

PARTS EXCHANGE

**Combustion-turbine
program tallies
\$10 million
in savings**

XTRA

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An Energy Supply team helped develop a plan to shift responsibility for keeping needed combustion-turbine parts on hand and available, which is saving the company millions of dollars. Pictured here is a small portion of Fort St. Vrain Generating Station, located north of Denver.



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Ben Fowke

Leadership Event

Fowke addresses first-ever, one-stop gathering

A four-stop tour in previous years – touching down in Texas, Wisconsin, Colorado and Minnesota over a six-week span – became one grand gathering for Xcel Energy's 2015 CEO Leadership Meeting.

Hundreds of leaders from across the service territory gathered at different sites or joined via webcast on the afternoon of Nov. 12 for the 2015 CEO Leadership Meeting.

"This is our annual time to come together as leaders," said Judy Poferl, senior vice president, Corporate Secretary and Executive Services, in opening the meeting. "People have asked if we could find some way to participate together and hear everything at the same time.

"So this year, we decided to step out of our comfort zone, do a little bit of our own disruption, and give it a go," she added. "We're all connected here – same time, although not quite the same place – to align again around our vision and strategy."

Poferl was joined live and on camera at 414 Nicollet in Minneapolis by Ben Fowke, chairman, president and CEO, along

with other leaders, as the meeting was broadcast out to various locations and numerous monitors.

Poferl kicked the meeting off by discussing the company's recent journey – starting with setting the stage in 2103 with a customer-focused vision and mission, along with the Strategic Call to Action to think and act like a competitive business.

In 2014, the groundwork was laid to gain commitment throughout the company to meet the call to action through numerous tools and support, she said. And in 2015, the ongoing change was driven by a set of priorities – the Four Strategic Pillars.

Fowke then addressed the gathering with a presentation titled, "Delivering on Our Vision." He discussed the changing landscape that the company finds itself in and progress being made on the four-pillar strategy, followed by some thoughts on how Xcel Energy is approaching 2016.

Early in his presentation, Fowke noted the company's strong performance in recent years – from 11 consecutive years



Four Locations

Leaders at the four main locations in Denver, Amarillo, Eau Claire and Minneapolis met separately during the meeting for about an hour to hold table exercises. Pictured at bottom left are Ben Fowke, chairman, president and CEO, and Judy Pofert, senior vice president, Corporate Secretary and Executive Services.

of earnings growth, to meeting reliability and customer satisfaction standards, to being the No. 1 wind provider in the nation for 11 years running. He also praised the company's safety performance in reducing its injury rates by 67 percent since 2005.

"That's one thing I'm most proud of, and everyone has had a part in our safety journey," Fowke said. "You can put that into numbers of people, and you're talking about nearly 1,000 people who weren't injured based on our efforts."

He also walked leaders through updates on the Four Pillar Plan – the company's strategic plan for delivering on the call to action. The four pillars are: Improve operating companies' performance; Transition to a workforce ready for competition; Give customers more choices; and Grow the Business.

"We rolled these out to hone our initiatives around achieving our mission and vision, and our Strategic Call to Action," Fowke said. "A recent shift is making customers the foundation of all we do. We need to deliver what customers value, and we want our customers to come to us for their energy needs."

"We want them to trust that we're going to meet their needs," he added, "and that we're going to give them the solutions they want."

Xcel Energy is going to have to win the relationship for customers, Fowke said in closing his presentation.

"We want to win the customer relationship," he said. "And we want them to turn to us to meet the majority, if not all of, their energy needs. We will never go wrong by focusing on the customer."

After a lengthy question-and-answer session with Fowke, Ken Black from ESource talked about the utility industry's chang-

ing customers, and what the company needs to do to adapt and change with them in order to remain their trusted and preferred provider.

ESource provides research and advisory services to more than 300 utilities and large energy users, including Xcel Energy. Black leads the firm's research into new utility-customer strategies and business models, making him a good fit for the meeting.

Black said he came to the meeting as a disruptive speaker – echoing some of what Fowke said, but challenging the leaders by bringing more of the voice of the customer into the room.

He walked the gathering through much of what's currently going on in the industry customer-wise – talking about emerging competition and why there is no room for complacency.

After a short break, leaders at the four main locations in Denver, Amarillo, Eau Claire and Minneapolis met separately for about an hour to hold table exercises. Those exercises delved into disruptive forces – such as Uber vs. traditional taxis or Airbnb vs. hotels – and asked leaders how they would respond in any number of creative ways.

The meeting ended with Fowke answering another round of questions, and was followed by small receptions in the four locations, allowing leaders to connect and visit at the end of the first-ever, one-stop leadership event. ←

Connect **4** Performance

Lead. Perform. Evolve. Win.



Connect 4 Performance

Reviews to focus on simple, frequent and meaningful conversations

Say goodbye to numerical ratings. Xcel Energy's IPAD system for non-bargaining employees is being retired in 2016 and will be replaced with a new program called Connect 4 Performance.

Xcel Energy is moving away from a traditional performance-review process and shifting its focus to having simple, frequent and meaningful conversations, said Darla Figoli, senior vice president, HR and Employee Services.

"When we look to the future, we know that our organization is facing a lot of changes that will make it necessary for us to continuously improve and evolve," Figoli said. "One area where we recognize that we have an opportunity to make improvements is in the way we approach performance evaluations.

"We've heard your concerns: Meeting with your manager two times per year to review a heavily-documented summary of your achievements isn't an effective way to get you excited about your work," she added. "And assigning a numerical value to your performance doesn't inspire you to want to perform at higher levels.

For these reasons and in support of the company's goal to transition the workforce to be ready for competition, Figoli recently announced a significant change in the way Xcel Energy will manage and motivate performance.

Designed to be light on documentation and heavy on conversation, Connect 4 Performance promotes dialogue between managers and employees, she said.

"Not only should you be meeting with your manager a mini-

mum of four times per year to discuss your performance during a 'Quarterly Connection,' but you should also be connecting regularly for a number of reasons," Figoli said. "Those include connecting for development, connecting for feedback or even connecting for inspiration.

"We all want to keep raising the bar on performance and position ourselves, our teams and Xcel Energy for continued success," she added. "And Connect 4 Performance is designed to help us do just that."

One of the key elements of Connect 4 Performance is the Quarterly Connection. A minimum of four times per year, employees and their manager will meet to have a conversation about successes, priorities and the places to focus on to improve performance and team results over the next quarter. Then, employees simply and briefly summarize the conversation in TalentConnect.

Other key elements of Connect 4 Performance include:

- More flexibility – A one-size-fits-all approach to performance doesn't fit with the culture the company is working to build. "Although we'll provide you with tools and resources to help drive collaborative and meaningful conversations during your Quarterly Connections, we are trying to keep the process as informal and flexible as possible," she said. "With Connect 4 Performance, you and your manager can choose options within the process that work best for you."
- More conversation and less documentation – The most meaningful connections are made when there is open, trusting and



DARLA figoli

frequent dialogue between leaders and employees, she said, and too much paperwork can get in the way. "As such, we will significantly reduce the amount of documentation required for each Quarterly Connection."

- More emphasis on the future – Traditional performance management relies heavily on reviewing what has happened in the past. "Although we will still set goals and track our progress, the conversation will shift to be more forward-looking," Figoli said, "encouraging us to keep finding opportunities to improve and to recalibrate and reprioritize where necessary."
- No numerical ratings – "Research shows that assigning a number to a person's performance can oftentimes be distracting or even demotivating, which is the exact opposite of what we are trying to do," she said. "Removing the numbers will allow us to focus on real feedback and coaching that will help us meet our objective of continuously improving."

"With Connect 4 Performance, you and your manager can choose options within the process that work best for you."

Over the next several weeks, Human Resources will attend various staff meetings and host several webinars to answer questions and provide more information and insights into this new approach. Plenty of information also is available on XpressNet or contact your HR business consultant.

HR also plans to provide additional support materials and training opportunities for managers throughout the 2016 calendar year, including:

- Information about the specific processes and expectations associated with Connect 4 Performance, along with resources to ease the transition.
- Training, development opportunities and tutorials on topics like goal setting, giving and receiving feedback, and coaching.
- And additional information around the year-end compensation and rewards process and expectations. ←



Wisconsin Gas Work

Work recently wrapped up on a \$5.8 million reinforcement project in Wisconsin to help meet the growing demands for natural gas on Eau Claire's south side.



Wisconsin Reinforcement

Project supports current and future growth in Eau Claire area

Work recently wrapped up on a \$5.8 million project in Wisconsin to help meet the growing demands for natural gas on Eau Claire's south side.

The reinforcement project began in early September, and the pipeline went into service last month. The pipeline extends 3.5 miles and travels under the Eau Claire River.

The new pipeline will support current and future population growth in Eau Claire and Altoona, said Tony Wendland, project manager with Gas Operations.

"This project will be a great benefit to the local community by reinforcing our natural gas delivery system," he said. "It will ensure that all Xcel Energy customers in the area are supplied with safe, reliable gas into the future."

In addition to meeting the future needs for natural gas by a growing population, the project improves reliability of the system, he added, particularly in winter months when demand for natural gas can be extremely high.

Open-cut trenching was used in some areas of the project and horizontal directional drilling in others. While open-cut trenching is a fairly traditional installation technique, horizontal directional drilling uses specialized equipment to bore a slightly-curved underground trench in which the pipe is pulled through.

This technique was used to bore under the Eau Claire River and Otter Creek to safeguard against damaging the surrounding area, Wendland said. Horizontal directional drilling also was used in developed areas to avoid having to repair sidewalks, driveways and lawns.

While the project started more than a month behind schedule due to a permitting delay, the construction contractor made sure the pipeline was completed on time.

"They brought in three crews in order to make up for lost time," said Wendland. "They did a great job of keeping the project on schedule and staying safe in the process."

In other Wisconsin gas news, Xcel Energy also recently removed natural gas pipe attached to the 70-year-old Water Street Bridge in Eau Claire, before a replacement project got under way.

After two years of planning, Xcel Energy worked with a pipeline construction contractor to bore an eight-inch natural gas line under the Chippewa River as part of the Wisconsin Department of Transportation's \$7.2 million bridge-replacement project, completing the effort last fall.

Natural gas equipment located on bridges is common, but technology advancements over the past few decades have allowed Xcel Energy to use underground routes for its gas lines.

Using the same horizontal directional drilling technology as the reinforcement project noted above, the contractors drilled down about 70 feet from the top of the riverbank at a slight angle, before boring 35 feet below the riverbed and across for about 1,200 feet, coming up on the other side.

"It was a pretty amazing process," said John Pichler, technician in Gas Construction, who helped to coordinate the onsite work. "They bored six-inch steel rods through with a bentonite slurry that acts as a lubricant and coats the outside of the hole to form a conduit for the new eight-inch steel pipes."

"There also were a couple of workers in a boat, who used sonar tracking technology to locate the boring and any issues as it crossed the river," he added. ←

EXCHANGE PROGRAM KEEPS FLEET SPINNING WHILE SAVING



Keeping combustion turbines spinning smoothly at power plants across Xcel Energy's service territory is critical to maintaining reliability and minimizing costs.

One of the challenges to meeting those goals is scheduling planned outages to maintain and overhaul the turbines to avoid equipment problems and failures. And the outages need to be done quickly to reduce downtime.

That, in turn, requires careful planning to ensure all needed parts and equipment are available onsite. That used to involve

keeping an extensive and expensive stock of parts on hand at multiple sites throughout the fleet.

Starting in 2012, however, Supply Chain and Energy Supply began working closely with key suppliers to create an exchange program for combustion turbine (CT) spare and replacement parts.

The industry-first program has since led to improvements in the company's procurement and management of parts in its growing CT fleet. And it has led to a savings for Xcel Energy in

PS COMBUSTION-TURBINE AVING PLENTY OF MONEY



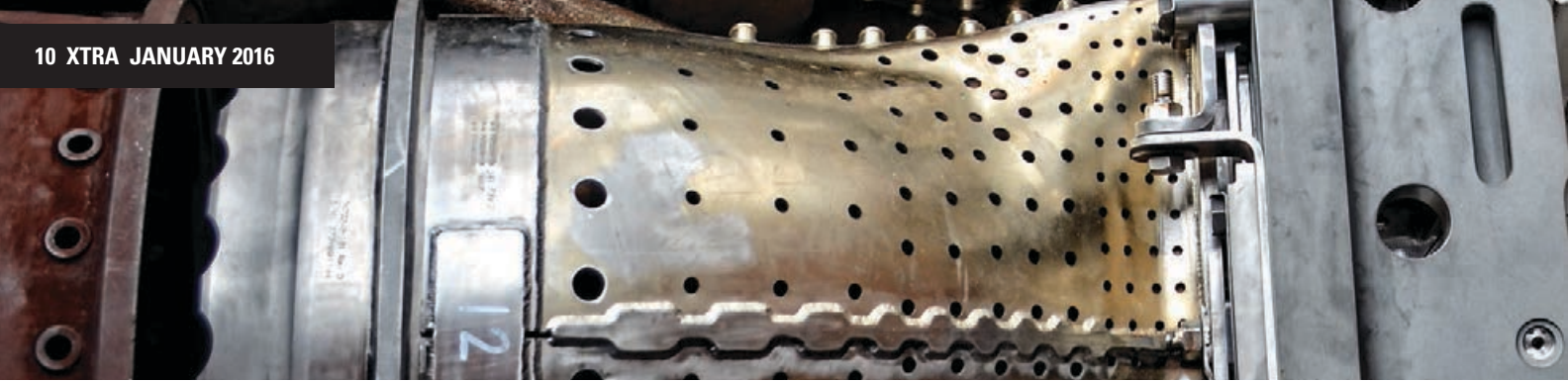
excess of \$10 million – a figure that will continue to grow now year after year, said Ron VanHeesch, program manager with Supply Chain.

“Previously, the sourcing of spare parts for a combustion-turbine overhaul required the purchase of additional sets of spare parts,” he said, “which were held in corporate inventory and ready for change out after approximately 12,000 hours of operation – the manufacturer’s recommended overhaul interval.”

The turbine parts were removed for inspection by Energy

Supply staff, and then a qualified supplier refurbished the parts. The refurbished set of parts was then returned to Xcel Energy and held in inventory for the next overhaul.

The cost of the refurbishment was covered through a plant’s O&M budget, and the process was repeated for two or three cycles, he explained, after which the parts were no longer able to be rebuilt. At that point, they were retired, sold as scrap and a new set purchased to maintain the “remove and rebuild” rotation process.



The process for procuring and managing the extensive inventory of CT parts was labor intensive, complex and costly, VanHeesch said. So in late 2011, a team of employees from Energy Supply and Supply Chain set out to explore more efficient and cost-effective alternatives. After researching a variety of options, the team came up with a plan to shift responsibility for keeping needed turbine parts on hand and available.

The new parts-exchange program involved building close partnerships with vendors and manufacturers to improve communication and standardize processes. Planning and proactive engagement with all parties has mutual benefits in terms of costs and efficiency of operations.

Since the CT Parts Exchange Program began, Xcel Energy has successfully completed 15 scheduled overhauls on a variety of turbine brands, he said.

The company's CT fleet continues to grow in order to meet increasing demand. There are currently 12 natural gas-powered generating units in the program and more being added as they come online.

"The overhauls have been completed on schedule and

within budget since the inception of the program," VanHeesch said. "Purchase costs of the parts have resulted in a total estimated savings of more than \$10 million – with additional savings from negotiated and improved pricing, along with other benefits from improved warranties and more consistent overhaul processes.

"So everything has worked out very well to date," he added. "All overhauls have been completed successfully with a team composed of members from Xcel Energy, Power Systems Manufacturing (PSM) and Mitsubishi-Hitachi Power Systems Americas (MHPSA) – our spare parts exchange vendors."

VanHeesch also noted additional benefits as a result of the CT parts program, including other process improvements and operational benefits, such as additional equipment inspections, fuel-nozzle replacements and operations analysis. The partners also hold regular post-outage reviews to discuss how each overhaul went, and what is and is not working for both parties.

In addition, the partners brainstorm new process-improvement ideas to enhance the long-term relationships between the company and its CT vendors.





Since completing the parts agreement, the company team has negotiated long-term service agreements for the existing General Electric, Siemens and Mitsubishi turbines, and is currently evaluating a parts-exchange proposal from General Electric for the two newest units at Cherokee Generating Station in Denver. A final agreement is expected to be completed early this year.

"The biggest challenge we have had with the program is gaining an understanding of the new process versus the old 'way we have always done it' mentality – and ensuring that all parties involved in the overhauls are aware of the agreement details," Van Heesch said.

"Thankfully, all expectations of the program have not only been met, but even been exceeded at times," he added. "The business relationship between Xcel Energy and our suppliers continues to grow – with increased transparency on all impacts and benefits, as we strive to develop an improved and consistent process that is a win-win effort for all parties."

Since the implementation of the CT Parts Exchange Program, Energy Supply has successfully standardized the project

scope for inspections and overhauls on the entire CT fleet, along with improved parts performance and extended warranties.

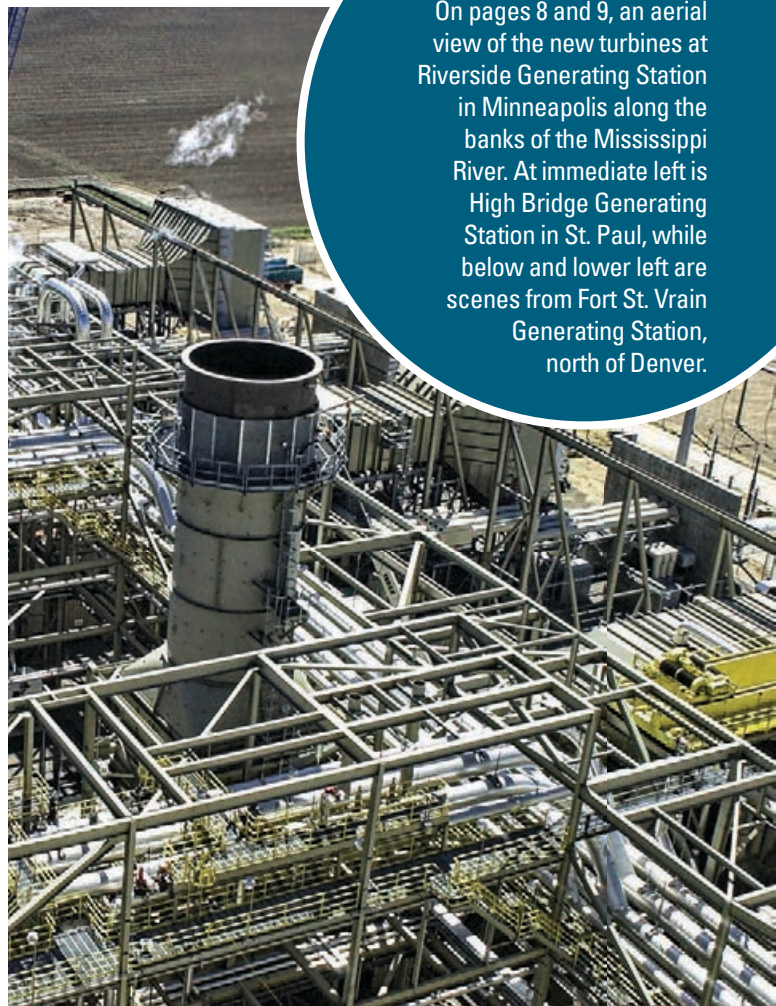
The overall effort is now allowing extended time frames between outages, he said, eliminating the need for one entire set of inspection intervals – saving more time, money and improving the operating availability for the units.

Plans for the future include developing long-term service agreements for overhaul labor and inspection services, he added. Those agreements will promote a further streamlining of the overhaul process, a consistent maintenance-management procedure that is easy to forecast, implement and manage, and ongoing and significant reduced CT overhaul costs.

"This is a great example of Xcel Energy leveraging the size of the corporation – gaining cost value for our customers, and supporting improved operating and maintenance practices on our generating assets," said Steve Mills, vice president of Operations with Energy Supply. "It is definitely a win-win situation for everyone." ←

Combustion Turbines

On pages 8 and 9, an aerial view of the new turbines at Riverside Generating Station in Minneapolis along the banks of the Mississippi River. At immediate left is High Bridge Generating Station in St. Paul, while below and lower left are scenes from Fort St. Vrain Generating Station, north of Denver.



Home Energy Squad comes to Colorado

Xcel Energy recently announced the launch of the Home Energy Squad efficiency program in Colorado. The program's successful launch in the Minneapolis area prompted organizers to offer it in Colorado.

"We're excited to launch this efficiency program and help area residents save energy and money," said

Bill Conrad, manager of Energy Efficiency Marketing. "The goal is to help people achieve energy efficiency one home at a time with easy, tangible improvements."

The Home Energy Squad involves a home visit by an energy expert to quickly identify simple energy-saving improvements within the home that can add up to significant savings. During the home visit, the homeowner chooses which improvements to make, and the squad installs the chosen energy-efficiency items on the spot.

Some of the recommendations include installing weather stripping on an exterior door, a programmable thermostat, compact fluorescent lighting, water heater

insulation, water-saving shower heads and faucet aerators. The homeowner pays \$75 for the trip charge, which includes materials and labor that would normally cost \$200.

Customers choose from the items available and can purchase additional items "a-la carte" for the experts to install, such as LED bulbs or additional weather stripping. A customer's energy cost savings in the first year could more than cover the cost of the Home Energy Squad visit. To be eligible for the program, the resident must be an Xcel Energy residential electricity and natural gas customer, or a residential electricity customer.

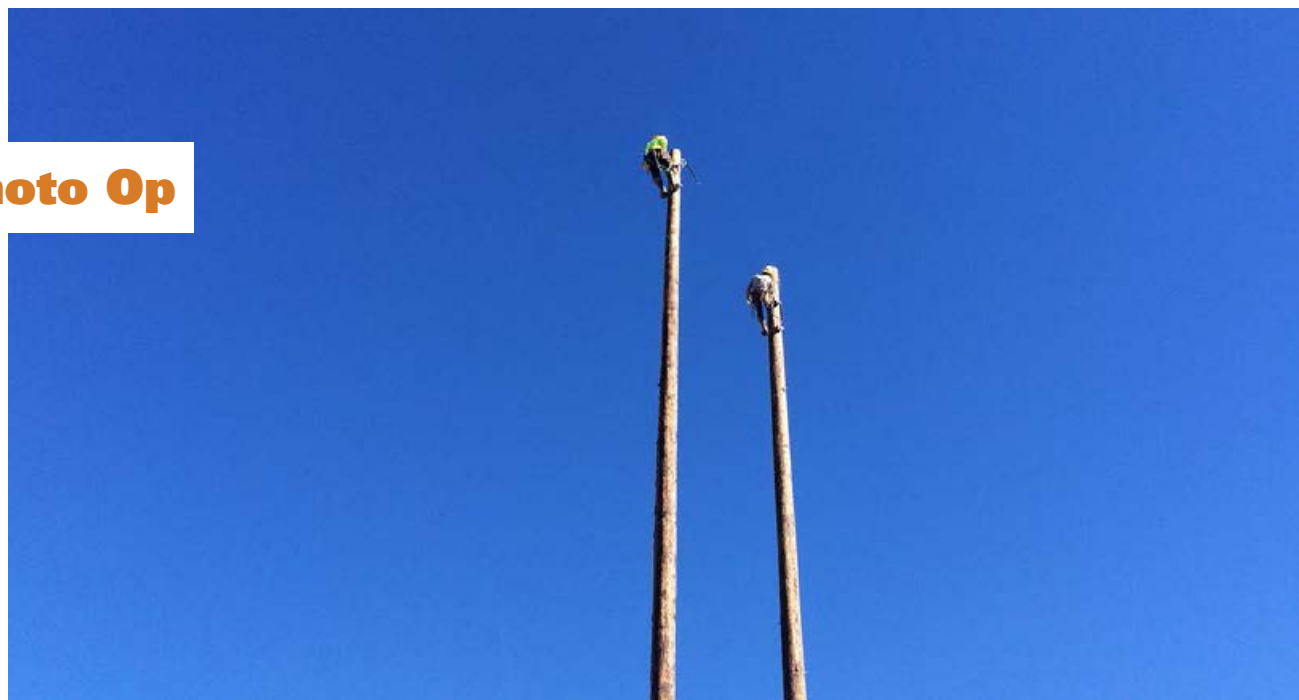
"People like getting expert advice on saving energy and money, while at the same time making their own decisions about which measures to implement," Conrad said. "The ease of having someone in the home who can consult and install, all in less than two hours, is a favorite feature of this program."

The Home Energy Squad is also ideal for customers who have had a home energy audit and now need a service to install some of the smaller energy-saving items.

Xcel Energy's goal for the Home Energy Squad program was to help 300 customers in the Denver metro area in 2015 and to reach an additional 1,600 homes throughout the utility's territory in 2016.

News Brief

Photo Op



Texas Tornado Work

On Nov. 16, tornadoes and torrents of hail battered the high plains of north Texas and knocked out power for nearly 14,000 Xcel Energy customers across a wide rural area. Due to the hard work of company linemen and support teams – all of whom worked around the clock – power was restored to 95 percent of Panhandle customers in just 12 to 14 hours. Crews (part of one pictured here atop a pair of new poles) worked quickly and safely to remedy 120 broken poles, two-miles of downed power lines and 200 damaged cross arms.

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 Corporate Communications will be published. Please submit high-resolution digital photos to the editor at the email address listed on the back page of this publication. By submitting images for "Photo Op," employees give Xtra permission to run the photos.



1,000 Days of Safety

King Generating Station in Oak Park Heights, Minn., recently passed the 1,000-day mark without an OSHA-reportable injury – marking the longest span without an injury in the plant's history. During the period, employees worked more than 500,000 hours injury-free. Employee engagement is the primary factor in achieving the safety milestone, said Randy Capra, plant director. "Employees are embracing safety and looking out for each other," he said. "Human-performance tools and programs like 'Good Catch' also have added a lot of value in moving our safety culture forward."



Xcel Energy plans new Texas service facilities

Xcel Energy is proposing to build a new service center in Canyon, Texas, to keep pace with customer growth in the operations district south of Amarillo.

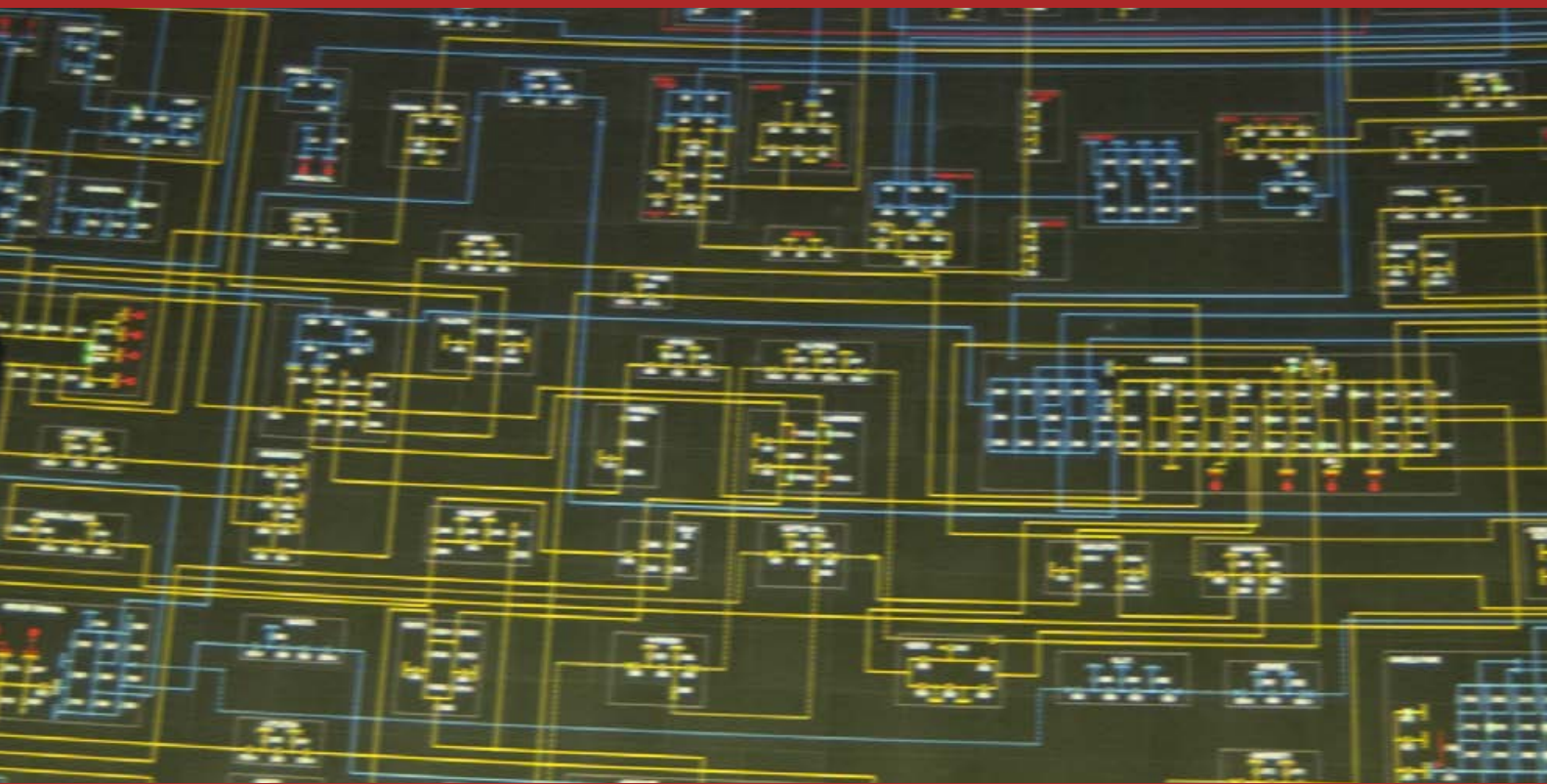
The company is seeking zoning changes to allow the construction of a 24,000 square-foot building and a two- to three-acre supply yard. Company officials said they chose the location to allow better access to area substations and to allow for free movement of service trucks without disrupting city streets.

"We have seen strong growth in the Canyon area, and our current facilities are too small and frequently inaccessible because of train traffic," said Mike Grant, manager for Community and Economic Development for Canyon. "This investment will position us to serve the Canyon area for decades to come."

Xcel Energy looked at several options for relocating its service center, but wanted to remain in the city limits in order to support the city's growth, Grant said. The company also is sensitive to the aesthetics of an area that could be developed with retail businesses, and will construct all street-facing exteriors in a masonry veneer.

"We've been a part of the Canyon community since 1942, and we intend to build a service center everyone will be proud of," Grant said.

The area where the service center is planned to be built is zoned for retail, so Xcel Energy is seeking a variance in the zoning to allow for a public-utility service yard. If the variance is approved and building permits are granted, the company hopes to begin construction in mid-2016 and to occupy the new service center in 2017.



Grid Locked

Electric grid exercise tests response and recovery

More than 170 Xcel Energy employees from across the company participated in Grid Ex III in November. The company was one of 320 organizations from the United States, Mexico and Canada taking part in the drill by responding to a simulated attack on the grid.

The North American Electric Reliability Corporation (NERC) conducted the drill, which pulled together more than 4,000 utility workers, business executives and officials from government agencies across North America. The drill – the third of its kind – is designed to test and enhance the electric industry's response plans and strengthen them for the future.

"While Xcel Energy conducts dozens of drills each year, this national operation allowed employees to test processes, while working with critical public- and private-sector partners to ensure our ability to protect the security and resiliency of the power grid," said Ben Fowke, chairman, president and CEO. "Actively participating in large-scale drills like GridEx is just one tool we use in our ongoing commitment to prepare for, respond to and recover from any impact to the grid, and ensure the safety and reliability of our service."

Fowke is a member of the Electric Sub-Sector Coordinating Council, which serves as the principal liaison between the federal government and the electric power industry to address national security threats to the grid.

Xcel Energy employees joined the exercise from various locations across the company's eight-state service territory as NERC released each sequence of the simulated event. Different cyber and physical simulations evolved over the course of the drill, imitating the complexity of a real event. Teams assessed, tested and validated existing command, control and communications plans and tools throughout the drill.

"The exercise demonstrated how our transmission system is equipped to recover from a severe event affecting the power grid," said Teresa Mogensen, senior vice president of Transmission. "We were pleased with the interactions between internal groups, as well as with the coordination with other entities to respond effectively to the simulation."

This biennial grid security exercise uses best practices and other contributions from the U.S. Department of Homeland Security, the Federal Emergency Management Agency and the National Institute of Standards and Technology.

"Through Grid Ex III, we saw how Xcel Energy's collaboration across the industry is helping continually strengthen our capability to respond and recover from attacks to the grid," said Matt Ziska, senior manager with Enterprise Continuity and lead planner for the exercise.

NERC will publish a summary report on the Grid Ex III drill on its website in the coming months. ←

Efficient lighting brightens Amarillo via company rebates

Spectators got a high definition view of the action at the Tri-State Fair's PRCA Rodeo thanks to 203 new LED light fixtures recently installed in the Amarillo National Center through an Xcel Energy lighting efficiency rebate program.

Virgil Bartlett, Tri-State Fair general manager, said the recent lighting project was completed not only to brighten the action inside the arena, but also to save money.

"LED lighting costs have come down dramatically, so we decided to replace the metal halide lighting with LED fixtures," Bartlett said. "We estimate we can save up to 66 percent on our annual lighting costs at the Amarillo National Center."

The Tri-State Fair is one of three recent retrofits in Amarillo that are improving lighting at public venues. Westgate Mall has finished an upgrade on its parking lot lighting, and the Amarillo Botanical Gardens replaced lights both inside and outside its facility.

Kevin Ball, executive director at the Amarillo Botanical Gardens, said LEDs provide better lighting and they don't heat up interior rooms as much as traditional lighting. Plus, they don't have to be replaced nearly as often.

"It can take a half a day for our staff to get out the ladders and poles and replace light bulbs, and that's half a day they're not out in the gardens," Ball said.

At Westgate Mall, General Manager Brian Giffin said 110 fixtures on 55 light poles in the mall parking lot and along roadways have been retrofitted with LED lamps that have significantly brightened the exterior spaces around the mall.

"It was a way for us to boost the lighting level on existing poles without having to rewire the whole system," Giffin said. "We'll be paying less for more output, and the rebates have been helpful in making this happen."

Bryan Whitson, a lighting specialist with Xcel Energy in Amarillo, said LEDs are the most energy-efficient bulb on the market. They use up to 80 percent less energy than incandescent bulbs and last up to 25 years.

"And LEDs are safer because they operate at much lower temperatures, do not contain mercury, and do not produce any ultraviolet light," Whitson said. "They give you light instantly at full brightness with no warm-up time and emit a much higher percentage of light in a desired direction."

News Briefs

Xcel Energy files to move assets to new transmission company

Xcel Energy has made multiple state regulatory filings seeking approval to transfer close to 230 miles of 345-kilovolt transmission lines and associated substations in Kansas and Oklahoma.

Valued at \$103 million, the assets would be transferred from SPS to another subsidiary, Xcel Energy Southwest Transmission, also known as XEST.

The filings are another step in the company's expansion of its transmission delivery model beyond the borders of its Texas-New Mexico service area through XEST. The subsidiary was formed in 2014 to focus on transmission planning and competitive solicitation processes within

the Southwest Power Pool (SPP).

The formation of XEST was prompted by Federal Energy Regulatory Commission Order No. 1000, which opened segments of transmission construction and ownership to competitive bidding.

In 2014, XEST filed with FERC to request approval for forward-looking transmission formula rates in the Southwest Power Pool region. The Southwest Power Pool is a regional transmission organization overseeing the bulk electric grid and wholesale power market in the central United States on behalf of a diverse group of utilities and transmission companies in 14 states.

FERC accepted the formula rate in November 2014, subject to settlement procedures to resolve certain issues. XEST filed a settlement agreement resolving the matter on Wednesday. FERC approval is pending.

"Going forward, XEST will leverage the full strength of

Xcel Energy's experience and capabilities to design, finance, construct, own, operate and maintain these transferred assets and new projects it secures through the SPP bidding process," said Teresa Mogensen, senior vice president of Transmission and president of XEST.

Close to 159 miles of 345-kilovolt lines in western Kansas will be transferred to XEST, along with another 73.5 miles of line located in the Oklahoma Panhandle. The transfer of ownership will have no impact on existing SPS customers.

XEST has entered into a Transmission Operations and Maintenance Agreement with SPS under which SPS personnel will continue to be responsible for the operation, maintenance activities and NERC (North American Electric Reliability Corp.) compliance activities.

You're the Key



Security Risks

Campaign empowers employees to ensure security, reliability and compliance

Each and every employee is essential to ensuring the security and reliability of Xcel Energy's business operations.

A simple lapse like opening an unsolicited email, propping open a door or inserting a thumb drive into a laptop can result in outages to systems, including those used to maintain and operate the electric and gas infrastructure.

To that end, the "You're the Key" campaign is creating heightened awareness about the critical nature of security and compliance across the company, said Elizabeth Mairs, manager of IT risk and compliance.

A strong security culture will help ensure the company remains in compliance with the critical infrastructure security requirements identified by the North American Electric Reliability Corporation (NERC).

"This is important to our company's success," she said. "In addition to the potential impact on our ability to deliver energy to our customers, if we fail to meet any of the federally approved reliability standards, we could face enforcement actions, including financial penalties of up to \$1 million per day, per violation."

The "You're the Key" campaign familiarizes employees with

potential security issues such as stolen passwords, computer viruses and malware, as well as physical risks such as breached doorways and sabotage.

"Now more than ever, it's important for all employees to be aware of security risks," Mairs said. "This campaign gives employees a better understanding of potential threats, as well as the tools to report them."

Employees and contractors at all levels are empowered to watch for and report possible security threats from both outside and inside the company, she said. The campaign is meant to inspire employees to embrace a culture of security and compliance across all business units.

"Our customers depend on us to ensure our systems are reliable and safe," Mairs said. "Every employee should understand their accountabilities related to security and how to help support this important aspect of our business."

"You're the Key" information on both cyber security issues and physical security risks is being communicated through XpressNet on a regular basis.

"Our goal is for employees and contractors at all levels to be aware of the critical nature of securing our facilities and systems, keep an eye out for possible security lapses and know

they are fully empowered to report any concerns,” she said.

As part of the overall “You’re the Key” campaign, employees are being recognized and rewarded for achieving excellence in helping maintain NERC compliance. The NERC Compliance Good Catch recognition program rewards employees, who have been nominated by their peers or management, for helping maintain NERC compliance through behaviors that support a strong culture of compliance, attention to detail and a questioning attitude.

“The Good Catch Program is a great example of how we can recognize and reward our fellow coworkers for going above and beyond the performance of their day-to-day activities,” said Frank Prager, vice president of Policy and Federal Affairs.

Xcel Energy is subject to regulation by the Federal Energy Regulatory Commission (FERC), the federal agency that oversees the reliability standards created by NERC. Prager serves as the company’s FERC compliance officer and his team is responsible for ensuring that Xcel Energy has a strong NERC compliance program.

“However, as is true with every law and regulation that applies to the company, NERC compliance really belongs to every Xcel Energy employee and team,” he said. “And that’s why the NERC Good Catch Program is so great, as it rewards employees for helping us maintain compliance.”

“This campaign gives employees a better understanding of potential threats, as well as the tools to report them.”

Examples of Good Catch behaviors may include:

- Identifying and communicating situations or conditions that could have potentially led to a NERC compliance violation (near misses).
- Identifying and communicating gaps in business processes or procedures that represent a risk to reliability or NERC compliance.
- “Above and beyond” modeling, communicating and promoting desired compliance behaviors in interactions with others.
- Identifying a condition that may result in a violation of NERC requirements and reporting it to management.
- Coaching others and reinforcing the importance of adherence to NERC requirements while performing daily work activities.

Also as part of the “You’re the Key” effort, Xcel Energy joined with the rest of the country to celebrate National Cyber Security Awareness month during October – providing an opportunity to inform employees and contractors about why security is important, how Xcel Energy protects itself from physical and cyber threats, and what employees can do to protect personal and work devices and information.

“Whether you’re in an office or in the field, it’s important to understand the threats our company faces on a daily basis, and to practice good security at both home and at work,” Mairs said. ←

Prairie Island unit safely completes refueling

Xcel Energy’s Prairie Island Nuclear Generating Plant near Red Wing, Minn., completed its 29th refueling outage in December, after more than 1,000 specialized contractors and employees replaced about one-third of the fuel in the reactor and completed projects that can only be undertaken when the unit is offline.

“Refueling outages are some of the most challenging times for nuclear plants, but they’re also big opportunities,” said Kevin Davison, site vice president. “We installed some major pieces of equipment that are essential to maintaining Prairie Island as part of the reliable backbone of the electric grid.

“More importantly, we did so safely,” he added. “Our team deserves a lot of credit for that accomplishment.”

Key projects on Unit Two included:

- The unit’s main electrical generator, which had reached its 40-year operational life, was replaced. The new generator converts enough energy into electricity to power more than 500,000 homes and is important to reliable production through the plant’s license period.
- The unit’s generator step-up transformer was replaced. The equipment converts the 22,000 volts produced by the generator into the 345,000 volts needed by the electrical grid’s high-voltage transmission lines.

In addition to the equipment replacement and other maintenance work, site personnel demonstrated that recently installed back-up equipment, stored in reinforced buildings onsite, can be deployed as designed. The equipment would protect the plant if power to the site was lost for an extended period.

News Brief



Letters

Saving a Life

(Editor's Note: Dave Land, control specialist at Zuni Generating Station in Denver, was on vacation in Florida this past summer when he had a chance to save a woman's life. He shares his story here.)

While my family was on vacation, we were eating and laughing during lunch at a restaurant when my daughter pointed across the dining area and said, "That lady is choking."

The woman was seated and waving her hands. A younger woman was patting her back, but the woman who was choking was waving her hands frantically, while looking around for help.

No one was moving. It was quiet in the dining room. It seemed like forever.

I sat there and took it in, too. I think everyone was in shock.

I finally jumped up and ran over to her. She had a terrified look on her face and was frantically waving her hands. She was totally quiet.

I asked her if she was choking, and she nodded. I turned to the nearest person and yelled, "Call 911."

I gave her a very hard Heimlich thrust. She was still choking, and I could feel the life going out of her.

It had already been a while, and she was slipping down in her chair. I just knew if I didn't get her with the next thrust, she would be gone.

My daughter told me later that my next thrust was so powerful that I pulled the lady out of her chair. She started breathing!

Long story short, help never came. The person I told to call 911 didn't. I think he was frozen, too.

After things settled down, and she had recovered her composure, she came to me, hugged me, and said, "Thank You." I said I was glad to help, but she wasn't finished.

She added, "For my life." Whew! Very powerful.

I don't know why I jumped up to help. Or how after all the years that have passed since I was trained at work (Cherokee Generating Station in Denver), I remembered how to give the Heimlich. It was a miracle.

Who would have thought that what I was trained to do in Colorado ended up saving a life in Florida. Some vacation, huh?

I almost forgot the best part. When the lady started to breathe, I had my face next to hers. I hugged her cheek!

Then as she got better and fully came to, I kissed her cheek several times. I don't think that was part of my training! But I was so happy that she was alive!

—Dave Land, Zuni Generating Station,
Denver, Colo.

'We appreciate them and their good work'

Dear Xcel Energy:

We want to say thanks to all of the workers involved in putting a pole in our yard and securing the power line to our house. Everyone from the person who answered the phone to the men securing the line were courteous, knowledgeable and professional. We appreciate them and their good work.

—Charles and Dixie Hill,
Amarillo, Texas

Friends We'll Miss

Leandro R. Aragon

66, senior service fitter B, Gas Emergency and Special Services, Lipan Distribution Center, Denver, Colo., died on Oct. 27, 2015. He worked for PSCo from 1972 to 2010.

People

Delmar J. Clements

74, electrician-working foreman, Operations, Tolk Generating Station, Earth, Texas, died on Oct. 20, 2015. He worked for SPS from 1962 to 2007.

William J. Crandall

77, yard supervisor, King Generating Plant, Bayport, Minn., died on Oct. 19, 2015. He worked for NSP from 1960 to 1987.

Donald H. Cunningham

77, equipment operator, Construction Operations, Lubbock, Texas, died on Oct. 21, 2015. He worked for SPS from 1973 to 2002.

Patrick J. Dooley

76, business operations manager, Area Management, Grand Forks Service Center, Grand Forks, N.D., died on Nov. 2, 2015. He worked for NSP from 1959 to 1994.

John H. Eich

86, business operations manager, Regional Management, Sioux Falls Service Center, Sioux Falls, S.D., died on Nov. 2, 2015. He worked for NSP from 1957 to 1988.

Robert J. Gemlo

81, machinist welder, Maintenance, Riverside Generating Plant, Minneapolis, Minn., died on Oct. 19, 2015. He worked for NSP from 1966 to 1995.

Thomas W. Goeltl

73, garage foreman, Metro East Division, Rice Street Service Center, St. Paul, Minn., died on Oct. 31, 2015. He worked for NSP from 1962 to 1997.

Barbara A. Gore

77, administrative assistant, Customer Information, Amarillo Call Center, Amarillo, Texas, died on Jan. 8, 2015. She worked for SPS from 1990 to 2002.

Billy E. Harris

44, line working foreman, Construction Maintenance, Operations, Borger Service Center, Borger, Texas, died on Nov. 3, 2015. He worked for SPS from 1997 until the time of his death.

John L. Koplin

82, treasurer, general management, Directors, Officers and Staff, Wisconsin, died on Nov. 9, 2015. He worked for NSP from 1960 to 1992.

Frank V. Litecky

86, trouble foreman, Metro West Division, Chestnut Service Center, Minneapolis, Minn., died on Oct. 30, 2015. He worked for NSP from 1948 to 1988.

Cecil P. Lund

83, consumer information supervisor, Customer Operations, Metro East Division, died on Oct. 26, 2015. He worked for NSP from 1956 to 1988.

Rena A. Pique

88, teller service representative, Southeast Metro Division, Denver, Colo., died on Aug. 17, 2015. She worked for PSCo from 1964 to 1985.

Neva J. Ritter

77, billing analyst, Wisconsin, died on Nov. 6, 2015. She worked for NSP from 1966 to 1994.

Ruth Rothe

91, cashier, Customer Service, Home Light Division Office, Greeley, Colo., died on Oct. 6, 2015. She worked for PSCo from 1971 to 1990.

Catherine Shiolas

101, teller clerk, Western Customer Service, Colorado, died on Oct. 26, 2015. She worked for PSCo from 1953 to 1979.

Leroy W. Singleton

89, quality assurance manager, Colorado, died on Oct. 13, 2015. He worked for PSCo from 1956 to 1986.

Joseph J. Templer

91, operating superintendent, Lake Superior District Power Co., Wisconsin, died on Oct. 26, 2015. He worked for NSP from 1946 to 1986.

Retiring

Greg Brown

(woodyredawbs@hotmail.com), foreman, Substation Construction, Materials Distribution Center, Henderson, Colo., retired on Dec. 4, 2015. He worked for Xcel Energy for 42 years.

Roger L. Castrup

mechanic specialist, Maintenance, Pawnee Generating Station, Brush, Colo., retired on Nov. 23, 2015. He worked for Xcel Energy for 38 years.

David Covey

planner, Design Department, Mountain Division, Granby Service Center, Granby, Colo., retired on Sept. 30, 2015. He worked for Xcel Energy for 20 years.

Ron Davis

classified mechanic, Construction, Materials Distribution Center, Denver, Colo., retired on Dec. 31, 2015. He worked for Xcel Energy for 26 years.

Anthony G. Holmans

maintenance mechanic-journeyman, Production, Tolk Generating Station, Earth, Texas, retired on Dec. 31, 2015. He worked for Xcel Energy for 40 years.

Jim Huber

senior buyer, Purchasing Department, Maple Grove Service Center, Minneapolis, Minn., retired on Dec. 11, 2015. He worked for Xcel Energy for 37 years.

Vincent Martinez

journeyman mechanic, Maintenance, Hayden Generating Station, Hayden, Colo., retired on Dec. 31, 2015. He worked for Xcel Energy for 34 years.

Terance Mc Eachern

lead rigger, Maintenance, Sherco Generating Plant, Becker, Minn., retired on Jan. 26, 2016. He worked for Xcel Energy for 35 years.

David McMillan

(dmcmillan1972@gmail.com), account manager, Managed Accounts, 1800 Larimer, Denver, Colo., retired on Jan. 29, 2016. He worked for Xcel Energy for 42 years.

Judith M. Miller

(colt0603@msn.com), electric substation operator, Control Center, Lipan Distribution Center, Denver, Colo., retired on Nov. 26, 2015. She worked for Xcel Energy for 29 years.

Gregory L. Moe

(greg.sue.moe@gmail.com), Gas Service, Newport Service Center, Newport, Minn., retired on Feb. 5, 2016. He worked for Xcel Energy for 33 years.

Barry Mustoe

(bgmustoe@suddenlink.net), instrument foreman, Plant Engineering, Technical Services, Harrington Station, Amarillo, Texas, retired on Nov. 20, 2015. He worked for Xcel Energy for 36 years.

Todd Nadeau

operator, Trouble Department, Chestnut Service Center, Minneapolis, Minn., retired on Jan. 31, 2016. He worked for Xcel Energy for 35 years.

Tom Ohrt

supervisor control design, Substation Engineering, Sky Park, Eau Claire, Wis., retired on Jan. 15, 2016.

Joseph Reynolds

working foreman, Gas Emergency Response, Lipan Distribution Center, Denver, Colo., retired on Dec. 15, 2015. He worked for Xcel Energy for 37 years.

Roxanne L. Trickey

customer service specialist, Customer Service Center, Chestnut Service Center, Minneapolis, Minn., retired on Sept. 11, 2015. She worked for Xcel Energy for 30 years.

Beverly Trotter

(BeverlyTrotter23@gmail.com), senior corporate operator, Property Services, Administrative Services, 414 Nicollet Mall, Minneapolis, Minn., retired on Jan. 29, 2016. She worked for Xcel Energy for 16 years.

Douglas K. Tobias

control specialist, Operations, Fort St. Vrain Generating Station, Platteville, Colo., retired on Dec. 31, 2015. He worked for Xcel Energy for 30 years.

Online Xtra subscription now available

Employee readers of *Xtra* can now opt out of receiving the print version of Xcel Energy's employee and retiree publication, and instead read the online version on XpressNet or via a portal on the company's website at xcelenergy.com.

To complete the opt-out process, employees need to fill out a form on the *Xtra* homepage of XpressNet, providing their name, employee ID and company email address. Those who choose to opt out will receive an email when a new issue is available for online viewing.

The opt-out form and online versions of *Xtra* can be found by clicking on the "Xtra Online" link, located at the bottom of the XpressNet homepage. The online edition of *Xtra* also can be found at xcelenergy.com/Xtra — or from the homepage, look under Community/Community Involvement/Retiree Directory (or visit xcelenergy.com/Retirees).

Retiree information

Retirees can opt out of receiving the print version, or request address changes regarding home delivery of the print edition, by calling Human Resources' Service Center at 800-689-7662.

They also are invited to visit the webpage noted above to view the latest issue, as well as a number of back issues of *Xtra*.

In addition, and as a reminder, Xcel Energy's main phone number is 800-328-8226. Just hit "0" for an operator to contact various departments and employees.

XTRA

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Why does Xcel Energy offer more than 150 programs to help you use less electricity and natural gas? Because energy efficiency benefits everyone, every day. It helps protect our environment, preserves our natural resources and saves you money. In fact, last year alone, there were more than 3.5 million rebates paid out through our programs. So go ahead...choose the programs and rebates that benefit you the most. We'll make it easy.



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