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Crews travel to Ohio to help restore power for thousands

HUMAN PERFORMANCE:

Substation effort looks to avoid mistakes

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Senior leaders gather for strategy, planning session



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The addition of about 1,000 megawatts of wind energy to its system this year could push Xcel Energy up near the 5,000-megawatt mark for the amount of wind capacity in place to serve customers. In this photo, purple wildflowers dot the landscape at the Moraine Wind Facility in Minnesota. For more information, please see story on page 10.

'Something extra and unexpected' spurs thanks from customer

Dear Xcel Energy:

Last fall, I called to have a transformer in our neighborhood replaced because we had an older one, and often on hot days, it would be overloaded and go down.

I was told that this is not often done, and that there is a schedule to have this type of thing done and that you have to have a certain number of people on a transformer to get it replaced.

I was then asked my address and transferred to a manager. His name was Kevin Jones, and he asked a few questions and said that he would put it on the schedule for replacement within the next few months.

It was replaced last fall, and I did not get the opportunity to thank Kevin. He provided exceptional service.

We have not had any power outages since the replacement, and I would like to thank Kevin for getting the job done although we were not top priority.

Exceptional service is providing something extra and unexpected to delight the customer, and that is what he did.

—**JKendra Lewis, Minneapolis, Minn.**

'Fantastic job' after storm appreciated

Dear Xcel Energy:

Just want to say what a fantastic job your employees did after the storm here in Atwater, Minn. Your people worked tirelessly to get us power.

We had poles, lines and transformers lying on the ground, all tangled up in downed trees and other debris. Can't say enough good about your service and your people.

—**Lee Mickle, Atwater, Minn.**

Service 'reassuring and nothing but professional'

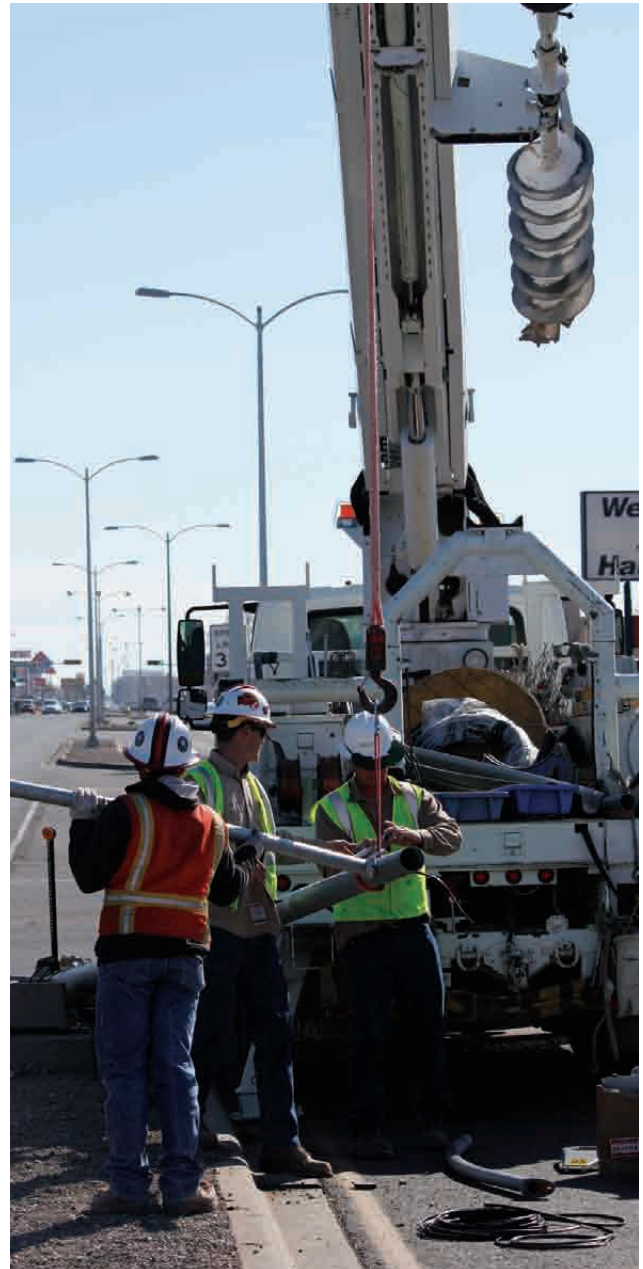
Dear Xcel Energy:

I called this morning at 6:45 a.m. to report a power outage, and the woman I spoke to was wonderful! She was calm, reassuring and nothing but professional to work with.

It is individuals like these that make unpleasant circumstances bearable. She informed me of the situation and was very accommodating.

I know you get the brunt of frustrations when the power goes out, but I greatly appreciated her positive attitude. So, thank you!

—**Jill Strong, Afton, Minn.**



ROSWELL STREET WORK

An Xcel Energy crew helped make the streets of Roswell a little brighter by installing new streetlights in the eastern New Mexico city earlier this year. In this photo by Troy Foos, Public Policy and External Affairs, are (from left to right) Joby Sallee, working foreman, Michael Robinson, first year apprentice, and Kevin Victor, fourth year apprentice.

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.

Keystone

Senior company leaders recently finished their annual two-day Keystone strategy session, where they covered a host of topics.



Ben Fowke

"Last year we focused on workforce challenges, including the large number of pending retirements in the next 10 years and the need to transfer knowledge and increase productivity," said Ben Fowke, chairman, president and CEO. "The theme of this year's conference was the customer, including how we communicate and interact with our stakeholders," he added. "And, very importantly, what our investment plans mean to them."

By far the biggest challenge confronting the company and utility industry is the vital need to modernize systems. The investments required to do so are significant and will be prolonged, he said, placing greater stress on the regulatory process and on customers.

"It is crucial that we continue to carefully control our costs, prioritize our spending and look for ways to run our business more efficiently," Fowke said. "This will go far in building credibility and trust with our customers, which is essential to helping them see the value in our actions."

As such, Xcel Energy is stepping up its external communication and outreach efforts, he added.

"We will each need to play a role in order to succeed," he said.

Topics addressed at the Keystone session covered a host of items. They included:

- The possibility of significantly lower sales forecasts, and what to expect from the economy.
- A detailed analysis of the company's investment plans.
- Potential game changers such as distributed generation.
- Drivers of O&M and capital increases, including nuclear, information technology and transmission.

- New and looming EPA regulations, and their impact on the company's generating plants.
- The need to upgrade Xcel Energy's gas and electric delivery systems.
- How low-priced natural gas, combined with low interest rates, might influence the company's investment plans.
- Using technology to achieve the productivity gains (through the new Productivity Through Technology initiative) that will drive lower O&M costs.
- Opportunities to improve the company's overall customer experience.
- And impacts of all these on customers' costs, reliability and service quality.

Other key themes at the strategy session included:

- Customers and their concerns have to be paramount in all company decisions.
- Safety will remain a top priority. "We will stay on the Journey to Zero," Fowke said.
- Xcel Energy will remain an environmental leader and focus on showing the value the company has created from its early actions.
- The need to explain the company business challenges by collaborating with regulators and stakeholders to find solutions, and through it all, provide options.
- Look at the size and timing of the company's projected capital spend, with an eye toward lowering short-term customer bill impact.
- Coal, gas and nuclear fuel prices are relatively low and stable. "We should look for ways, including hedging, to smooth future rate spikes," Fowke said.
- Every employee needs to engage with external stakeholders and tell the company's story. Corporate citizenship has never been more important, he said.

"Xcel Energy has prospered through very difficult economic times and is positioned well," Fowke said. "But there are very real challenges directly in front of us."

"The answers to all of these challenges will come from our front-line employees, who work hard every day to deliver on our promise of providing clean, safe and reliable energy at a competitive cost," he added. ❏

Storm Aid

Battling heat and humidity, Minnesota and Wisconsin crews help out in Ohio

Xcel Energy crews from Minnesota and Wisconsin recently assisted with power-restoration efforts in Ohio, one of the states hit hardest by late-June storms in the eastern United States.

American Electric Power (AEP) asked for help in restoring power to some 1.4 million of its customers, said Todd Place, manager of Gas and Electric Field Operations, Chestnut Service Center, Minneapolis.



"Outages in the counties our crews were assigned to had started at a high of more than 10,000 customers," he said. "Crews remained upbeat and wanted to get the customers back on as quickly as they could, but the heat did slow progress."

Temperatures were in the high 90s to low 100s, with the heat index well into the 115 range, he said. Xcel Energy crews included 17 Minnesota employees, seven Wisconsin workers and 27 contractors.

Tony Button, senior safety consultant in Field Safety and Training, Hayward, Wis., said the heat and humidity were the most extreme he has ever experienced. And Button has gone along on several mutual aid trips, including those in Texas and Florida.

"Staying hydrated was a battle every day," he said. "Every morning we had safety talks, and throughout the day the crews watched out for one another with reminders to stay hydrated."

On June 29, residents from Illinois to the East Coast experienced violent 80-mile-per-hour, straight-line winds, which left a wide path of destruction in their wake. On July

2, Xcel Energy crews loaded their trucks and headed to assist AEP in restoring power to more than 660,000 Ohioans.

The crews were assigned to Portsmouth, Ohio, located near the southern tip of Ohio in the Appalachian Mountains. When crews began work in the wooded rural area, nearly half of all residents in the area were still without electricity.

Poison ivy, venomous copperhead snakes and brown recluse spiders were prevalent in the area. Employees washed with special poison ivy soap every time they came out of an affected area, said Kevin McCormick, manager of Gas and Electric Field Operations, Edina, Minn.

"The crews worked 16 hours a day, from 6 a.m. to 10 p.m., and while the conditions were tough, they remained positive and focused on getting power restored as safely and quickly as possible," McCormick said.

According to AEP, the storm was the worst to hit Ohio since the state was battered in 2008 by remnants of Hurricane Ike. Out-of-state reinforcements were limited by big needs in Washington D.C., and neighboring states that also were hit by storms.

A tip of our hats to Xcel Energy

From the moment your trucks rolled in, the men and women of Xcel Energy Inc. worked side by side with AEP crews. Together, we restored electric service to more than 1.4 million customers left in the dark by the force of the June 29 Super Derecho storm.

Dedicated crews worked 16-hour days to help remove power lines from trees and roadways, repair broken poles, and install transformers so we could return service to homes, hospitals and businesses.

The days were long and hot as temperatures soared to 100 degrees.

With a tip of our hardhats, we say thank you for staying with us until our job was done.

(Editor's Note: The following ad by American Electric Power Co. ran in Ohio publications after company crews had returned home from helping out in the storm-hit state.)



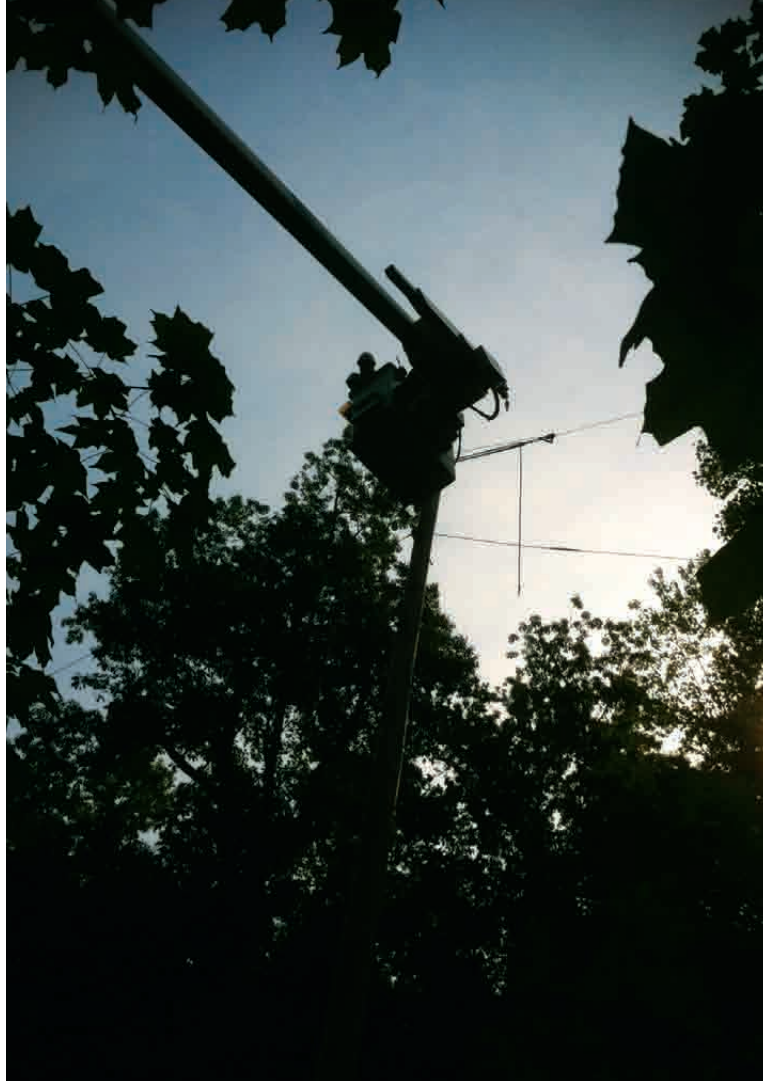
More than 3 million people in Virginia, West Virginia, Maryland, New Jersey and other areas also were without power when Xcel Energy crews were called in to assist. To make matters worse, subsequent storms hit the area in early July.

The Xcel Energy crews returned home on July 9. They were part of a 2,500-person restoration team, and completed their work without any incidence.

"I have nothing but praise for all the employees who endured and accomplished so much during this restoration project," Button said. "They handled everything like the true professionals that they are."

Utilities maintain mutual-aid agreements and routinely assist each other when storms cause massive destruction resulting in widespread, lengthy power outages. The utility requesting aid reimburses the utility whose crews are sent to help.

Xcel Energy sends crews after assessing its own situation and ensuring the company has adequate resources to respond to routine and emergency power outages in its own service territory. ☒



HELP IN THE HEAT

Temperatures were in the high 90s to low 100s for company crews working in Ohio, with the heat index well into the 115 range and snakes about. Xcel Energy crews helping out in the state after severe storms included employees and contractors from Wisconsin and Minnesota.



Human Performance

Effort in Substations looks to reduce human error, avoid mistakes

“To err is human...” wrote English poet Alexander Pope. But even a simple mistake can have serious consequences when working inside a substation.

A recent Transmission initiative focuses on minimizing human error through a systematic risk-assessment program. This proactive process-orientated approach lessens the likelihood of mistakes.

“The benefits of the initiative are reduced injuries, equipment damage and error-caused outages, which result in a safer work environment and increased reliability.”

Human Performance (HP) was introduced into Xcel Energy’s Substation Construction, Operations and Maintenance group in January 2011. It provides front-line employees with real-world, error-prevention tools. Those tools are being incorporated into existing processes and procedures to make im-

provements in how work is executed and help avoid mistakes.

The HP effort in Substations represents a first-time formal effort by Transmission to change the culture and mindset around the dynamic of human error, said Perry Foster, manager of SPS System Protection, who also serves as Transmission’s HP champion.

“The program identifies likely situations for human error, which makes them more predictable, manageable and preventable,” he said. “It also helps everyone understand the reasons why mistakes occur, how to apply the lessons learned and how to avoid future mistakes.

“The benefits include reduced injuries, equipment damage and outages,” he added. “This should result in a safer work environment and increased reliability.”

Previously, the company’s Substation group had monitored and recorded these incidents, but there was no comprehensive, formal HP process in place. Greg Bennett, director of Substations, along with his management team, decided in the fall of 2010 to put a real-world HP process in place.

Last year, the North American Electric Reliability Corporation (NERC), an industry regulatory agency, ranked human error as its No. 2 concern in terms of electric-grid reliability. Also, as a working member of the North American Transmission Forum (another reliability orientated industry group), Foster attended one of the organization’s human-performance conferences and was impressed with a presentation by expert Terry Varn.

“Varn encouraged us to engage our field employees with



Perry Foster

good safety records and an interest in human performance to help roll out our process," Bennett said. "This front-line employee engagement and buy-in was critical to the successful rollout of the first phase of HP in Substations."

Varn offered a simple but effective process for error avoidance. It involves stopping prior to beginning any work, and carefully considering the scope of work and identifying all potential risks of error. When a risk is identified, proper steps and error prevention tools are used

before proceeding with the work.

An error can involve something as simple as miscommunication about equipment status that results in inappropriate switch operation. Mistakes like this can seriously impact safety and reliability, Bennett said, and they need to be understood in the context of a complex and busy work environment.

"This is why we also analyze every human-performance incident," Bennett said. "It is all part of an effort to learn what can be done differently going forward."

"In the course of executing complex work, even the smallest distraction can cause mistakes to be made," Bennett said.

PERFORMANCE

The Human Performance effort in Substations represents a first-time formal effort by Transmission to change the culture and mindset around the dynamic of human error. Pictured above are aerial views of a pair of the company's many substations.

"Sometimes it's as simple as a phone call that interrupts a field technician working on a complicated system-protection scheme.

"This has resulted in a technician closing the wrong switch – and once that switch is closed, you can't undo it," he added. "The new HP tools are designed to help employees avoid these types of errors and more."

Human performance involves multiple error-avoidance tools – in the form of new comprehensive manuals, handbooks, checklists and other handy on-site materials. In addition, Transmission has created a series of 11 online courses related to the new initiative, along with "Tool of the Month" PowerPoint presentations and many more aids.

There are eight distinct tools in place to date, he said. One of them, the "Stop, Think, Act, Review" (STAR) process, encourages technicians to carefully consider all critical stages related to their work.

New equipment flagging and labeling procedures also are being used to avoid confusion and clearly identify all components of substation equipment, he said. And the HP tools include a strong focus on careful and deliberate interaction between co-workers.

"Organizations that have adopted HP practices have seen improved safety results, product quality, efficiency and productivity," Foster said. "There is a complete set of program tools for managers and employees, including a pocket card with a checklist, a handbook for easy reference and an overall manual."

"But it's not so much a collection of tools, as a distinct way of thinking," he added. "Our motto is that the tools must be used every day, every job and every time. They need to be inserted into our everyday processes and procedures."

The HP tools, coupled with an overall increased awareness and focus on careful procedures to avoid errors, already are paying off – particularly in terms of safety. The accident rate for Substations has improved since the implementation of the effort.

"The benefits of the initiative are reduced injuries, equipment damage and error-caused outages, which result in a safer work environment and increased reliability," Bennett said. "The initiative involves a different way of thinking about how we all execute our work."

"We have seen many success stories already," he added. "And I fully expect to see more in the future, with a resulting reduction in errors that impact both safety and reliability." ❏

Adding Wind

Huge push under way to get the work done by end of year

From Pipestone, Minn., to Oldham, Texas, and points in between, Xcel Energy will add yet another 1,000 megawatts of wind energy to its system by the end of 2012.

"We're adding quite a bit," said Tim Kawakami, director of Purchased Power. "There is a huge push to get the work done by the end of 2012 because of the unknowns with the Production Tax Credit [PTC] for wind power.

"We always like to take advantage of the PTC because it helps make wind energy cheaper for our customers," he added. "The credit can make a big difference and provide a lot of savings."

Two projects in Colorado will add 400 megawatts of wind power, while four projects in Minnesota will add about another 345. And a pair of projects in Texas and Oklahoma will push the total to nearly 1,000, by adding another 240 megawatts.

The additional power could push Xcel Energy up near the 5,000-megawatt mark for the amount of wind capacity in place to serve customers on the company's system.

Speaking of which – and no surprise here – Xcel Energy remains the nation's No. 1 wind-energy provider, according to the American Wind Energy Association's (AWEA) 2011 Annual Market Report. That marks the eighth consecutive year that Xcel Energy has topped the list in wind.

"We brought on about 600 megawatts of cost-effective wind power in 2011, making it one of our best years for the resource," Kawakami said. "But of course it looks like we'll top that number this year."

According to the AWEA report, Xcel Energy tops the list at 4,047 megawatts. MidAmerican Energy (including Pacifi-Corp) ranked second with 3,767 megawatts of wind power on its system, and Southern California Edison came in third with 2,950 megawatts.

"We are proud to once again rank as the top utility in the country for wind power," Kawakami said. "Wind energy has been a mainstay of our environmental strategy, which continues to work for our customers by providing emissions-free power at a reasonable price."





"Today we see wind costs being competitive with some fossil-fuel generation, and it is a hedge against rising natural gas prices," he added. "Last year we signed two new wind contracts in Colorado at very low prices; the average cost of these contracts is approximately \$35 per megawatt-hour."

The company's wind-related efforts also help reduce its CO2 emissions. The company has a target of reducing its CO2 emissions by 15 percent from 2005 levels by 2020.

"Wind is an important part of our emissions reductions strategy," he said. "And it also helps investors see that it's an integral part of our ongoing environmental leadership strategy."

"We are fortunate to operate in areas of the country with excellent wind resources," he said. "It means the wind we purchase is more efficient, which can help to bring down the overall cost."

In terms of state-by-state, wind-power production, the company operates in four of the top ten producing states, including No. 1 Texas (10,394 megawatts), No. 5 Minnesota (2,718 megawatts), No. 9 Colorado (1,805 megawatts) and No. 10 North Dakota (1,445 megawatts.) Iowa ranks second at 4,322 megawatts and California ranks third with 3,917 megawatts.

"We are working to better integrate wind on our system and have made significant improvements through more accurate weather forecasting," he said. "We estimate that we saved \$2 million in fuel costs last year alone through im-


proved wind integration."

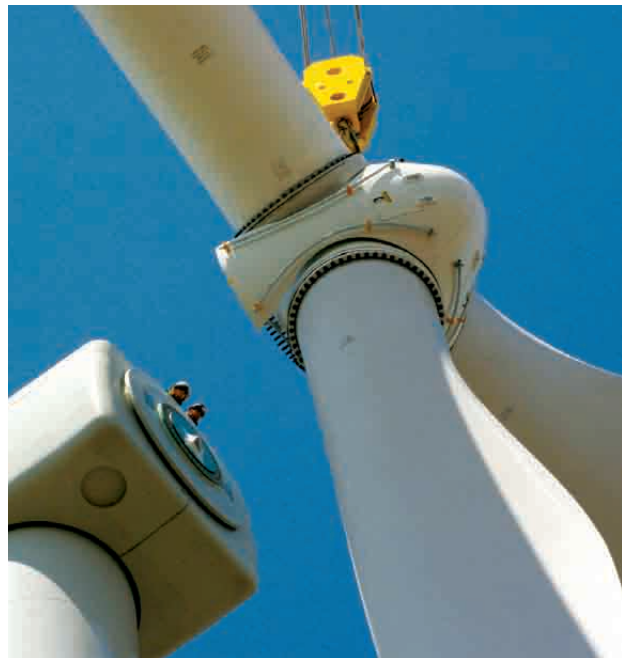
Xcel Energy buys most of the wind energy on its system, but also owns and operates three wind farms: The 100.5-megawatt Grand Meadow wind farm and the 201-megawatt Nobles wind farm, both in southern Minnesota, and about 26 megawatts of the 32-megawatt Ponnequin wind farm in northern Colorado near the Wyoming border.

In addition, the company continues to hit new highs in terms of maximum hourly wind generation as a percentage of the company's electric load served. For instance, PSCo hit a whopping 56.5 percent on April 15, 2012, and NSP hit 37.7 percent on May 1, 2011. SPS's high level was 30.2 percent on Nov. 1, 2011.

Finally, the company's Windsource program also has grown to be one of the largest, voluntary, green-energy programs in the United States, with approximately 60,000 customers participating.

Although the total number of megawatts involved in Windsource is a fraction of the company's overall wind portfolio, through the program launched in 1998, Xcel Energy became an early adopter of wind energy.

The customer-choice program was originally started with residential customers in mind, but the company continues to see plenty of interest from environmentally-minded business customers, as well. 



TOPS IN WIND...AGAIN

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NEWS BRIEFS



Company honored with Mile High United Way award

Mile High United Way recently presented Xcel Energy with its Champion of Hope award at its 2012 CEO breakfast, which launched the United Way's 125th anniversary celebration.

The Champion of Hope is the highest tribute for established corporate workplace campaigns. The award honors companies that not only have run an outstanding workplace campaign, but also have demonstrated their commitment to the community in a comprehensive and tangible way through Mile High United Way.

David Eves, president and CEO of PSCo, accepted the award on behalf of the company and co-hosted the event with honorary chairs Colorado Gov. John Hickenlooper, Lt. Gov. Joe Garcia, and

PCL Construction CEO Peter Beaupre.

"As Mile High United Way celebrates its 125th anniversary, Xcel Energy celebrates more than 75 years of partnering with Mile High United Way in fulfilling its mission," said Christine Benero, president and CEO of Mile High United Way.

"We are so thankful that Xcel Energy and its employees understand the importance of and are committed to continuing to advance the common good for the community," she said. "Thank you, Xcel Energy. We value this partnership and look forward to the next 125 years."

"I'm incredibly proud to accept this award on behalf of Xcel Energy," Eves said, who also is chair of the Colorado United Way campaign. "United Way is a key partner in our efforts to build stronger communities. Our employees and retirees have demonstrated their commitment to meeting our customers' energy needs and in giving back to the community.

"They contribute their time and expertise by serving in United Way leadership roles and volunteer countless hours in support of United Way agencies," he added. "By harnessing the power of our people and the company, Xcel Energy truly 'Lives United.'"

"This recognition really goes to the thousands of employees who have given, volunteered and led the campaign throughout our history," he said. "They are the real champions of hope in our community and within our company."

Shanda Vangas, manager of Corporate Giving for Colorado, was also honored by Mile High United Way as one of five "Outstanding Campaign Leaders" from more than 500 companies that run workplace campaigns in the Denver metro area.

New substation to address long-term need for infrastructure

Xcel Energy recently identified a site for a new electric distribution facility, to be known as the Ptarmigan Substation in Summit County, Colorado. The substation, which will come online the fall of 2014, would help meet the current and growing demand for electricity in the area.

The new substation would be located on private property near the site of the proposed Town of Silverthorne water-storage facility, just outside of the Silverthorne town limits.

The company has entered into a conditional agreement for the site. Included in the substation project would be an access road, distribution facilities to the area, and an approximately 2,000-foot, double-circuit 230-kilovolt transmission line tap that will connect with the existing Xcel Energy transmission line.

"Once completed, our new Ptarmigan Substation will provide much-needed capacity and allow for more

traditional operation of our system in the area, thus greatly improving reliability and minimizing power outages," said Jerome Davis, regional vice president, PSCo. "The power supply for the Silverthorne area currently is at peak load, and we believe that without this new substation, we would have faced a situation of little to no excess capacity and extended power outages. The agreement today is a win-win for the valley, our customers and the company."

Xcel Energy has been attempting to site a new substation in the area since 1997. More recent attempts, following the installation of an express distribution line from Frisco, Colo., began in 2006.

In that time, the company has evaluated 32 sites for the facility, held open houses, and met with stakeholders and jurisdictions to discuss the siting study and process, as well as provide updates on the project.

The company will continue to seek public input on the latest identified site as it prepares for the approval process. Construction is expected to take place in 2013 and 2014.

Collaboration

Settlement agreement for Comanche's new unit proves a benefit for all parties



Comanche Generating Station in Pueblo, Colo.

When Xcel Energy first proposed building a new unit at Comanche Generating Station as part of the company's 2004 Colorado Resource Plan, a number of state and local environmental and community organizations objected.

They were concerned about potential public health and environmental impacts associated with adding a new 750-megawatt coal-fired unit in Pueblo, Colo.

However, Xcel Energy entered into a groundbreaking settlement agreement to ensure that it would avoid significant delays and cost overruns for Comanche Three, said Beth Chacon, manager of Environmental Policy.

"The agreement addressed stakeholder concerns and helped us build the plant on time and on budget," Chacon said. "It saved millions of dollars in litigation and delay costs, and resulted in measurable environmental improvements and other benefits for customers. Even with the new coal unit on-line, our emissions are lower today than in 2004."

Through the settlement, the company built the new unit, established lower emission levels for the entire Comanche Plant, added more renewable energy and expanded its customer energy-efficiency programs.

And last month, the company completed the last requirement of the agreement, when it established Comanche's plant-wide mercury limit.

"There is no doubt that collaboration between Xcel Energy and these parties achieved the results we wanted," Chacon said. "The agreement worked for all stakeholders and improved our environmental performance in a cost-effective way."

The parties to the agreement, besides Xcel Energy, included Western Resource Advocates, Sierra Club, Environmental Defense, Environment Colorado, Better Pueblo, Diocese of Pueblo, Southwestern Energy Efficiency Project, Colorado Renewable Energy Society and Pueblo Smart Growth Advocates.

Reduced emissions from Comanche: Through the agreement, Xcel Energy established lower emissions levels at Comanche's Units One and Two, and set stringent environmental limits for the new Comanche unit, which went into commercial service in July 2010. The plant's sulfur dioxide, nitrogen oxide and mercury emissions are lower now than before the addition of Unit Three, even though electric generation has increased.

"We put in emission controls before they were needed for compliance, and now with new EPA regulations in place, we're prepared," Chacon said.

Increased production and system improvement: The installation of Comanche Unit Three, a highly efficient coal-fueled plant, enables Xcel Energy to continue providing affordable, reliable power for customers while creating the flexibility to retire older, less efficient coal-fueled plants, Chacon said.

"This flexibility was important for Clean-Air-Clean Jobs," she explained. "With this new efficient base-load resource in place, we can retire some older units."

Without those retirements, Xcel Energy would have had to install expensive emissions controls on aging units to comply with EPA regulations. By 2018, the company will retire about

Improved Performance		
	2005	2011
SO₂ (tons per year)	13,443	2,768
NO_x (tons per year)	7,971	4,054
GWh per year	4,292.5	7,494.5

660 megawatts of coal-fueled generation in Colorado and retrofit about 950 megawatts with new emissions controls.

Expanded energy-efficiency programs: "We also achieved the settlement goal to reduce customer demand by 320 megawatts over 10 years through our energy-efficiency programs," Chacon added. "And we continue to increase our commitment to energy efficiency beyond what was required under the agreement."

In addition, the company implemented an incentive mechanism in Colorado for meeting those goals.

Growth of wind energy on system: The company accelerated a feasibility study that looked at the ancillary costs and operational impacts of renewable energy on the electric system. "Positive results from the study contributed to the growth of wind energy on our system," Chacon said.

Xcel Energy also used a carbon proxy cost to help evaluate future climate policy risks, which allowed it to acquire more renewable energy.

"This put us on track to meet the requirements of the new renewable energy standard, a result of Amendment 37, which was a voter ballot initiative," Chacon said.

By 2015, Xcel Energy will have close to 2,000 megawatts of wind energy on its system in Colorado alone, and should come close to 5,000 megawatts system-wide by the end of the year.

Advancement of new clean-energy technologies: The agreement also encouraged studying or testing advanced clean-energy technologies. Colorado now has a formal Innovative Clean Technology Program that enables the Colorado Public Utilities Commission to review and approve cost-effective, promising projects, such as concentrating solar and solar battery storage technology.

Community donations: As part of the agreement, Xcel Energy participated in Pueblo's sustainable economic development effort, Sustainable Pueblo, and donated \$250,000 to Pueblo school districts for a diesel retrofit project to reduce bus emissions. This project saves the districts about \$135,000 in annual fuel costs, as well as improving air quality inside buses. The company also contributed \$100,000 to replace mercury thermostats in Pueblo-area homes.

"Collaboration among all parties clearly has worked," Chacon said. "We continue to discuss other environmental issues with these groups, and it's great to build on the solid relationships we developed during this agreement."

"By working together, we have set the course for meeting environmental compliance requirements, which helps reduce long-term risk and creates value for our shareholders while providing cleaner energy." ❏



401 Nicoillet

Xcel Energy to occupy new building adjacent to GO

Xcel Energy has announced plans to occupy a nine-story, 212,000-square-foot office building on the southeast corner of Fourth Street and the Nicollet Mall in downtown Minneapolis.

The company, with its corporate headquarters immediately across the street from the new building site, will be the new building's sole tenant as it consolidates office space into a two-building downtown campus.

Opus Development Corp. will construct the building, with a groundbreaking in 2014, pending all necessary approvals. Occupancy is expected in 2016, which will replace the company's current rented space in the Marquette Plaza building.

"The cost is comparable and the efficiencies of having our employees centrally located are enormous," said Ben Fowke, chairman, president and CEO. "Even though the Marquette building is only a few blocks away, if you've ever made the walk, you know what I'm talking about when I say it'll make a difference.

"The building won't be fancy, but it will be an important anchor for the revitalization of downtown Minneapolis," he added. "It's been a long time since anything other than a parking ramp has existed on that block, so this will be a real benefit to the community."

The new building will improve operating efficiency for company employees who work downtown and enhance the vitality of the downtown area, he said. About 1,500 Xcel Energy employees currently are based at the company's 414 Nicollet headquarters and in other leased space downtown.

"Downtown Minneapolis is our headquarters, and we plan to remain here for the long term," Fowke said. "Leasing space in this new building is a prudent, cost-effective way to consolidate our operations, meet our future space requirements and create a great environment for our employees.

"It also underscores our commitment to our partnership with the city and its business and community leaders to revitalize downtown Minneapolis," he added.

Minneapolis Mayor R.T. Rybak, said, "The investments in transit and other amenities that we have made in downtown Minneapolis help employers attract and retain talent here,

which in turn helps grow the economic engine of Minnesota.

"I thank Xcel Energy for its vote of confidence in downtown, congratulate Opus on the opportunity to redevelop this important site and look forward to even more vitality in downtown Minneapolis," he said.

The planned Xcel Energy office building is adjacent to the Nicollet Residences, a new high-rise apartment building that Opus Development Corp. also is developing on the adjacent site. Opus expects to begin construction on this project later this year.

The new Xcel Energy site is currently a private parking ramp that was constructed in the 1960s.

"We are always evaluating our real estate and lease holdings to ensure the best, most economical and secure mix," Fowke said. "This opportunity came to us as we were reviewing leases, and it is a good fit considering our needs and uncertainties of the market.

"In addition, as an environmental leader, we saw an opportunity to build energy-efficiency into the design of a new building to create a LEED-certified building, much as we did in Denver with 1800 Larimer," he added.

The building will be LEED certified, silver. LEED-certified buildings are designed to lower operating costs and increase asset value; reduce waste sent to landfills; conserve energy and water; be healthier and safer for occupants; and reduce harmful greenhouse gas emissions.

Along with improving the efficiency and effectiveness of the company's downtown Minneapolis workforce, the new building will provide needed space for potential growth. It will create an Xcel Energy campus, and provide for a collaborative and productive work space that will assist in recruiting and retaining a talented workforce.

"We are delighted to be working with Xcel Energy and the City of Minneapolis on this exciting development project, which will be instrumental in the continuing vitality of downtown Minneapolis and the redevelopment of the north end of the Nicollet Mall," said Dave Menke, senior vice president and general manager of Opus Development Corp. ☒

FRIENDS WE'LL MISS

Charles D. Anderson

87, supervisor, Electric Distribution, Colorado, died on June 21, 2012. He worked for PSCo from 1950 to 2010.

Donald J. Biegler

84, died May 14, 2012. He worked for NSP from 1976 to 1993.

James R. Falkowski

85, utilization foreman, died on June 2, 2012. He worked for NSP from 1947 to 1989.

Greta D. Fortier

71, died May 19, 2012. She worked for NSP from 1977 to 2002.

Erwin B. Fruth

85, warehouseman, died on June 10, 2012. He worked for NSP from 1966 to 1987.

Raymond E. Rooth

86, meter reader specialist, died on June 21, 2012. He worked for NSP from 1943 to 1981.

Ronald V. Schaefer

72, died May 31, 2012. He worked for, NSP from 1975 to 1996.

Donald E. Shaeffer

83, property accountant, died on June 6, 2012. He worked for PSCo from 1945 to 1984.

Kenneth I. Stainbrook

83, died on March 31, 2012. He worked for NSP from 1956, to 1988.

Ocie E. Towery

87, died June 5 2012. He worked for SPS from 1948 to 1986.

John S. Wheelock

50, mechanic specialist, Maintenance, Hayden Generating Station, Hayden, Colo., died June 18, 2012. He worked for PSCo since 1990.

Ruben Zimering

90, manager, Protection and Electric Maintenance, General Office, Minneapolis, Minn., died on January 14, 2012. He worked for NSP from 1951 to 1986.

RETIRING

Jerry R. Anderson

FIN lead mechanical planner, Prairie Island plant, retired on July 10, 2012. He worked for Xcel Energy for 38 years.

Sherral Bell

(*sherb852@sbcglobal.net*), administrative assistant, Transmission Engineering & Design, SPS Tower, Amarillo, Texas, retires on Aug. 31, 2012. She worked for Xcel Energy for 23 years.

Ted Caustrita

(*caustrita@aol.com*), designer thereafter, Southwest Metro Design, Engineering, Kipling Service Center, Lakewood, Colo., retired on July 31, 2012. He worked for Xcel Energy for 42 years.

Debra L. Francis

(*JFRancis002@centurytel.net*), supervisor, Field Logistics, Strategic Material Logistics, King Plant, Bayport, Minn., retired on July 2, 2012. She worked for Xcel Energy for 35 years.

Gary Fulton

shop assistant, Fleet Operations, Red Wing Service Center, Red Wing, Minn., retired on July 6, 2012. He worked for Xcel Energy for 35 years.

Dennis Grambort

(*grambort@charter.net*), line crew foreman, Electric Department, Abbotsford, Wis., retired on July 5, 2012. He worked for Xcel Energy for 33 years.

Rollie Heidebrink

(*rheidebrink@goldenwest.net*), design distribution manager, Southwest Design, Sioux Falls Service Center, Sioux Falls, S.D., retired on July 6, 2012. He worked for Xcel Energy for 35 years.

Douglas A Horgen

performance assessment supervisor, Monticello plant, Monticello, Minn., retired on June 15, 2012. He worked for Xcel Energy for 31 years.

Harold D. Hyman

(*pahd70@gmail.com*), director, Aviation Services, St. Paul, Minn., retired on July 31, 2012. He worked for Xcel Energy for 35 years.

David Kenitz

(*dkenitz@kmwb.net*), design consultant, Design Strategy and Performance, Winona Service Center, Winona, Minn., retired on Aug. 1, 2012. He worked for Xcel Energy for 35 years.

Linda Limberg

(*thegreatrander@yahoo.com*), senior director, Safety and Training, 1800 Larimer, Denver, Colo., retired on April 13, 2012. She worked for Xcel Energy for 36 years.

Jimmy (Jim) Mannin

(*judyjim72@gmail.com*), heavy equipment operator, Lubbock Line & Substation, Lubbock Service Center, Lubbock, Texas, retired on May 31, 2012. He worked for Xcel Energy for 34 years.

Dennis R. Maurer

(*maurer5143@msn.com*), turbine operator, Operations, Valmont Generating Station, Boulder, Colo., retired on Aug. 1, 2012. He worked for Xcel Energy for 31 years.

Terry M. McLeod

(*TerryMcLeod84@yahoo.com*), line foreman, Electric Line Department, North Dakota, retired on June 29, 2012. He worked for Xcel Energy for 33 years.

Bill Mohs

tree trimmer, St. Cloud Service Center, St. Cloud, Minn., retired on July 31, 2012. He worked for Xcel Energy for 39 years.

Ruby Mounce

(*rrmounce@suddenlink.net*), storekeeper, Logistics Warehouse, Harrington Generating Station, Amarillo, Texas, retired on July 20, 2012. She worked for Xcel Energy for 34 years.

Conrad Olson

(*ccolson5051@yahoo.com*), senior instrument and controls specialist, Tech Services, Sherco Plant, Becker, Minn., retired on June 29, 2012. He worked for Xcel Energy for 36 years.

Allan C. Radke

(acradke@gmail.com), manager, Data Integrity and Mapping, Chestnut Service Center, Minneapolis, Minn., retired on July 12, 2012. He worked for Xcel Energy for 44 years.

Jerry Reier

(vreier4332@msn.com), designer, Lipan Distribution Center, Denver, Colo., retired on July 6, 2012. He worked for Xcel Energy for 44 years.

Steven D. Schlichting

plant supervisor, Sherco plant, Becker, Minn., retired on July 31, 2012. He worked for Xcel Energy for 33 years.

Virgil Spiczka

(mbspiczka@gmail.com), environmental analyst, Sherco plant, Becker, Minn., retired on Aug. 14, 2012. He worked for Xcel Energy for 34 years.

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

Crews provide assistance after Colorado Springs fire

About 40 Xcel Energy employees from metro Denver, Grand Junction, Sterling, Boulder, Alamosa, Pueblo and other Colorado service centers headed to Colorado Springs the morning of July 2 to help the city utility there restore natural gas service to its customers affected by the Waldo Canyon fire.

The Xcel Energy crews include fitters, mechanics, safety personnel and supervisors. They worked with Colorado Springs Utilities' employees to turn on meters and re-light appliances in homes and businesses.

"We watched, with the rest of the nation, the images of the most destructive blaze in Colorado's history as it consumed more than 17,000 acres and 346 homes in Colorado Springs," said David Eves, president and CEO of PSCo. "Crews from Colorado Springs Utilities have helped us restore power to our customers after high winds and snowstorms, and it's fitting that we now assist them."

"As a utility, we at Xcel Energy are uniquely qualified to contribute in ways that others cannot," he added. "Having natural gas service back on will be a boost to many of the 32,000 residents who were evacuated from their homes."

"I received many thank yous from friends and former co-workers in the Colorado Springs area," said Cheryl Campbell, vice president of Gas Operations. "There was a lot of appreciation for our teams. So glad we were able to assist."

Xcel Energy crews worked for several days in Colorado Springs, including through the July 4th holiday.

\$60 million N.M. transmission-enhancement project approved

The New Mexico Public Regulation Commission has approved a \$60 million Xcel Energy plan for Clovis-area transmission upgrades designed to improve reliability and prepare the region for additional economic growth.

The project involves the construction of the new Pleasant Hill Substation northeast of Clovis and two new 230-kilovolt transmission lines that will connect Pleasant Hill with the existing Roosevelt County and Oasis substations, which also are targeted for capacity upgrades.

Connecting these substations provides a higher degree of reliability by placing three separate transformers at different locations, with multiple transmission paths among the substations, said David Essex, manager for Community and Economic Development in Clovis.

Additionally, two existing transmission lines will be routed through the new Pleasant Hill substation, relieving congestion on the system, Essex said.

"We're enjoying solid economic growth in the Clovis area, but to keep up with that growth and stay a step ahead, we need a more robust transmission network," Essex said. "This project will improve the reliability of our system and greatly enhance our ability to attract new business to this area."

The improvements, which are expected to be in service by late 2014, were among the capacity projects identified by the Southwest Power Pool (SPP) in a 2009 reliability study.

XTRA

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