Xcel Energy®

Competitive Approach

Tight timeline met to pull off SPS project, add new load

XTRA

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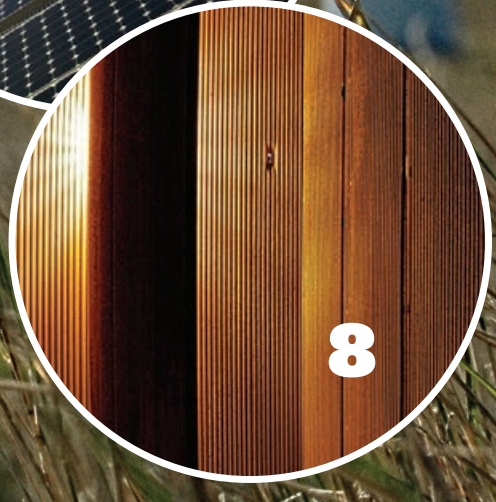
Content



Ben's Blog

Recognition and raising the bar

(Editor's Note: Ben Fowke, chairman, president and CEO, periodically writes a blog on XpressNet, as well as other articles and communications. Xtra will feature Fowke's comments on a recurring basis to share his thoughts with a wider audience.)

The past few weeks have been eventful for recognition and good news. We were named by *Forbes Magazine* as one of the most trustworthy large-cap companies on the magazine's 100 Most Trustworthy Companies in America list.

We also got word that we will receive a Safety Achievement Award from the American Gas Association for being an industry leader in employee safety. And I heard at the NSP-Wisconsin operating company board meeting that the NSP-Wisconsin distribution group hasn't had an OSHA incident since Aug. 25, 2014. Good news all around.

This kind of recognition is especially meaningful because it gets to the heart of what we do. In my mind, nothing is more important than employee safety, and winning the trust of our customers and investors is absolutely in line with our vision to be a trusted energy provider.

It's good to know that we are performing well in those categories, and that others are paying attention to our good work. Well done!

I know you've heard me say that it's important to tell our success stories in our communities. I hope you are as proud of these accomplishments as I am, and that you find ways to share them with business associates, friends and family.

Look for us to more visibly promote recognition like this – because we want our stakeholders to better understand and appreciate the great company we are.

"In my mind, nothing is more important than employee safety."

And speaking of performance, I want to give a nod to the employees in Human Resources (HR) who are piloting three new approaches to performance management and to the five teams across the company who agreed to participate in the pilot.

HR recognized that we needed to update some of our tools to better drive team and business results as we move to a workforce ready for competition. Rewarding high performance and accountability isn't new for us, but this effort promises to raise the bar by creating tools that make it simpler and more meaningful. I applaud the effort. ←

STEM Skills

Company makes inaugural list for hiring efforts

Xcel Energy has been named a 2015 STEM Jobs Approved Employer by Victory Media.

The 2015 STEM Jobs inaugural list is the first of its kind to rate companies on their responsiveness to creating and filling high-demand, high-growth science, technology, engineering and math (STEM) occupations, as well as companies that excel in the area of encouraging workforce diversity.

Xcel Energy is featured in the Winter 2015 issue of STEM Jobs magazine, along with the entire 2015 list of STEM Jobs Approved Employers.

"Xcel Energy depends on employees with expertise in STEM fields to perform critical tasks," said Mandi Sirek, manager, Talent Acquisition. "The market for this highly skilled workforce is very competitive.

"It's great news that we've been recognized as a top STEM employer because it shows job seekers that we're the best at what we do," she added. "And that we're looking for the right fit, based on our corporate strategy."

The STEM Jobs Approved Employers survey measures how effectively companies produce high-demand, high-paying STEM jobs, and how well they connect with educators to help students pursue and achieve career aspirations in STEM fields.

Companies submitting completed surveys were scored on publicly available data and responses to proprietary questions around indicators of success, she said, including STEM job hiring and career path opportunities, workforce diversity in STEM positions, and outreach to and alignment with STEM education programs.

"We depend on employees with strong STEM skills to fulfill key roles, both in the field and in our corporate offices," said Bev Brown, director of Talent Acquisition Pipeline and Diversity. "We've been very intentional about supporting programs in our communities that advance STEM learning, such as sponsoring The Works museum and the STARBASE program.

"We've also created several internship programs that funnel students in STEM fields into our company," she added. "This talent pipeline ensures that we have trained workers ready to start work upon graduation."

Women's Information Link, one of Xcel Energy's business resource groups, is playing a key role in the effort, as well. The group holds a number of STEM-related events around the company every year.

"Employee diversity is a key company focus," Brown said. "We're a utility industry leader in hiring women and advancing

Job Hunt

At left, Traci Geller, project engineer and Women's Information Link board member, takes part in a panel discussion for middle school and high school female students. Above, Girl Scouts learn about nuclear power at Prairie Island Nuclear Generating Plant in Minnesota.

them into leadership. We have women running our transmission and natural gas businesses, which are both STEM-intensive areas of the company."

The assessment and rights to the STEM Jobs designation were available to qualifying companies for free. A complete description of the methodology, advisory board and services is available at www.stemjobs.com.

"With the list of STEM Jobs Approved Employers, we're able to help parents, students, educators and employers evaluate how well education is translating into real-world jobs, and how responsive companies are to meeting those demands," said Daniel Nichols, president of STEM Jobs. "We're pleased to showcase companies like Xcel Energy as leading the way on the employment side and providing long-term STEM career opportunities."

Other companies on the list include Amazon, Nestle, Siemens, Sprint, Southwest Airlines and others. Xcel Energy has a long history of supporting and promoting interest in STEM careers.

Victory Media is a workforce development firm specializing in connecting classrooms to careers. It produces media and training solutions used by Fortune 1000 firms, colleges and school districts nationwide, and its brands include STEM Jobs, G.I. Jobs, Military Friendly, Military Spouse and Vetrepreneur. ←

Ethics made easier with the click of a button

News Brief

While many of us will never have to "Report What Seems Wrong" or seek advice about a corporate policy, the ability to report a concern or ask questions has recently been improved at the company.

Earlier this year, a new website with an easy-to-remember domain name, www.XcelEnergyComplianceHotline.com, powered by EthicsPoint, was rolled out for Xcel Energy employee use. Simply click on Report Misconduct or a Concern, Ask a Question or Seek Advice, or Follow Up on a Concern.

The website allows employees to inquire about policy questions via the "Ask a Question or Seek Advice" button at the website. For example, if an employee wants to inquire if they can accept or give a gift or take time off to attend a school conference, they can do so by accessing the website and submitting their question.

"We believe this new website option will enhance our employees' ability to report allegations of wrongdoing," said Mary Vikla, manager of Compliance and Business Ethics. "And the 'Ask a Question or Seek Advice' button gives us better insight into questions employees have, so we can clarify information in policies and training as needed.

"Employees can continue to remain anonymous when reporting," she added. "They will receive a unique report key, and they will create a password so they can check on the status of the investigation or get information about their inquiry."

In addition to the new website, employees have a number of other reporting options available, including:

- Speak to your leader
- Contact the next level of management
- Call the Compliance Hotline at 800-555-8516
- Contact the Corporate Compliance and Business Conduct Office at 612-215-5354
- Contact Employee Relations
- Contact Legal Services
- Report concerns to any Xcel Energy board member Additional reporting options for the nuclear workforce include:
- Complete a Nuclear Corrective Action Request form
- Report nuclear safety issues to the Employee Concerns Program at 866-327-4662
- Contact the Nuclear Regulatory Commission at 800-695-7403

TAKING FLIGHT

NEW AIRCRAFT SYSTEMS WILL TRANSFORM THE INDUSTRY

An empowering and transforming technology is coming to the gas and electric utility industry, and it will fundamentally change the way work is done at Xcel Energy.

The technology? Small Unmanned Aircraft Systems (SUAS), also known as drones.

"SUAS's will fundamentally change how we do many types of work and will even impact equipment designs in the future," said Greg Bennett, regional vice president of Distribution Operations. "And it will create many opportunities to bend the cost curve while simultaneously enhancing safety.

"SUAS technology will eventually create a dramatic shift of industry norms, much like the computer and smartphone have," he added. "It has the potential to change things that much."

An Xcel Energy SUAS team from various Operations business units was formed more than a year ago to move the technology forward. Areas include Distribution, Transmission, Aviation, High-Pressure Gas and Energy Supply.

"We saw a need to look at SUAS," Bennett said. "The original intent is to integrate the technology into our operations, bend the cost curve, improve safety and help deliver operational excellence – all key elements of our Strategic Call to Action."

The initial effort has centered around two tactical approaches: "Buy the fly" and "Own the drone."

"Buy the fly" looks at existing manned-aircraft services and tasks used to do work in the utility industry today, and explores how this work might be done with SUAS. Energy Supply achieved a first use of SUAS at Xcel Energy for boiler inspections at power plants (see related article in this issue).

"Own the drone," on the other hand, will explore new applications that are part of everyday operations at utilities, such as routine inspections, surveys, damage assessments and more. In addition, there are many more possible use cases, such as right-of-way inspections, vegetation encroachment, coal inventories and bridge/crossing inspections.

SUAS are also being considered for leak surveys in Gas Operations, Bennett said. New sensor technology may allow for leak detection, and the technology holds potential for use in marking GPS locations along pipelines for anomalies and pig tracking.

As part of its overall SUAS initiative, the company also is a charter member of the Edison Electric Institute's (EEI) SUAS team. More than 40 companies are part of this EEI forum.

"The EEI team has assembled more than a hundred possible use cases and some are already being evaluated for feasibility," he said. "Every few weeks, we see more progress, and we're looking at a few cases for immediate use."

The trick for that to happen, however, lies with the Federal Aviation Administration, which controls air space in the United States. The EEI team is currently working with the FAA on rulemaking and other related matters to make the tech-

Potential SUAS Inspection Uses

- Damage and risk assessments
- Pole-top and tower hardware
- Vegetation management
- Fire danger
- Bridge and other crossings
- Right-of-way work
- Line condition
- Power plant boilers
- Security
- Coal inventories

nology a reality for use in the industry.

Although rulemaking is under way at the FAA, only a couple of utilities have been granted permission to use SUAS for commercial purposes. However, Xcel Energy has submitted its "Section 333" exemption application with the FAA to start the approval process for the company's outdoor use of SUAS, and hopes to hear something this month.

Xcel Energy worked with former FAA outside counsel to assist in the content needed for the Section 333 application, Bennett said, and has engaged its federal lobbyists to share the company's position on SUAS's potential safety and cost benefits with government officials in Washington, D.C.

Another SUAS issue in need of research is how the systems will interact with energized power lines. To that end, Xcel Energy is joining the Electric Power Research Institute's collaboration effort to look into the issue this year.

"For instance, we need to research whether the units themselves and their controllers are affected by energized

greg BENNETT

lines," Bennett said. "We need to understand how the flow of electricity in our facilities may impact SUAS use."

To that end, company representatives recently visited one of the FAA's five official SUAS test sites in North Dakota. They also attended a SUAS demonstration at the Idaho National Laboratory, a federal research facility.

Next up is the selection of potential SUAS "proof of concept" missions, which will be used to develop business cases for future investment. Eventually, the company would like the capability to execute "one flight/many uses," Bennett said.

Yet another area for possible SUAS use involves security. The technology could help improve emergency response at power plant facilities and gas excavation dig-ins, theft detection at various sites, risk assessments, and actual physical monitoring and patrolling of hard-to-reach facilities such as hydro plants.

"The number of possible uses for SUAS just keeps expanding," Bennett said. "It will be exciting to help research and eventually put a drone in the air to do work for us to enhance safety and bend the cost curve." ←

Buzzing Boilers

New technology makes inspections safer and less costly

From their use in recent years, we tend to think of drones as something used for warfare or military surveillance.

But now Energy Supply at Xcel Energy is using drones, also known as small unmanned aircraft systems (SUAS), for a different kind of surveillance – boiler inspections. Recently, SUAS have been buzzing around boilers at the company's Zuni, Comanche and Sherco generating stations.

"This marks the first time that we have used SUAS for boiler inspections, and they are proving to be an excellent way to assess the condition of burners and other parts of a boiler," said Mark Martinez, senior engineer with Performance Testing and Analysis.

For one, SUAS inspections can avoid the need for scaffolding or hanging baskets to perform visual inspections, which in Sherco's case is a significant labor expense to erect huge stretches of scaffolding in its large boilers, he said. And SUAS can further probe areas where humans can't easily reach.

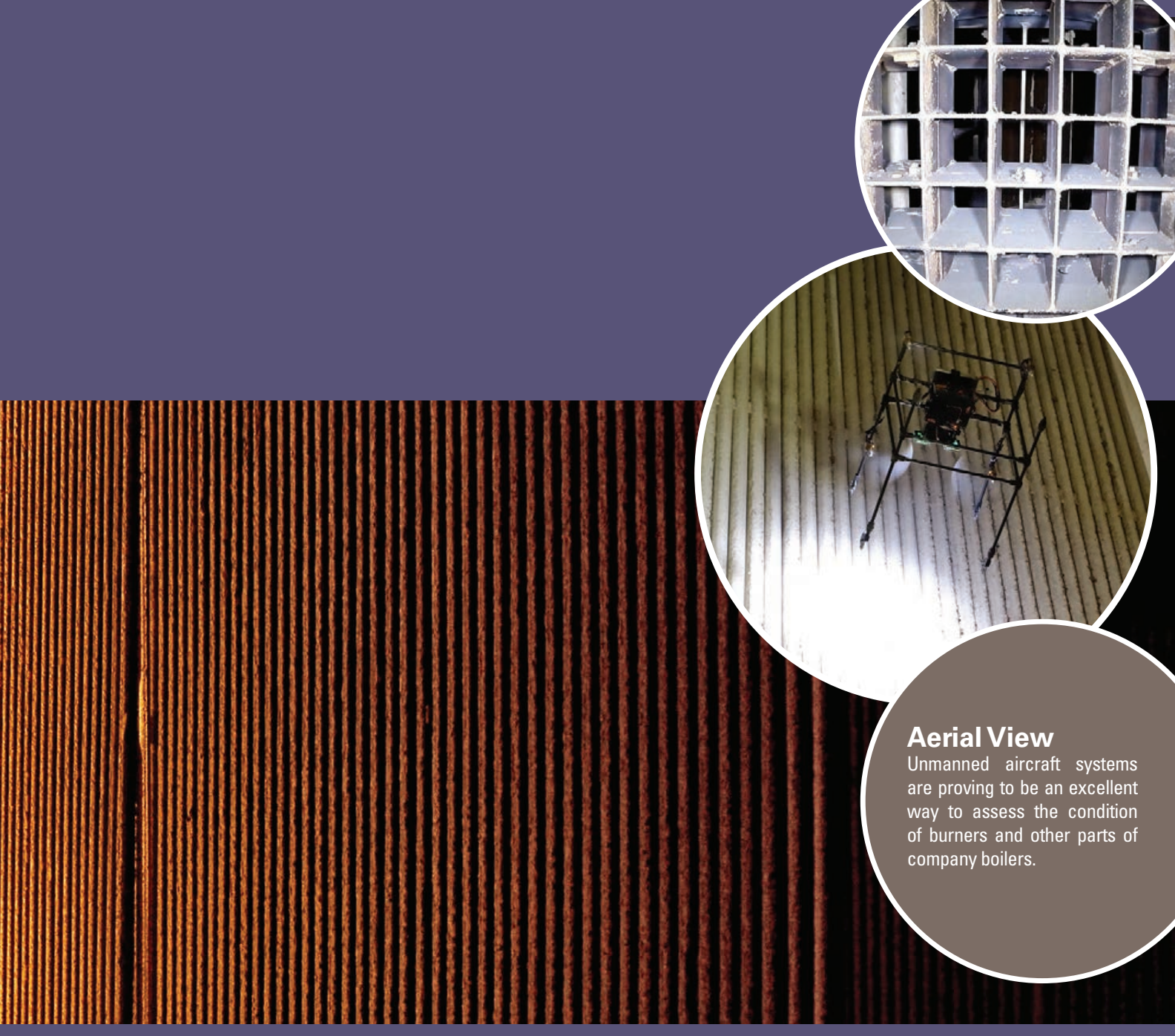
"We're finding that SUAS can do a great job of detecting cracks on combustion equipment and sometimes erosion/corrosion issues," Martinez said. "And they can help us determine what kind of maintenance or repair work might be needed in the boilers."

Energy Supply's testing group has led the SUAS inspection effort, working with plant engineers and staff, along with technicians from United Dynamics Advanced Technologies Corporation (UDC), a specialist in the SUAS arena.

The SUAS are equipped with a light to search the dark recesses of a boiler, and a wireless camera that relays both still images and video to technicians below. The inspection team consists of a SUAS operator and a certified boiler inspector, using a hand-held controller and video monitor.

While the inspection process involves watching the monitor to look at and for problem areas, the technology also produces high-definition video files for later analysis and historical records, he said. In addition, a report is created, along with photos of the various elements of a boiler.

"We have been watching this technology develop for a while and so far have been pleased with our own experience now that we're using it," Martinez said. "The SUAS provide some excellent perspectives and sharp images, and the inspections are taking a lot less time than we expected."



Aerial View
Unmanned aircraft systems are proving to be an excellent way to assess the condition of burners and other parts of company boilers.

The inspection at Comanche took only one and a half hours to inspect all four corners of the Unit Three boiler, along with its water-cannon nozzles, said Terry Hunt, consulting engineer. Initially, the company expected the inspection to take days, not hours.

The SUAS at Sherco traversed the entire Unit Three boiler in just two and a half hours, inspecting 70 burners and 18 over-fire air ports. The SUAS also was used to inspect a small portion of the water walls, a new practice for UDC.

Zuni Station used SUAS to inspect both stacks and the internals on its Unit One boiler. The use of SUAS reduced inspection time at a savings of more than $100,000.

"Full boiler scaffolding allows the best 'hands-on' detailed inspection," Hunt said. "However, when boiler inspections must be done during short outages – when scaffolding is not needed for other work – drones provide a very efficient method to complete the required inspections. If you go in and find few problems, you have greatly minimized your costs over scaffolding."

After the Comanche boiler inspection, Hunt tried to replicate the work gathered by the SUAS by taking photos from various boiler doors. There was no comparison in terms of what the SUAS created versus his camera, he said.

"It was night and day," Hunt said. "The SUAS did a great job and provided lots of light to capture great images."

Based on the first few uses of SUAS for boiler inspections at Xcel Energy, the technology is looking like a boon. It reduces the costs of compliance inspections, and allows Energy Supply to improve boiler efficiency and minimize emissions.

Of course, the new technology only provides a visual inspection, Martinez said. If something is found in need of a repair in a remote location, crews still have to gain human access to complete the work. This can be done by dropping baskets down from the roof of a boiler to make repairs.

"Drones don't make the repairs, but they help us make decisions," he said. "It's a new technology that makes sense, reduces costs and keeps things operating as they should.

"We envision using them more in the future," Martinez added. "They're proving to be a huge time-saving technology – allowing easy access to remote boiler locations in a short time frame. There's a lot of value there." ←

NEW HQ RISING IN MINNEAPOLIS

Xcel Energy's new headquarters campus building in downtown Minneapolis is taking shape.

The company will lease the nine-story, 212,000-square-foot office building on the southeast corner of Fourth Street and Nicollet Mall in downtown Minneapolis beginning next year.

Xcel Energy will be the new building's sole tenant as it consolidates office space into a two-building downtown campus. The buildings have been officially named 401 Nicollet and 414 Nicollet.

After a planned winter-construction hiatus, progress is now highly visible. Currently, a large crane can be seen working daily, lifting steel beams to set the structural steel.

Slabs will be poured later this spring, and core and shell construction are scheduled for completion by the end of the year.

Work also recently took place on the 414 Nicollet Mall façade, with crews preparing the 414 building for skyway construction. The skyway will be completed during several weeks of work next month.

In addition, company leadership recently approved building assignments for the two HQ campus buildings, said Larry Bick, senior director of Property and Security Services.

"Upon completion of the new building in 2016, our Minneapolis headquarters will feature a campus concept," Bick said. "Work groups that are currently housed in 414 and Marquette Plaza will be strategically relocated into work areas on the campus to create efficiencies – much like a college groups departments with similar needs into the same facility."

Property Services' Headquarters Campus Project Team, with direction from senior leadership, developed several possible stacking plans, based on the decision to group corporate functions in the 401 building and more operations-centric groups in 414. Floor assignments will be finalized later this spring.

The options presented, and ultimately selected, took into account requirements expressed by various business groups during programming sessions with directors and managers of each department, he said.

Occupants of both buildings will benefit from the skyway-connected, second-floor amenity level, which will feature a conference center, cafeteria/coffee bar, informal seating, fitness center and access to the Minneapolis skyway system.

About 1,500 Xcel Energy employees currently are based at the company's 414 Nicollet headquarters and in other leased space downtown.

"We are always evaluating our real estate and lease holdings to ensure the best, most economical and secure mix," Bick said. "This opportunity came to us as we were reviewing leases, and it was a good fit.

"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, meaning it has been 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.

"Downtown Minneapolis is our headquarters, and we plan to remain here for the long term. The efficiencies of having our employees centrally located are enormous."

Along with improving the efficiency and effectiveness of the company's downtown Minneapolis workforce, the new building will provide needed space for potential growth, Bick said. It will provide for a collaborative and productive workspace that will assist in recruiting and retaining a talented workforce, helping to meet one of the company's four Strategic Pillars – "Transition to a Workforce that is Ready for Competition."

larry BICK

"Downtown Minneapolis is our headquarters, and we plan to remain here for the long term," Bick said. "The efficiencies of having our employees centrally located are enormous. 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." ←

401 and 414 Building Assignments

A list of departments that will reside in each building:

401 NICOLLET (CORPORATE)

Business Development
CFO
Corporate Communications
Corporate Compliance
Environmental
Executive Senior Leadership
Human Resources
Legal/Claims
Marketing
Regulatory
Safety
Supply Chain

414 NICOLLET (OPERATIONS)

Business Systems
Energy Supply
Nuclear
Property & Security Services
Remittance Processing
Siting & Land Rights
Transmission

Sp

App

Given the extremely tight timeline, the team of Transmission and other SPS employees weren't even sure they could pull off the project at all.

The challenge: Come up with a plan to take a project that normally would take at least three years to complete, and reduce it to just 18 months.

But by working together and taking a competitive and creative approach, the team recently developed a successful strategy to meet the special request of a natural gas processing company, which was proposing construction of a large processing plant in southeast New Mexico.

"In order to attract a large customer of its own, Enterprise needed us to deliver transmission line service to its new facility by February 2016," said Cory Wood, manager of Transmission Projects. "Although a transmission line already was under construction in the area, other electrical equipment needed to be added.

"Our team was able to determine the technical issues associated with meeting the customer's needs and work out a plan within two weeks, as the aggressive schedule demanded," he added. "Otherwise, the customer was going to install natural gas drives instead of electric motors. The initial electrical load is estimated at 25 megawatts, and a second phase could be as large as another 35 megawatts."

To meet the Enterprise's goal of having an all-electric compression design, Xcel Energy needed to install two 115-kilovolt, Static Var Compensators (SVCs) at two nearby substations. An SVC is a set of electrical devices designed to provide fast-acting, reactive power on high-voltage transmission networks.

The specialized SVC equipment generally requires a lead time of 24 to 36 months from order date. To respond to Enterprise's needs, however, the team had to act immediately and creatively to meet the very tight schedule.

"One of the biggest challenges the team faced involved

ecial Request and Creative roach Equals Success

SOLUTION

By cutting a normal three-year timeframe to 18 months, Xcel Energy met the pressing needs of a New Mexico customer.

evaluating proposals from the two primary manufacturers that bid on the project, said Randall Christiansen, manager of Engineering Design. The two manufacturers proposed slightly different technical solutions.

"Both could meet our project timeline, and they were relatively close in cost," Christiansen said. "In just a week's time, our team had to sort through the technical pros and cons of both proposals, and determine which solution we felt was best for our needs."

The team had to make a number of decisions quickly, he said. First, it reached out to multiple SVC manufacturers to determine if it was even possible to receive their equipment within the required date.

"We also reached out to a consulting firm that specializes in these types of projects to understand how long it would take to pull this off," Christiansen said. "As we dug into those questions, we learned that if we moved quickly to make decisions – and if we compressed our standard timelines from months to weeks – it was possible to procure the SVCs and have them delivered within the required project timeline."

The multi-disciplinary team did, in fact, work together to meet the tight timeline. Team members had just over three months to complete a complex series of tasks – develop specifications, perform system studies, send out a Request for Proposals, allow the vendors a month to create their proposals, review and evaluate those proposals, negotiate terms and conditions, receive executive approval, and award the project. These tasks and processes normally would take six months to a year to complete.

"Transmission Engineering, Transmission Planning, Supply Chain, Operations and Maintenance and our team of outside consultants all came together and worked on parallel paths to complete those items within the required timeframe," Christiansen said.

INFRASTRUCTURE

On pages 12 and 13, work continues on the new China Draw Substation in southeast New Mexico. Above and at left, equipment and infrastructure in the growing industrial region continues to come online.

Successfully meeting the gas processing company's needs could lead to the construction of additional Xcel Energy facilities to meet its growing needs, as well. The system Xcel Energy is installing is sized to accommodate the initial load, as well as subsequent load additions the customer may make.

As Enterprise's load grows, it likely will need upgrades on other parts of Xcel Energy's electric system, he said. Transmission has left provisions in the SVC design so it can be expanded to an even larger size should the need arise.

The project is on schedule. Expansion of the substations is currently under way to add the SVCs, and Enterprise is in the design process and has procured the long-lead equipment it needs. The Transmission team is on track to have one of the SVCs energized by April 2016, and the second by June 2016.

"This is a great example of what it takes to act like a competitive business as part of the Strategic Call to Action," Christiansen said. "We are not accustomed to doing a project in half the time it would normally take. But we showed that if we come together as a team, quickly make decisions and have a solid plan for executing a project, we can accomplish things we didn't realize we could.

"At the start of the project, I was not sure how we were going to get it all done," he added. "But with a lot of effort from a lot of people, we were able to get through the primary obstacles at the start of the project, and I am fully confident that this project will be delivered on time to serve our customer."

"This is a good example of our call to action and thinking competitively," added David Hudson, president of SPS. "Our team worked hard to ensure we could provide Enterprise with adequate electric service so they did not need to go with natural gas drives. Finding innovative ways to meet customer requirements in the context of time pressures and other challenges is at the root of competitiveness." ←

Xcel Energy named to Forbes Magazine list

Forbes Magazine recognized Xcel Energy as one of the most financially reliable large-cap companies on the magazine's "100 Most Trustworthy Companies in America" list for 2015. Listed at No. 12 among large-cap companies, Xcel Energy is one of only three investor-owned utilities on the list.

According to Forbes, a research firm develops the list by annually screening more than 5,500 publicly traded North American companies and identifying those that most "consistently demonstrated transparent accounting practices and solid corporate governance."

Companies that make the list are evaluated on several factors that influence financial risk and corporate governance, such as regulatory actions, amended filings, accounting, bankruptcy risk, and revenue and expense calculation methods.

Xcel Energy joins other large-cap companies like Whole Foods Market Inc., Under Armour and investor-owned utilities American Electric Power Co. and NextEra Energy Inc. on the list.

News Briefs

Company crews journey to Kansas to provide mutual aid

Last month, more than 60 linemen, foremen, apprentices, managers and support staff from various parts of Colorado responded to a mutual aid request from Westar Energy in Kansas.

Westar's Wichita and Newton service territories were hit by high winds in excess of 85 mph on April 2, which knocked down poles and left more than 40,000 customers without power.

Upon arriving, one-quarter of the crews and a manager worked in Newton, 25 miles north of Wichita. The rest of the crews worked in the Wichita area. Most of the restoration work required pole and equipment replacement, as well as rebuilding service lines.

"The crews were in high spirits and were proud to help the people of Kansas by doing what they do best," said Jay Smith, director of the PSCo Distribution Control Center.

The crews worked for two days in Kansas before returning to Colorado.

"Thank you for sending crews and helping us," said Bryan Nowlin, manager of Emergency Operations with Westar Energy. "Your crews did a safe and great job!"

Gas employees earn AGA Safety Achievement Award

The American Gas Association (AGA) recently announced that Xcel Energy's gas utility will be recognized at its Annual Operations Conference for achieving outstanding performance in worker safety for 2014. The worker safety awards are presented annually to AGA member companies that had the lowest injury rate for companies of their type.

The AGA Safety Achievement Award recognizes the more than 1,500 gas utility employees at Xcel Energy, which includes employees from both Gas Engineering and Operations and Distribution Operations. Finishing the year with just 16 injuries, the group's dedication to working safely not only enhances safety records, but more importantly, assures that employees go home safe every day, said Cheryl Campbell, vice president, Gas Utility.

"This award is a chance for us to celebrate our continuing accomplishments in the area of employee safety, including finishing 2014 with the company's seventh consecutive best safety year ever," she said. "It's an honor for the gas group to be recognized by the AGA and to know that our focus on safety is making a difference."

"This is the first time Xcel Energy has received the AGA Safety Achievement Award, and it's well deserved," said Paul Jeske, director of Safety. "The award is great recognition for our safety performance. It's an awesome example of our employees making safety a core value and advancing our Journey to Zero."

New VPs named in Distribution Operations and Human Resources

News Brief

Gary Lakey has been named vice president of Workforce Relations and Safety, and is being replaced in his former position by Greg Bennett, the new regional vice president of Distribution Operations (PSCo). In addition, Ruth Lowenthal has been named vice president of Total Rewards, expanding her role in Human Resources.

In his new role, Lakey will be responsible for leading the functions of Workforce Relations, Safety, Technical Training (Distribution) and Equal Employment Opportunity/Employee Relations. Lakey has most recently been the regional vice president of Distribution Operations (PSCo) and has more than 27 years of gas and electric utility-related experience, including the last seven at Xcel Energy.

Lakey joined SPS in 2008, leading the regulatory and governmental affairs group. In 2011, he was tasked to lead the SPS Distribution Operations team before moving to lead the same function in Colorado.

Bennett most recently served as the director of Substation Operations and Maintenance for Xcel Energy, leading an eight-state field force of almost 600 employees who operate and maintain more than 1,200 substations.

In addition, Bennett previously led and managed Xcel Energy's Substation Construction, System Protection, and System Control and Data Acquisition efforts, as well as worked in the Colorado Energy Control Center for Purchased Power and Electric Trading.

Lowenthal will add recognition programs and talent management – including succession planning, performance management, and executive and leadership development programs – to her current responsibilities of managing Xcel Energy's compensation and benefits programs and HR Operations.

Lowenthal joined Xcel Energy in 2011 after working more than 20 years for Target, where she held leadership roles in Total Rewards, HR Operations and Organizational Effectiveness.

Photo Op

HARRINGTON HARMONY

A substation at Harrington Generating Station is silhouetted against an early morning sky near Amarillo, Texas, awaiting the rising sun to the east. This photo was taken by Will Niemera, a contractor in Engineering and Design.

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.*

NEW SOLAR

Company plans 140 megawatts of new solar in New Mexico

Xcel Energy is adding 140 megawatts of photovoltaic solar power to its Texas-New Mexico generation mix with an agreement to purchase the output of two planned solar developments near Roswell, N.M.

The company recently signed two long-term power-purchase agreements with affiliates of Florida-based NextEra Energy Resources, and expects to add the solar energy capacity in 2016 before valuable federal investment tax credits terminate for new projects. The two contracts are subject to approval from the New Mexico Public Regulation Commission.

The cost of the solar energy to be purchased, aided by New Mexico's production tax credit, is competitive with Xcel Energy's gas-fueled generation, said David Hudson, president of SPS. The new generation also will further support the company's goal of keeping fuel costs low by using a resource that requires no fossil fuel, has no emissions and doesn't require water to cool its systems.

"We are making these purchases because they make good sense economically," Hudson said. "Not only is solar energy dropping in price, it also displaces megawatts generated from some of our older, less-efficient, natural gas-fueled plants. This saves on fuel costs and environmental compliance for years to come, and these savings are passed directly on to our customers in Texas and New Mexico."

Xcel Energy announced in 2014 that it was seeking up to 200 megawatts of solar energy for its Texas-New Mexico system. At roughly the same time, NextEra was looking to build three solar projects near Roswell in Chaves County, N.M., and the output of two of these three projects will make up the Xcel Energy purchase.

Mike McLeod, regional manager for Community and Economic Development in Roswell, said the projects are not only great news for Roswell, but for the entire region, where Xcel Energy has been driving the renewable-energy economy since the area's first commercial wind turbines were added at Texico, N.M., in 1999.

"It's well known that economic renewable energy reduces our reliance on fossil fuels, helps clean the air and reduces fuel costs," McLeod said. "But we often forget what a great economic driver these projects are to the regional economy.

"The NextEra projects, like all the other area renewable energy developments, increase the value of rural land," he added. "In turn, the higher values generate more long-term tax revenue for local governments that are looking for opportunities to grow their tax bases."

Xcel Energy is the nation's No. 1 provider of wind energy, as ranked by the American Wind Energy Association, and is among the top 10 U.S. utilities for the amount of solar power on its systems, according to the Solar Electric Power Association. Wind and solar are two important ways Xcel Energy plans to reduce carbon dioxide output in its Texas-New Mexico territory by 25 percent by 2020.

Once the NextEra projects come on line, total solar capacity on Xcel Energy's Texas-New Mexico system will be close to 200 megawatts, produced largely in New Mexico.

Xcel Energy serves close to 385,000 customers in eastern and southeastern New Mexico and the Panhandle and South Plains regions of Texas. The company also owns and operates a 7,000-mile high-voltage transmission system that extends into Oklahoma and Kansas. This transmission system moves more than 2,400 megawatts of wind energy produced in the area. ←

Letters

'Magnificent! Great job!'

Dear Xcel Energy:

Kudos to your people who recently responded to a power outage in Lafayette, Colo. Only 35 minutes to respond, replace a transformer and get us back on grid. Magnificent! Great job!

—The Gnoits, Lafayette, Colo.

Prompt, courteous and helpful service appreciated

Dear Xcel Energy:

Yesterday, we had an issue with our gas meter, and a technician arrived very promptly. He was courteous and helpful, replaced the meter and re-lit our water heater pilot light.

We just wanted to comment on the great service. Thanks.

—The Fruges, Arvada, Colo.

Thanks for an 'excellent job well done'

Dear Xcel Energy:

My wife and I wish to commend your company on the promptness with which it responded to a recent round of severe weather that left us and others without electrical power for varying lengths of time.

We were without power for a few hours, which is the most time we have been without power in the 28 years we have lived here.

Thanks to your company for an excellent job well done.

—A Minneapolis customer

Taking the opportunity to say thank you to crews

Dear Xcel Energy:

Please let me take this opportunity to say thank you to your crews who work so hard to keep everyone's power on – sometimes staying out in the rain and wind to make it happen.

I hope your customers are very grateful. I thank your crews so much.

—A Wisconsin Customer

People

Friends We'll Miss

Marshall E. Andis
76, team lead field service representative, Pampa Construction Operations & Maintenance, Wheeler, Texas, died on March 13, 2015. He worked for SPS from 1972 to 1998.

William H. Baird
71, lineman, Electric Construction, Shorewood Service Center, Minnetonka, Minn., died on Feb. 26, 2015. He worked for NSP from 1966 to 2000.

Motoko Blanch
69, customer contact center representative, Customer Contact Center, Centre Pointe, Roseville, Minn., died on Feb. 25, 2015. She worked for Xcel Energy from 1988 to 2007.

Jowel J. Briscoe
82, mechanic, Transportation, Lipan Service Center, Denver, Colo., died on March 13, 2015. He worked for PSCo from 1971 to 1994.

Roger E. Christianson
72, trouble foreman, Rice Street Control Center/Operations, Rice Street Service Center, St. Paul, Minn., died on March 6, 2015. He worked for NSP from 1969 to 2004.

Jimmie M. Eck
82, died on Feb. 21, 2015. He worked for SPS from 1958 to 1994.

Virgil C. Eckstrom
90, gas maintenance supervisor, Wescott, Minn., died on April 8, 2014. He worked for NSP from 1953 to 1986.

John R. Grochowski
95, field supervisor, Hiawatha, Minn., died on April 30, 2014. He worked for NSP from 1947 to 1983.

Donald F. Hendricks
100, division foreman, San Luis Valley Operations, Alamosa, Colo., died on March 2, 2015. He worked for PSCo from 1960 to 1979.

Robert M. Johnson
87, working foreman, Transportation, Colorado, died on March 8, 2015. He worked for PSCo from 1960 to 1986.

Ronald G. Kimitch
88, lead designer, Overhead, 414 Nicollet Mall, Minneapolis, Minn., died on March 17, 2015. He worked for NSP from 1952 to 1984.

Boyd E. Larson
91, field office supervisor, Production Services, Monticello Nuclear Generating Plant, Monticello, Minn., died on Jan. 13, 2015. He worked for NSP from 1942 to 1981.

Jerry A. Lemmerman
73, radiation and protection specialist, Radiation Protection, Prairie Island Nuclear Generating Plant, Welch, Minn., died on Dec. 15, 2014. He worked for NSP from 1973 to 1999.

Orville R. Lueders
84, district representative, Marion Office, Sioux Falls, S.D., died on March 2, 2015. He worked for NSP from 1951 to 1992.

Chester D. Magill
84, senior meterman, Mountain Electric Construction, Colorado, died on Feb. 26, 2015. He worked for PSCo from 1953 to 1986.

David M. Meck
68, senior storekeeper, Material Management Warehouse Operations, Materials Distribution Center, Henderson, Colo., died on Feb. 26, 2015. He worked for PSCo from 1972 to 2007.

John Medina
69, storekeeper, Logistics, Littlefield Service Center, Littlefield, Texas, died on Dec. 28, 2014. He worked for SPS from 1977 to 2011.

Glenn E. Melling
68, generation finance manager, Monticello Nuclear Generating Plant, Monticello, Minn., died on Dec. 26, 2014. He worked for NMC from 1969 to 2003.

John K. Nelson
65, control room operator, Hayden Station, Hayden, Colo., died on Jan. 8, 2015. He worked for PSCo from 1977 to 2014.

Laurel M. Olstad
61, senior financial analyst, Enterprise Reporting & Compliance, 1800 Larimer, Denver, Colo., died on Feb. 28, 2015. She worked for Xcel Energy from 1985 to 2011.

John E. Pendergraft
78, died on Feb. 25, 2015. He worked for SPS from 1961 to 1997.

John D. Pero
82, electrician foreman, Wisconsin, died on Feb. 14, 2015. He worked for NSP from 1966 to 1991.

Nell Marie Rhoads
84, died on July 11, 2014. She worked for SPS from 1962 to 1984.

Glenn M. Sales Sr.
90, Wisconsin, died on Feb. 26, 2015. He worked for NSP from 1947 to 1982.

Billye Y. Sessions
86, died on March 7, 2015. She worked for SPS from 1974 to 1993.

Gladys A. Swanson
94, senior teller, Revenue Services, Fargo Service Center, Fargo, N.D., died on Feb. 19, 2015. She worked for NSP from 1951 to 1982.

Leo J. Trembley
88, field supervisor, Meter Reading, Rice Street Service Center, St. Paul, Minn., died on Feb. 1, 2015. He worked for NSP from 1946 to 1983.

John E. Vedsted
81, senior meterman, Electric Operations, Sterling Service Center, Sterling, Colo., died on Feb. 15, 2015. He worked for PSCo from 1960 to 1994.

Virgil Wakeman
86, working foreman, Home Light and Power, Greeley, Colo., died on Feb. 13, 2015. He worked for PSCo from 1954 to 1986.

Everett R. Yearwood
77, electrician working foreman, Dumas Construction Operations & Maintenance, Dumas Service Center, Dumas, Texas, died on Feb. 27, 2015. He worked for SPS from 1957 to 1998.

Donald L. Zettel
86, customer service representative, Consumer Services, White Bear Service Center, White Bear Lake, Minn., died on March 13, 2015. He worked for NSP from 1955 to 1987.

Retiring

Daniel Carroll
(dcarroll@charter.net), representative, Business Solutions Center, Sky Park, Eau Claire, Wis., retired on March 27, 2015. He worked for Xcel Energy for 30 years.

John Felling
rate consultant, Revenue Requirements, 414 Nicollet Mall, Minneapolis, Minn., retired on May 1, 2015. He worked for Xcel Energy for 34 years.

Karen Herring
billing analyst, Commercial and Industrial Billing, 1800 Larimer, Denver, Colo., retired on March 31, 2015. She worked for Xcel Energy for 20 years.

Randall Keller
line crew foreman, Electric Distribution, Minot Service Center, Minot, N.D., retired on March 6, 2015. He worked for Xcel Energy for 38 years.

Mike W. Kennedy
(mwkennedy841@gmail.com), electric trouble shooter, Electric Distribution, Mesa County Service Center, Grand Junction, Colo., retired on Apr. 6, 2015. He worked for Xcel Energy for 33 years.

Bill Kulp
(will4short@msn.com), field credit representative, Collections, Arvada, Colo., retired on April 10, 2015. He worked for Xcel Energy for 32 years.

Gary Matschke
working line foreman, Line Department, Gateway Service Center, Aurora, Colo., retired on March 27, 2014. He worked for Xcel Energy for 36 years.

James McDermott
lead utility worker, Utility Services, Arvada Service Center, Arvada, Colo., retired on April 30, 2015. He worked for Xcel Energy for 26 years.

Roger O'Neil
senior engineering technician, NEV Department, Sparta, Wis., retired on April 10, 2015. He worked for Xcel Energy for 25 years.

Brad Osborne
line crew foreman, Electric Distribution, Mankato, Minn., retired on Jan. 22, 2015. He worked for Xcel Energy for 25 years.

Jose Rodriguez
(rr1325@centurylink.net), conveyor operator, Black Dog Generating Plant, Burnsville, Minn., retired on April 15, 2015. He worked for Xcel Energy for 27 years.

Dennis Schipper
bankruptcy specialist, Customer Care, 1800 Larimer, Denver, Colo., retired on April 22, 2015. He worked for Xcel Energy for 42 years.

Donna Sobraske
(sobra2@comcast.net), senior accounting analyst, Cash Processes, 414 Nicollet, Minneapolis, Minn., retired on April 2, 2015. She worked for Xcel Energy for 41 years.

Grace Sufka
AA/FFD coordinator, Access Authorization, Monticello Nuclear Generating Plant, Monticello, Minn., retired on March 13, 2015. She worked for Xcel Energy for 34 years.

Maryann Wagner
(mickeymouse2915@icloud.com), supervisor field operations, Electric Construction, Arvada Service Center, Arvada, Colo., retired on Jan. 31, 2015. She worked for Xcel Energy for 37 years.

David Woodley
(mbirdw@comcast.net), Trucking, Maple Grove, Minn., retired on March 5, 2015. He worked for Xcel Energy for 27 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 home page, 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.

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Kevin Graham, Editor
1800 Larimer Street, 16th Floor
Denver, CO 80202
Phone: 303-294-2417
Fax: 303-294-2968
email: Kevin.Graham@xcelenergy.com

Contributors: Kelly Stone, Anna Koch, Nancy Kluver, Al Lohman, Chris Kelleher, Chris Schanus, Erin Mulvoy

Design: Steve Berry

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