CEO, Colorado Springs Utilities

Thanks for 'nice gift on a hot day'

Dear Xcel Energy:

Thanks to all who worked so hard restoring our power after the recent storm. It was a mess around here, and still you managed to get us back online by 3 p.m. — a nice gift on that hot day.

—Ginger Knaff, West St. Paul, Minn.

Linemen save the day during heat wave

Dear Xcel Energy:

Many, many thanks go to the two Xcel Energy linemen who saved the day for us today.

Had they not been conscientious, patient and thorough, we might have 1.) had a house fire down the road, or 2.) been without power for days. And on the first day of a heat wave.

They were awesome!

—Kim Sundet Vanderwall



TEXAS RODEO

More than 75 participants from across the Texas/New Mexico region competed in a series of events at the Amarillo Technical Center rodeo grounds during the 21st Lone Star Lineman's Rodeo on July 28. The top teams and apprentices will compete in the International Lineman's Rodeo in Kansas City, Kan., in October. In this photo by Troy Foos, with Public Policy and External Affairs, a pair of competitors take part in one of the events. They include linemen journeymen Danny Hayes (left), from Hobbs, N.M., and Steve Marshall, from Plainview, Texas.

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 Public Policy and External Affairs 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.



Fleet Initiatives

Productivity and cost-saving efforts should save \$3 million this year

Overall management of the company's extensive fleet of cars, trucks and power equipment has been one of the successes resulting from the merger to create Xcel Energy.

In partnership with Operations, the size of the fleet was reduced from 7,200 units to 5,500 in the years 2000 to 2006, keeping fleet costs significantly lower than industry benchmarks, said Mark Hennesy, director of central Fleet Operations.

However, recent business growth, particularly in the Transmission area, has added roughly 500 vehicles to the fleet over the last several years, bringing the total to more than 6,000. Employees now drive more than 50 million miles every year, he said, and the company spends more than \$100 million annually to own and operate the fleet.

The growing fleet, coupled with increasing annual fuel costs, calls for ongoing and careful management to ensure the effective use, safety and maintenance of such a large number of vehicles, Hennesy said.

With those goals in mind, Fleet Operations earlier this year launched a series of initiatives to explore and implement strategies for reducing costs, standardizing operations, increasing overall efficiency, and identifying and promoting best practices, he said. The savings should top \$3 million this year.

To ensure the progress and effectiveness of the initiatives, a team of Fleet Champions from Operations is using a variety of reporting mechanisms. These include weekly and monthly vehicle-incident reports, rental-cost reports, and tracking of vehicle upgrades and fleet-add requests. In addition, garage managers are taking a close look at company vehicles that are repeatedly in the shop for repairs.

"Our fleet is growing significantly – primarily due to transportation needs related to the growth of Transmission and Substations, as well as some increases in crews and apprentices," Hennesy said. "So we've set some targets to manage our budget, while making better and full use of the assets we have on hand.

"That includes reducing or eliminating low-use support vehicles," he added, "or reassigning them to other business units that can put them to their best use."

The initiatives involve taking a close look at the use of all vehicles in the Xcel Energy fleet and maximizing the use of those vehicles before adding any new units or rentals. Fleet also is looking to save costs by reviewing the number and type of options ordered on the vehicles.

"Certain options are nice to have and individually don't at



BUCKET TRUCK

A bucket truck heads north on Highway 85 in the Denver area.

first glance appear like much of an added expense,” Hennesy explained. “But in total, options on one vehicle that cost an additional \$400 – when added across the entire fleet, including some added lifetime maintenance – add up to a lot of money.”

Design standardization throughout the fleet also will become more of a focus to leverage savings. Working with Operations and the Sourcing area of Supply Chain, \$2.1 million in ongoing fleet capital cost reductions have been identified through supplier negotiations and improved standards, he said.

On the fueling front, the company spent \$23 million last year to fuel its fleet. In order to reduce the impacts of rising fuel costs, Fleet is working on strategies such as fueling vehicles onsite or using fuel-only credit cards. The projected savings from those measures is \$120,000 annually.

A new program to use Fleet “Telematics” technology, featuring Global Positioning Sensors, will improve safety, reduce cost and help minimize the environmental impact of the fleet by reducing fuel use, Hennesy said.

Other fleet operations that have implemented Telematics have been able to reduce vehicle accidents and use GPS information to improve dispatching, he said. Associated savings from idling reduction are forecast at \$2.2 million per year once the program is fully implemented.

Another program, “Operation Lighten Up,” is aimed at reducing the total loads that company crews travel with, thereby minimizing fuel use and unneeded excessive wear and tear on vehicles, such as brakes and suspension.

“We’ll be working with our crews to carry around only what they need to effectively do their jobs,” Hennesy said. “Every extra 100 pounds that a truck carries has an impact on acceleration and fuel efficiency, as well as extra wear and tear

that requires more maintenance. It’s a matter of awareness and advance planning.”

Savings from the Lighten Up program are conservatively estimated at \$100,000 annually. In addition, safety initiatives aimed at preventing damage and accidents are expected to save \$375,000 a year.

“Every extra 100 pounds that a truck carries has an impact on acceleration and fuel efficiency, as well as extra wear and tear that requires more maintenance. It’s a matter of awareness and advance planning.”

The total anticipated annual savings as a result of these various fleet initiatives is more than \$3 million this year, Hennesy said. These cost-saving measures ultimately contribute to holding down the overall cost of service, which is good for Xcel Energy customers.

“It’s been great working with operators, directors, our executive sponsors and the business-unit champions,” he said. “It’s always a challenge to balance operational needs with managing costs and rising fuel prices. But there has been excellent communication, and it’s been a good process of working together to make our fleet budget go farther.” ❧



LEADERSHIP

Pair of conferences tackles issues facing company

More than 350 leaders recently gathered in Denver and Minneapolis to discuss strategic issues facing the company this year and beyond.

The meetings continued a dialogue that began last December with an initial pair of bi-annual leadership meetings. Leadership conferences in Eau Claire and Amarillo also are planned for later this year.

Ben Fowke, chairman, president and CEO, opened the meeting by asking leaders to be ambassadors with employees and in the community to help tell the company's story.

"We've done a tremendous job of balancing environmental stewardship with safety and reliability," he said. "We serve our customers well, and we want to continue to serve them well. And that means we need to invest."

Challenges: The challenges Fowke outlined haven't shifted significantly over the last year.

- Energy sales continue to be flat or growing slowly, although the hot weather this summer helped the company recover from earlier poor sales due to a milder-than-normal winter.
- The company plans to invest about \$13 billion in capital improvements to rebuild infrastructure over the next five years.
- The company's O&M expenses are growing faster than sales and inflation.
- All of the above are contributing to Xcel Energy's need to file rate cases more frequently.

Stepping up to the challenges: While the challenges are daunting, CFO Teresa Madden had some good news to



share. In addition to improved sales this past summer, the stock price recently hit a 52-week all-time high.

Also, the company has returned 10 percent a year (total return) to shareholders every year since 2005. And most importantly, company leaders and employees responded by reducing spending earlier this year, she said.

Holding down O&M expenses provides opportunities: Employees are becoming more creative in holding O&M expenses down, she said, and many business areas are self-funding their improvements.

In Energy Supply, for example, the Overhaul Management initiative should provide 10 percent cost savings over time. Despite tighter budgets, Madden said, funding is still available for projects that can demonstrate good business cases.

Regular rate cases the new reality: This year, Xcel Energy will file nine rate cases. In Minnesota, the company will file its largest rate request yet on the heels of its longest rate case, which is still in progress.

To be successful, the company must talk about how it manages costs well, said Judy Pofert, president and CEO of NSP-Minnesota. "More than ever, there's a need to tell our story clearly, concisely and persuasively," she said, "and to have the supporting documentation of what it costs to provide great customer service and reliability."

Exploring opportunities to do more through technology: The Productivity Through Technology (PTT) initiative, which is

evaluating technologies that can streamline, simplify and improve work process in the Operations and Nuclear business areas, has completed its discovery phase.

Through employee focus groups, a myriad of possible ideas were collected. During the evaluation phase, the PTT will determine which efforts make the most sense to pursue. An emerging theme for the PTT is greater emphasis on mobile applications. For more on the effort, please see the related article in this issue

Public policy and politics affect playing field: Regardless of who wins the presidency this November, Xcel Energy is subject to public policy and the changing political landscape. Involvement in the company's PACs helps ensure that the company has access to key decision makers. Company lobbyists told the gathered leaders that once they get a foot in the door, "we still need to win them on the merits of our proposal."

Other news coming out of the Leadership Conferences:

- Merit increases were discussed, with officers saying that they had not ruled them out. Since the meetings, a base-pay merit cycle for eligible exempt employees indeed has been approved, starting Oct., 1, 2012.
- Business Systems will reinstate wireless Internet access at company facilities and consider adding new locations. ☒

LEADERS

Above at right, Ben Fowke, chairman, president and CEO, addresses the gathering of leaders in Denver. Above left, one of the conference's panels included (from right to left) David Harkness, CIO; Teresa Mogensen, vice president of Transmission; and Larry Crosby, vice president of Distribution. And on page six, another panel during the conferences included (from right to left) Kent Larson, senior vice president of Operations; Scott Wilensky, senior vice president and general counsel; and Teresa Madden, senior vice president and CFO.



New survey tool to focus on key company drivers

Xcel Energy's 2012 employee engagement survey focuses on 12 key categories that support the company's strategic priorities.

Those categories include key drivers such as operating effectiveness, performance, rewards, leadership, empowerment, safety and innovation, among others.

"A highly engaged workforce is a key factor in the success of Xcel Energy," said Ben Fowke, chairman, president and CEO. "It will take commitment from all of us to be engaged, but as a result, we will see more high-performing teams and strong ambassadors for the company."

Fowke was directly involved in the development of this year's employee engagement survey. He and his direct reports determined the 12 key categories, and related questions were then chosen to track those categories.

"This new survey tool will provide us with more information and a clearer understanding of key drivers of engagement," he said. "In addition, the survey provides the opportunity for employees to add comments. I look forward to having another channel to hear what our employees have to say."

The survey will be available to all employees Sept. 5 to 25, and will be administered by Towers Watson. It will provide Xcel Energy with new information that identifies where the company is performing well and where it can improve, said Darla Figoli, vice president of Human Resources.

Along with the 12 key drivers, the survey tool also offers other new features, she said. They include:

- The ability to quantify and benchmark against other energy companies and best-in-class organizations.
- Two-page summary reports for managers who have five or more survey participants. This summary will highlight the

top-three and bottom-three results for their areas, and provide managers an effectiveness index, along with recommended actions they can take to improve engagement.

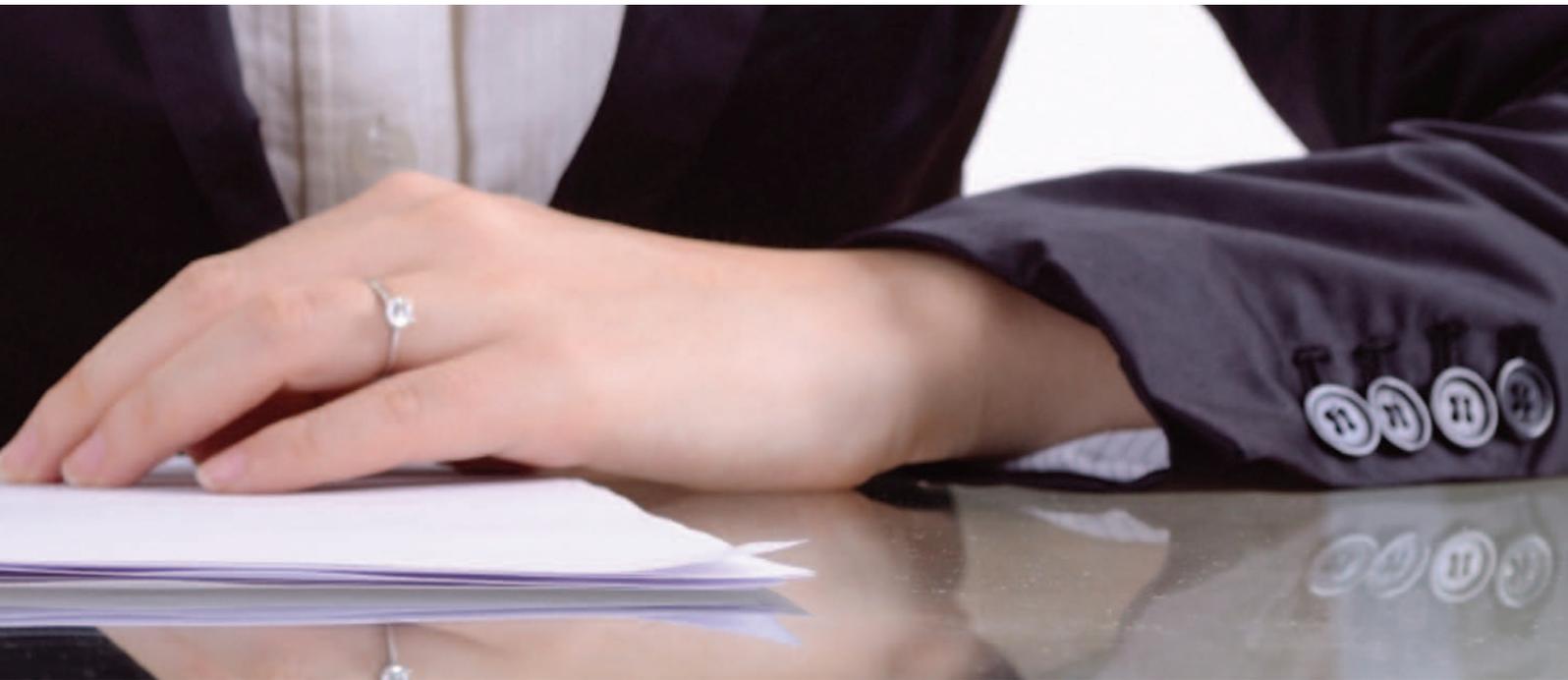
- An Innovation Index that will give the company the ability to see areas in the company where employees are innovative and encouraged to respectfully challenge the traditional way of doing things.
- And two "open" comments fields, allowing employees an opportunity to provide individual comments. In addition, a summary report will highlight themes from the comments fields.

All employees will receive an online survey or a paper survey. Employees taking the survey online will receive an email with a link to the survey. Managers of employees identified to take the paper survey will receive the surveys before Sept. 5.

Last year, 78 percent of employees participated in the survey. This year, the company is striving for an 80 percent participation rate, she said.

"We as a company have our work cut out for us as we accommodate the needs of a changing workforce and find creative ways to engage employees," Figoli said. "Research has shown that employee engagement is much more than a feel-good metric. High engagement makes Xcel Energy a better place to work and leads to stronger business results."

The survey process includes procedures to keep all results confidential, she added. The process itself is being managed by Towers Watson, and the independent survey research firm will create reports of the survey results for distribution that only include results from groups of 5 or more respondents.



The questionnaire is divided into five sections:

- An “About You” section asks employees to provide a minimum amount of information about them, although the in-
- A “Comment” section offers the opportunity to comment about issues employees consider important. Comments

reflects respondents’ own opinions.



Ben Fowke

“A highly engaged workforce is a key factor in the success of Xcel Energy. It will take commitment from all of us to be engaged, but as a result, we will see more high-performing teams and strong ambassadors for the company.”

formation is not mandatory. This information is requested, however, because people from different parts of Xcel Energy or with different backgrounds may have varying opinions, she said. Towers Watson will use this section to report the results in a meaningful way while preserving the confidentiality of all respondents.

- An “Opinion” section contains a range of questions or statements for participants to express their views. One answer per question/statement is requested that most closely

will be collected, typed, sorted into groups and reported to management exactly as written. Employees should not sign their names or include in their comments any information that might identify them. The “Comments” section includes the following two questions: “What suggestions do you have to make Xcel Energy a better place to work?” and “What are the most critical issues that Xcel Energy needs to address in order to meet its business objectives?” ☒

Hayden

Colorado plant marks 20 years since joining company ranks

“Done Deal,” the headline read 20 years ago.

Thanks to that important Colorado deal, Hayden Generating Station became a new and important fixture at the company. And with the agreement – the culmination of the bankruptcy proceedings of the now-defunct Colorado-Ute Electric Association – came a new group of employees.

This year marks 20 years of service by that workforce. The plant’s current employees operate an efficient coal-fired plant that produces more than 400 megawatts of power near the popular ski town of Steamboat Springs in the northwest corner of the state.

“There is a strong work ethic with all of the employees at Hayden,” said Walt Wair, plant director. “Due to the plant’s remote location, the workforce is very self sufficient. As a newcomer to the Yampa Valley, I have been impressed with the ethics and work values displayed by our employees.”

For one of those employees, Hayden Station has been part of his world since he was a boy. Al Nicodemus, technical specialist, grew up helping his father farm more than 900 acres of land just a few miles from the plant.

While driving combines to harvest wheat, as well as some barley and oats, Nicodemus said he would look over at the plant and think, “Who would work at a place like that?”

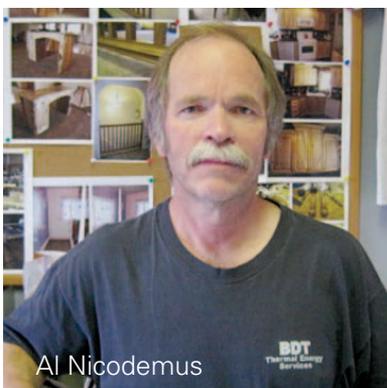
Well, as it turned out, he would.

“It’s been a good job,” he said. “I like the people, and it’s been my home. Most of the guys here like the place, stay around and want to do well.”

After 10 years of helping on the farm, Nicodemus came on board at Hayden at age 21 in 1972. At the time, Unit Two was just being built, and a year later, he “jumped the fence” and took a construction job to work on the new unit.

Nicodemus eventually returned to plant operations in 1978. At the time, a lot of workers were moving to the larger and newer Craig Generating Station.





Al Nicodemus



The crew at Hayden ended up being “a bunch of young guys learning how to run and rebuild things on the fly,” he said. Nicodemus has been working on high-pressure piping and tubing ever since.

He recently helped out with a major overhaul of Unit One, working primarily on the boiler’s buckstays. The support structures are beams on the exterior of a boiler wall that help keep the adjacent areas of the wall from being forced outward.

“They tie the boiler together and keep the water-wall tubes in line,” he explained. “They stabilize the walls like a framework inside a building.”

The Unit One project entailed a complete buckstay-

replacement effort, along with other major projects, Wair said. The biggest involved a generator overhaul, including a complete rewind of the stator. It was the first rewind of the generator since it was upgraded in 1974.

Another major effort included the rebuilding of the unit’s cooling tower, he said. The outage for the work began March 23 and the unit came back online on July 4.

Next up for Hayden is a large project to install selective-catalytic reduction (SCR) for controlling nitrogen oxides. Work is planned to get under way in 2015, Wair said.

For the SCR unit, a series of honeycomb plates or baffles will be installed in a large structure similar to what is now in

20-YEAR ANNIVERSARY

Hayden Station, which marks 20 years of operation with the company this year, is pictured above right above a pond along the road near the area’s regional airport. At top, work on the Unit One overhaul included a complete rewind of the stator. And on pages 10 and 11, the plant looking east with the new rail spur in the foreground.



place at Comanche's Unit Three, in Pueblo, Colo. Ammonia is injected into the flue gas, and a catalyst on the plates then converts the nitrogen oxides to nitrogen and water.

All told through these various projects, Hayden soon will be set for another long and prosperous run into the future, he said. It also is one of the cleanest coal-fired generating plants in the region, with other advanced emissions-control equipment in operation, as well.

The plant is unusual in that its production is divided among three owners, although operational responsibilities are entirely held by Xcel Energy.

Unit One, which came online in 1965 and now produces 184 megawatts, is owned by Xcel Energy (75.5 percent) and PacifiCorp of Portland, Ore. (24.5 percent).

Unit Two is owned by Xcel Energy (37.4 percent), Salt River Project of Phoenix, Ariz. (50 percent) and PacifiCorp (12.6 percent). Completed in 1976, it produces 262 megawatts.

"It's a great plant – a well-running contributor in terms of low cost and availability," Wair said. ☒

NEWS BRIEFS

Xcel Energy announces second quarter 2012 earnings

Xcel Energy recently reported 2012 second quarter earnings of \$183 million, or \$0.38 per share, compared with 2011 earnings of \$159 million, or \$0.33 per share.

Second quarter 2012 earnings increased largely due to higher electric margins, resulting from various rate increases and warmer than normal weather across all of Xcel Energy's service territories. Higher property taxes and interest expense partially offset the strong electric margins.

"I am pleased to report strong second quarter earnings," said Ben Fowke, chairman, president and CEO. "Warmer weather combined with operating and maintenance cost management initiatives allowed us to mitigate the negative impact of regulatory decisions, including the Minnesota Commission's denial of our request to defer incremental property taxes in 2012.

"As a result, we continue to expect 2012 earnings per share to be in the lower half of our \$1.75 to \$1.85 guidance range," he added

Prairie Island Unit One and Monticello safely shut down for repairs

Operators recently shut down Monticello Nuclear Generating Plant to repair a gasket on a pipe flange, while in an unrelated action, operators at Prairie Island Nuclear Generating Plant shut down Unit One to repair two diesel generators.

Both shutdowns were accomplished safely. Neither resulted in a radiological release, nor did they pose any danger to members of the public or plant employees.

The Monticello reactor had been operating at 10 percent power, as workers investigated leakage to a collection point inside the plant's steel and steel-reinforced concrete containment structure. All of the leakage was contained within the containment structure. The investigation identified a gasket on a pipe flange needed repairs, and the plant was shut down to complete the work.

At Prairie Island, operators determined during testing that both Unit One emergency diesel generators had exhaust leaks. The plant has additional layers of backup protection, including other diesel generators, turbine-driven pumps and portable pumps.

The 600-megawatt Monticello plant and the 550-megawatt Prairie Island unit were restarted when repairs were completed. Neither outage was lengthy, and Prairie Island Unit Two, also a 550-megawatt unit, continued to operate at full power.



Community *Action*

Annual company campaign helps honor 125th anniversary of United Way

Xcel Energy's annual United Way campaign kicks off Sept. 10.

"Last year – at a time when it was needed more than ever – our employees, retirees and contractors joined together to invest \$5.52 million into the communities where we live and work," said Ben Fowke, chairman, president and CEO "This is an accomplishment of which we should all be proud.

"Our annual United Way campaign offers us an opportunity to join together and make a difference across our jurisdictions," Fowke said. "There are some real needs in our local communities, and the goal for this six-week campaign is \$2.75 million with a focus on increasing our participation."

Employees will receive pledge forms at the beginning of the campaign. They can use the hard-copy form, but are encouraged to pledge online. The link to pledge online will be featured on the XpressNet home page.

Pledging online also ensures that employee pledges are registered immediately for the company-wide prize drawings that occur throughout the campaign. Prizes include gift cards, days off and more.

"Payroll deduction offers an easy way to make a donation, and you can designate your pledge to benefit any non-profit, even those that are not United Way agencies," said Monique Lovato, director of corporate giving. "As in past years, the company's dollar-for-dollar match for employee

pledges will double the impact of your contributions."

By supporting United Way, the unique needs of the many communities served by Xcel Energy are met, she added. Plus United Way focuses on building lasting and sustainable change, which means donations have impact now and in the future.

This year marks the 125th anniversary of United Way, and the organization had its beginnings in Xcel Energy's current service territory.

In 1887, a Denver woman, a priest, two ministers and a rabbi recognized the need for action to address their city's welfare problems. They created an organization to serve as an agent to collect funds for local charities, as well as to coordinate relief services, and counsel and refer clients to the various charities.

That year, Denver raised \$21,700 and created a movement that would spread around the world and become the United Way. More than 125 years later, United Way still is focused on the collective impact we can have on our communities and making that impact felt down to an individual life, Lovato said.

"Across our service territory, United Way creates a community action plan – analyzing data, establishing strategies to address root causes and creating measurable success," she said. "In this way, you are assured that through your gift, you are making a sound investment. And remember, you can

designate your pledge for any nonprofit, even those that are not United Way agencies.

For every dollar pledged, Xcel Energy will match it dollar for dollar, doubling the impact of employee donations. However, to maintain the dollar-for-dollar match on employee pledges, the dollars that campaign events and auctions generate will no longer be matched.

This will hopefully create a greater emphasis on participation through pledging, Lovato said. Feedback from an employee-giving survey earlier this year confirmed that the pledge match remains the key motivator for employee giving, she said.

For retirees who took the survey, their personal participation in the campaign weighed more strongly than the company's match, she added, so retiree pledges will now be matched at 50 cents for each dollar, beginning with this year's campaign.

In other United Way news, the company's Management Campaign will wrap up in early September.

"As a long time supporter of our United Way campaign, I am pleased to serve as chair for the management campaign portion of this year's campaign," said Kent Larson, senior

I am personally proud to be a part of this legacy as a supporter of our annual campaign and genuinely feel that it has and continues to be one of the best investments I've made with my charitable dollars.

vice president of Operations. "I am personally proud to be a part of this legacy as a supporter of our annual campaign and genuinely feel that it has and continues to be one of the best investments I've made with my charitable dollars."

Finally, donations of items for the online auction, which is a part of the annual United Way campaign and opens on Sept. 24, are currently being accepted. To donate an item, contact Kristine Mazzullo via Outlook or contact her at 303-294-2301.

The deadline to donate an item is Sept. 19. Last year's auction included more than 150 items – from event tickets to dinners, services, collectibles and even vacation stays.

All proceeds benefit United Way, and the item donor can select the United Way chapter that benefits from the sale of the donated item. The auction is online and held on Xpress-Net each year. 

NEWS BRIEFS

Company pleased with outcome on Cross-State Air Pollution Rule

The U.S. District Court of Appeals recently issued a decision on appeals to the Cross-State Air Pollution Rule (CSAPR), vacating the rule and sending it back to the U.S. Environmental Protection Agency (EPA) for revision.

"We are very pleased with this outcome," said Frank Prager, vice president of Environmental Policy and Services. "The court appears to have accepted our arguments and ruled in our favor."

"We still need to carefully review the decision before we can for sure know the impact on our operations and determine next steps, but this is a very good decision, particularly for our Texas generating plants," he added. "The last-minute inclusion of Texas in the rule's year-round program had created a significant compliance challenge that we believed was too quick, too costly and presented an unacceptable risk to the reliability of electric service for our customers in West Texas and Eastern New Mexico."

Xcel Energy joined 14 states and 127 other plaintiffs seeking an appeal of the rule, which was supposed to take effect Jan. 1, 2012, until it was stayed for the court's review.

"We don't take action against EPA lightly," Prager said. "We filed a complaint to protect our customers from the unwarranted cost increases and service reliability risks."

EPA issued CSAPR on July 6, 2011, to address the long-range transport of ozone and particulate matter across state lines. The rule placed caps on emissions of nitrogen oxide and sulfur dioxide in 27 states, including Minnesota, Wisconsin and Texas.

"For Minnesota, the final rule ignored significant emissions reductions that we've already achieved at our High Bridge and Riverside plants on behalf of our customers," he said. "We took legal action to avoid unnecessary compliance costs, as well as to avoid the precedent for future rules."

"We have invested in clean air strategies that work for our customers and communities by not only improving the environment, but doing so in a way that keeps energy rates low and modernizes our electric system," he added. "We want to ensure we get credit for this."

The company will continue to work with EPA and states on this issue, he said. For now, the court has reinstated the previous Clean Air Interstate Rule (CAIR). At this time it is uncertain whether the EPA will seek further judicial review of this decision.



Neglected Star

Employee's rescued mini-horse brings cheer to nursing home residents

Vanilla is about as cute as it gets – a thigh-high equine with a fuzzy blonde coat and mane, long eyelashes and an easy-going “horse-sonality,” who brings friendship and cheer to residents of a Red Wing, Minn., nursing home.

On Vanilla visiting days, residents on several floors of the home look forward to the miniature horse's appearance as she rides the elevator and sports a pair of sparkly “Build a Bear” shoes to keep her from slipping on the tile floors. She makes quite a fashion statement, according to the home's nursing staff.

Accompanying Vanilla on her rounds are two Prairie Island Nuclear Generating Plant employees, owner Jony Allen,

electrical preventative maintenance work planner, and Brett Cummings, assistant plant operator.

Allen's two-year-old miniature horse made her first trip to the Red Wing Health Center last fall – the first place she'd been besides a farm, Allen said.

“Vanilla quickly proved she was right for the job,” Allen said. “The residents' faces lit up immediately when she walked into their rooms.”

Vanilla also had the ability to open them up, Allen said. Many residents, when they saw Vanilla and stroked her soft fuzzy coat, began telling stories about the horses they had when they were young.

For example, one woman, while petting Vanilla, recalled

her days of living on a ranch and riding her favorite horse.

Another resident, who had lost many of his motor skills with advancing age and disease, tried petting Vanilla, but ended up batting her head more than petting her. "But Vanilla seemed to understand," Allen said.

"Some residents didn't say much, but their appreciation was evident when they touched Vanilla's soft coat," Allen added.

Vanilla seemed to benefit, too, because she loves attention, Allen said.

Vanilla now is an old pro at striding down the hallways and riding in elevators as she goes from floor to floor to visit residents in their rooms, Allen said.

"One time, Vanilla made onlookers laugh when she passed a mirror and then stopped to nicker at that horse looking back at her."

Vanilla's story, however, did not have such a happy beginning. She was a rescue animal, whose life in the spring of 2011 didn't look so promising.

Allen happened to see the neglected mini-horse and another horse, her sister, when Allen went to a nearby farm to buy some fencing. "They were in really tough shape," she said.

The two mini horses had been badly neglected and were near starvation. They were underweight, she said, and their coats and manes were matted and filthy.

When the concerned neighbor near the farm asked if Allen knew anyone who might be interested in two mini horses, Allen knew the answer. There was no way she could leave the horses in that situation, so home with Allen they went – to a better life on Allen's 10 acres of land.

By fall, Allen had Vanilla and her sister cleaned up, exercised, well nourished and at a proper weight. Vanilla turned out to be the more mellow of the two sisters, so Allen decided she would be a good candidate for nursing home visits.

When Allen first broached the notion to the Red Wing Health Center staff, they immediately liked the idea. Despite working some night shifts, especially during refueling outages at Prairie Island, Allen always found time to take Vanilla for visits at the nursing home.

"I'd be tired after working all night on an outage," Allen said. "But the visits we made were so worthwhile. It doesn't take much to make people happy.

"Not only do the visits brighten the residents' days, but they also make Brett and me feel really great about these efforts," Allen added.

"Taking the time to make other people's days better is very rewarding, and I hope Vanilla's story inspires other employees to become volunteers in their communities," she said.

Allen, incidentally, used to own a Percheron – a giant draft horse about five or six times taller than Vanilla at the withers.

"Vanilla probably is a better fit for nursing home visits," Allen said. "And she certainly thrives on the attention." ❧



VANILLA

At top, Jony Allen's miniature horse Vanilla visits with a resident at the Red Wing Health Center, the first place she had ever been besides a farm. Middle, Allen poses with Vanilla, and above, Vanilla being escorted in the hallways. On page 16, Vanilla and her sister enjoy an afternoon in their new and welcome location.

FRIENDS WE'LL MISS

Charles D. Anderson

87, supervisor, Electric Distribution, Colorado, died on June 21, 2012. He worked for PSCo from 1950 to 1986.

Lee H. Adelhelm

77, line crew foreman, St Paul, Minn., died on July 26, 2012. He worked for NSP from 1953 to 1990.

Leola M. Anderson

73, senior branch office cashier, Central Accounting, Wisconsin, died on June 15, 2012. She worked for NSP from 1970 to 1996.

James O. Behling

82, Plant Engineering and Construction, Minnesota, died on July 19, 2012. He worked for NSP from 1957 to 1988.

Chuck K. Chouanard

54, electrician journeyman, Electrical Substation Construction, Minnesota, died on July 14, 2012. He worked for NSP from 2003 to 2012.

Edward A. Griffen

87, supervisor, System Planning, Colorado, died on June 12, 2012. He worked for PSCo from 1953 to 1990.

Ambrose R. Heurung

84, tree trimming foreman, Northwest Electric, Minnesota, died on July 8, 2012. He worked for NSP from 1949 to 1990.

Joel B. Holmes

59, plant supervisor, Operations, Cherokee Generating Station, Denver, Colo., died on July 13, 2012. He worked for PSCo from 2008 to 2012.

Douglas S. Hunter

50, fitter, Gas Operations, Boulder Service Center, Boulder, Colo., died on July 20, 2012. He worked for PSCo from 2003 to 2012.

Leonard I. Johnson

95, security coordinator, Employee Relations, Safety and Security, Colorado, died on June 27, 2012. He worked for PSCo from 1970 to 1983.

Cleve Marchbanks

82, Texas, died on June 30, 2012. He worked for SPS from 1973 to 1993.

Glen E. Orren

89, senior billing analyst, Northwest, Minnesota, died on July 18, 2012. He worked for NSP from 1952 to 1985.

Joe E. Price

83, meterman, Western Electric Service, Mesa Operations Center, Grand Junction, Colo., died on July 13, 2012. He worked for PSCo from 1963 to 1991.

Thomas I. Schroeder

77, division engineer, Minnesota, died on July 20, 2012. He worked for NSP from 1965 to 1996.

Norbert L. Smith

75, engineer, General Office, Minneapolis, Minn., died on July 16, 2012. He worked for NSP from 1965 to 1978.

Donald H. Swanson

64, machinist/lead welder, Red Wing, Minn., died on June 14, 2012. He worked for NSP from 1975 to 2006.

Marvin H. Theisen

79, storekeeper, Electric Utility, Northwest Stores, St. Cloud, Minn., died on July 22, 2012. He worked for NSP from 1956 to 1990.

Russell J. Watson

68, lead fitter, Gas Operations, Boulder Service Center, Boulder, Colo., died on July 6, 2012. He worked for PSCo from 1968 to 2001.

Russell Williams

95, supervisor, Service Center Operations, Boulder, Colo., died on July 7, 2012. He worked for PSCo from 1936 to 1977.

RETIRING

Steven R. Abeyta

(*abeytahoyes@msn.com*), director, Reliability Maintenance Resources, Technical Services, Materials Distribution Center, Denver, Colo., retired on Aug. 8, 2012. He worked for Xcel Energy for 35 years.

Robert E. Burggraff

(*Robert.burggraff@frontier.com*), scheduler, Sherco Plant, Becker, Minn., has retired. He worked for Xcel Energy for 29 years.

Kevin Chamberlain

(*kevlani@msn.com*), designer, Boulder Service Center, Boulder, Colo., retired on Aug. 31, 2012. He worked for Xcel Energy for 39 years.

James M. DeBelle

(*jmvie@q.com*), gas standards tech, Gas Technical Services, Lipan Distribution Center, Denver, Colo., retired on Aug. 16, 2012. He worked for Xcel Energy for 41 years.

Stephen Doody

(*doodklein@comcast.net*), lead gas plant equipment operator, Gas Production, Wescott Gas Storage Plant, retired on July 18, 2012. He worked for Xcel Energy for 34 years.

Jerald Dugan

control room operator B, Operations, Tolk Station, Earth, Texas, retired on Aug. 31, 2012. He worked for Xcel Energy for 30 years.

Jim Higby

(*j-jhigby@comcast.net*), planner, Design and Layout, North Metro Division, Arvada, Colo., retired on July 13, 2012. He worked for Xcel Energy for 40 years.

Karen C. Martinez

(*karenm28847@yahoo.com*), commodity contract analyst, Commercial Accounting, 1800 Larimer, Denver, Colo., retired on Aug. 1, 2012. She worked for Xcel Energy for 24 years.

David McVay

(*davemcvay@msn.com*), operations procedure writer, Document Control, Prairie Island Nuclear Plant, Red Wing, Minn., retired on Aug. 7, 2012. He worked for Xcel Energy for 26 years.

Al Mebane

(*amebane@aol.com*), mechanic, Maintenance, Arapahoe Station, Denver, Colo., retired on June 29, 2012. He worked for Xcel Energy for 33 years.

Nancy Nelson

(nn_nelson@msn.com), lead pension administrator, Employee Retirement, Nicollet Mall, Minneapolis, Minn., retired on July 31, 2012. She worked for Xcel Energy for 35 years.

Chris Saville

(cbsaville@gmail.com), retired on July 6, 2012. She worked for Xcel Energy for 36 years.

Lou Severino

(louisallens@msn.com), account manager, Sales, Fort Collins Service Center, Fort Collins, Colo., retired on Aug. 31, 2012. He worked for Xcel Energy for 40 years.

Paul R. Trujillo

mechanic specialist, Production, Cherokee Generating Station, Denver, Colo., retires on Sept. 19, 2012. He worked for Xcel Energy for 34 years.

Karen Young

manager, Community and Local Government Relations, St. Cloud, Minn., retired on July 10, 2012. She worked for Xcel Energy for 35 years.

CONTINUING EDUCATION

Keith W. Carlson

plant equipment operator, Generation, Red Wing Steam Plant, Red Wing, Minn., received his Master of Arts degree in Human Resources and Industrial Relations from the Carlson School of Management at the University of Minnesota, May 31, 2012.

Rebecca J. O'Gorman

records analyst, Administrative Services, Denver, Colo., became a Certified Records Manager, July 1, 2012.

Stephanie Doyle

Marketing, 1800 Larimer, Denver, Colo., received an MBA with a marketing emphasis from the University of Colorado at Denver, May 2012.

Xtra retiree web portal available on xcelenergy.com

The latest issue of Xtra is posted each month on a webpage on the company's website at: xcelenergy.com/retirees.

Retirees and employees are invited to visit the page to view the latest issue, as well as a number of back issues of Xtra. Links on the page also provide access to various utility shareholder groups.

AROUND THE COMPANY

Leaders discuss 2013 strategy with board

Xcel Energy senior leadership recently held its annual meeting with the Xcel Energy board of directors to discuss issues of strategic importance to the company and the plans to address them.

The discussion was constructive and, in the end, the board reaffirmed the company's business objectives and corporate strategy, giving its support to areas on which the company intends to focus going forward, said Marvin McDaniel, senior vice president and CAO.

As managers develop business plans and goals for 2013 and beyond, they will ensure they are aligned with the guidance as appropriate, he said.

Primary Business Objective: Provide a competitive and sustainable return for Xcel Energy shareholders by meeting commitments to customers, regulators and the communities Xcel Energy serves – generating a total annual return of 10 per-

cent to our shareholders.

Strategy: Grow the core business by providing clean, safe and reliable energy to customers at a competitive cost.

Strategic focus areas include:

- Customer Focus – Understand and address customer concerns while building credibility and trust. Help customers understand the value of the company's past, present and future actions.
- System Modernization – Ensure ongoing system safety and reliability, balancing those needs with the impact on customer bills.
- Productivity and Efficiency Improvement – Continue to build credibility and trust with customers by carefully controlling costs, prioritizing spending and running the business more efficiently.
- Safety – Continue on the Journey to Zero to ensure that employees return home from work in the same healthy condition as they arrived.
- Environmental Leadership – Build on the value the company has created thus far by implementing a clean energy strategy that works for its many stakeholders through balancing environmental improvement with affordable and reliable energy delivery.
- Corporate Citizenship – Support the communities served by Xcel Energy and engage with external stakeholders to tell the company's story.

XTRA

Published monthly by Xcel Energy
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