



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended Sept. 30, 2022

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-3034

Xcel Energy Inc.

(Exact Name of Registrant as Specified in its Charter)

Minnesota

(State or Other Jurisdiction of Incorporation or Organization)

41-0448030

(I.R.S. Employer Identification No.)

414 Nicollet Mall Minneapolis Minnesota

(Address of Principal Executive Offices)

55401

(Zip Code)

(612) 330-5500

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$2.50 par value	XEL	Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Non-accelerated filer ☐

Accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at Oct. 25, 2022
Common Stock, \$2.50 par value	547,248,496 shares

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This Form 10-Q is filed by Xcel Energy Inc. Additional information is available in various filings with the SEC. This report should be read in its entirety.

Definitions of Abbreviations

Xcel Energy Inc.'s Subsidiaries and Affiliates (current and former)

e prime	e prime inc.
NSP-Minnesota	Northern States Power Company, a Minnesota corporation
NSP System	The electric production and transmission system of NSP-Minnesota and NSP-Wisconsin operated on an integrated basis and managed by NSP-Minnesota
NSP-Wisconsin	Northern States Power Company, a Wisconsin corporation
PSCo	Public Service Company of Colorado
SPS	Southwestern Public Service Company
Utility subsidiaries	NSP-Minnesota, NSP-Wisconsin, PSCo and SPS
WYCO	WYCO Development, LLC
Xcel Energy	Xcel Energy Inc. and its subsidiaries

Federal and State Regulatory Agencies

CPUC	Colorado Public Utilities Commission
D.C. Circuit	United States Court of Appeals for the District of Columbia Circuit
DOC	Minnesota Department of Commerce
EPA	United States Environmental Protection Agency
FERC	Federal Energy Regulatory Commission
MPUC	Minnesota Public Utilities Commission
NDPSC	North Dakota Public Service Commission
NRC	Nuclear Regulatory Commission
OAG	Minnesota Office of Attorney General
PUCT	Public Utility Commission of Texas
SEC	Securities and Exchange Commission

Electric, Purchased Gas and Resource Adjustment Clauses

GCA	Gas cost adjustment
GUIC	Gas utility infrastructure cost rider
RES	Renewable energy standard
TCR	Transmission cost recovery adjustment

Other

AFUDC	Allowance for funds used during construction
ALJ	Administrative Law Judge
AMT	Alternative minimum tax
ATM	At-the-market
C&I	Commercial and Industrial
CCR	Coal combustion residuals
CCR Rule	Final rule (40 CFR 257.50 - 257.107) published by EPA regulating the management, storage and disposal of CCRs as a nonhazardous waste
CDD	Cooling degree-days
CEO	Chief executive officer
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act
CFO	Chief financial officer

CORE	CORE Electric Cooperative
CPCN	Certificate of Public Convenience and Necessity
CSPV	Crystalline Silicon Photovoltaic
CUB	Citizens Utility Board
DRIP	Dividend Reinvestment and Stock Purchase Program
EPS	Earnings per share
ETR	Effective tax rate
FTR	Financial transmission right
GAAP	United States generally accepted accounting principles
GE	General Electric Company
HDD	Heating degree-days
IPP	Independent power producing entity
IRA	Inflation Reduction Act
ITC	Investment Tax Credit
JSC	Just Solar Coalition
LLC	Limited liability company
LP&L	Lubbock Power and Light
MGP	Manufactured gas plant
MISO	Midcontinent Independent System Operator, Inc.
NAV	Net asset value
NOPR	Notice of Proposed Rulemaking
NOx	Nitrogen Oxides
O&M	Operating and maintenance
OATT	Open Access Transmission Tariff
PFAS	Per- and PolyFluoroAlkyl Substances
PIM	Performance Incentive Mechanism
PPA	Power purchase agreement
PTC	Production tax credit
ROE	Return on equity
RTO	Regional Transmission Organization
SMMMPA	Southern Minnesota Municipal Power Agency
SPP	Southwest Power Pool, Inc.
THI	Temperature-humidity index
TOs	Transmission owners
UCA	Colorado Office of the Utility Consumer Advocate
VaR	Value at Risk
WACC	Weighted average cost of capital
XLI	Xcel Large Industrial Customers

Measurements

MW	Megawatts
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Forward-Looking Statements

Except for the historical statements contained in this report, the matters discussed herein are forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements, including those relating to 2022 and 2023 EPS guidance, long-term EPS and dividend growth rate objectives, future sales, future expenses, future tax rates, future operating performance, estimated base capital expenditures and financing plans, projected capital additions and forecasted annual revenue requirements with respect to rider filings, expected rate increases to customers, expectations and intentions regarding regulatory proceedings, and expected impact on our results of operations, financial condition and cash flows of resettlement calculations and credit losses relating to certain energy transactions, as well as assumptions and other statements are intended to be identified in this document by the words “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “objective,” “outlook,” “plan,” “project,” “possible,” “potential,” “should,” “will,” “would” and similar expressions. Actual results may vary materially. Forward-looking statements speak only as of the date they are made, and we expressly disclaim any obligation to update any forward-looking information. The following factors, in addition to those discussed in Xcel Energy’s Annual Report on [Form 10-K](#) for the fiscal year ended Dec. 31, 2021 and subsequent filings with the SEC, could cause actual results to differ materially from management expectations as suggested by such forward-looking information: uncertainty around the impacts and duration of the COVID-19 pandemic, including potential workforce impacts resulting from vaccination requirements, quarantine policies or government restrictions, and sales volatility; operational safety, including our nuclear generation facilities and other utility operations; successful long-term operational planning; commodity risks associated with energy markets and production; rising energy prices and fuel costs; qualified employee work force and third-party contractor factors; violations of our Codes of Conduct; our ability to recover costs and our subsidiaries’ ability to recover costs from customers; changes in regulation; reductions in our credit ratings and the cost of maintaining certain contractual relationships; general economic conditions, including recessionary conditions, inflation rates, monetary fluctuations, supply chain constraints and their impact on capital expenditures and/or the ability of Xcel Energy Inc. and its subsidiaries to obtain financing on favorable terms; availability or cost of capital; our customers’ and counterparties’ ability to pay their debts to us; assumptions and costs relating to funding our employee benefit plans and health care benefits; our subsidiaries’ ability to make dividend payments; tax laws; effects of geopolitical events, including war and acts of terrorism; cyber security threats and data security breaches; seasonal weather patterns; changes in environmental laws and regulations; climate change and other weather; natural disaster and resource depletion, including compliance with any accompanying legislative and regulatory changes; costs of potential regulatory penalties; regulatory changes and/or limitations related to the use of natural gas as an energy source; and our ability to execute on our strategies or achieve expectations related to environmental, social and governance matters, including as a result of evolving legal, regulatory and other standards, processes, and assumptions, the pace of scientific and technological developments, increased costs, the availability of requisite financing, and changes in carbon markets.

PART I — FINANCIAL INFORMATION
ITEM 1 — FINANCIAL STATEMENTS

XCEL ENERGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(amounts in millions, except per share data)

	Three Months Ended Sept. 30		Nine Months Ended Sept. 30	
	2022	2021	2022	2021
Operating revenues				
Electric	\$ 3,699	\$ 3,176	\$ 9,255	\$ 8,643
Natural gas	357	268	1,923	1,364
Other	26	23	79	69
Total operating revenues	4,082	3,467	11,257	10,076
Operating expenses				
Electric fuel and purchased power	1,497	1,210	3,772	3,643
Cost of natural gas sold and transported	173	86	1,134	603
Cost of sales — other	11	11	32	28
O&M expenses	611	568	1,827	1,752
Conservation and demand side management expenses	86	78	259	222
Depreciation and amortization	607	537	1,807	1,586
Taxes (other than income taxes)	173	152	523	472
Total operating expenses	3,158	2,642	9,354	8,306
Operating income	924	825	1,903	1,770
Other (expense) income, net	(15)	(3)	(20)	5
Earnings from equity method investments	1	13	27	47
Allowance for funds used during construction — equity	20	21	53	53
Interest charges and financing costs				
Interest charges — includes other financing costs of \$8, \$7, \$24 and \$22, respectively	244	211	705	628
Allowance for funds used during construction — debt	(7)	(7)	(19)	(18)
Total interest charges and financing costs	237	204	686	610
Income before income taxes	693	652	1,277	1,265
Income tax expense (benefit)	44	43	(80)	(17)
Net income	<u>\$ 649</u>	<u>\$ 609</u>	<u>\$ 1,357</u>	<u>\$ 1,282</u>
Weighted average common shares outstanding:				
Basic	548	539	546	539
Diluted	548	539	546	539
Earnings per average common share:				
Basic	\$ 1.19	\$ 1.13	\$ 2.48	\$ 2.38
Diluted	1.18	1.13	2.48	2.38

See Notes to Consolidated Financial Statements

XCEL ENERGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
(amounts in millions)

	Three Months Ended Sept. 30		Nine Months Ended Sept. 30	
	2022	2021	2022	2021
Net income	\$ 649	\$ 609	\$ 1,357	\$ 1,282
Other comprehensive income				
Pension and retiree medical benefits:				
Net pension and retiree medical losses arising during the period, net of tax of \$4, \$—, \$4 and \$—, respectively	10	—	11	—
Reclassifications of loss to net income, net of tax of \$—, \$1, \$1 and \$2, respectively	1	4	2	5
Derivative instruments:				
Net fair value increase, net of tax of \$—, \$1, \$6 and \$1, respectively	—	3	15	4
Reclassification of losses to net income, net of tax of \$—, \$—, \$1 and \$1, respectively	1	2	4	6
Total other comprehensive income	12	9	32	15
Total comprehensive income	<u>\$ 661</u>	<u>\$ 618</u>	<u>\$ 1,389</u>	<u>\$ 1,297</u>

See Notes to Consolidated Financial Statements

XCEL ENERGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(amounts in millions)

	Nine Months Ended Sept. 30	
	2022	2021
Operating activities		
Net income	\$ 1,357	\$ 1,282
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	1,821	1,597
Nuclear fuel amortization	91	86
Deferred income taxes	(85)	(9)
Allowance for equity funds used during construction	(53)	(53)
Earnings from equity method investments	(27)	(47)
Dividends from equity method investments	30	31
Provision for bad debts	41	53
Share-based compensation expense	19	20
Changes in operating assets and liabilities:		
Accounts receivable	(221)	(152)
Accrued unbilled revenues	69	58
Inventories	(272)	(82)
Other current assets	13	8
Accounts payable	152	61
Net regulatory assets and liabilities	239	(997)
Other current liabilities	51	(22)
Pension and other employee benefit obligations	(59)	(131)
Other, net	1	(124)
Net cash provided by operating activities	3,167	1,579
Investing activities		
Capital/construction expenditures	(3,325)	(3,032)
Purchase of investment securities	(1,055)	(540)
Proceeds from the sale of investment securities	1,029	531
Other, net	30	(24)
Net cash used in investing activities	(3,321)	(3,065)
Financing activities		
(Repayments of) proceeds from short-term borrowings, net	(847)	1,163
Proceeds from issuances of long-term debt	2,164	1,920
Repayments of long-term debt, including reacquisition premiums	(600)	(399)
Proceeds from issuance of common stock	156	13
Dividends paid	(754)	(698)
Other, net	(14)	(11)
Net cash provided by financing activities	105	1,988
Net change in cash, cash equivalents and restricted cash	(49)	502
Cash, cash equivalents and restricted cash at beginning of period	166	129
Cash, cash equivalents and restricted cash at end of period	<u>\$ 117</u>	<u>\$ 631</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest (net of amounts capitalized)	\$ (628)	\$ (592)
Cash paid for income taxes, net	(16)	(6)
Supplemental disclosure of non-cash investing and financing transactions:		
Accrued property, plant and equipment additions	\$ 393	\$ 476
Inventory transfers to property, plant and equipment	34	87
Operating lease right-of-use assets	17	4
Allowance for equity funds used during construction	53	53
Issuance of common stock for reinvested dividends and/or equity awards	40	26

See Notes to Consolidated Financial Statements

XCEL ENERGY INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(amounts in millions, except share and per share data)

	Sept. 30, 2022	Dec. 31, 2021
Assets		
Current assets		
Cash and cash equivalents	\$ 117	\$ 166
Accounts receivable, net	1,196	1,018
Accrued unbilled revenues	793	862
Inventories	870	631
Regulatory assets	1,275	1,106
Derivative instruments	456	123
Prepaid taxes	54	44
Prepayments and other	329	289
Total current assets	5,090	4,239
Property, plant and equipment, net	47,287	45,457
Other assets		
Nuclear decommissioning fund and other investments	3,083	3,628
Regulatory assets	2,850	2,738
Derivative instruments	90	67
Operating lease right-of-use assets	1,155	1,291
Other	420	431
Total other assets	7,598	8,155
Total assets	\$ 59,975	\$ 57,851
Liabilities and Equity		
Current liabilities		
Current portion of long-term debt	\$ 651	\$ 601
Short-term debt	158	1,005
Accounts payable	1,586	1,409
Regulatory liabilities	596	271
Taxes accrued	545	569
Accrued interest	244	209
Dividends payable	267	249
Derivative instruments	100	69
Operating lease liabilities	211	205
Other	545	459
Total current liabilities	4,903	5,046
Deferred credits and other liabilities		
Deferred income taxes	4,762	4,894
Deferred investment tax credits	50	53
Regulatory liabilities	5,567	5,405
Asset retirement obligations	3,296	3,151
Derivative instruments	114	105
Customer advances	187	196
Pension and employee benefit obligations	255	306
Operating lease liabilities	997	1,146
Other	151	158
Total deferred credits and other liabilities	15,379	15,414
Commitments and contingencies		
Capitalization		
Long-term debt	23,309	21,779
Common stock — 1,000,000,000 shares authorized of \$2.50 par value; 547,006,076 and 544,025,269 shares outstanding at Sept. 30, 2022 and Dec. 31, 2021, respectively	1,368	1,360
Additional paid in capital	7,979	7,803
Retained earnings	7,128	6,572
Accumulated other comprehensive loss	(91)	(123)
Total common stockholders' equity	16,384	15,612
Total liabilities and equity	\$ 59,975	\$ 57,851

See Notes to Consolidated Financial Statements

XCEL ENERGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMMON STOCKHOLDERS' EQUITY (UNAUDITED)
(amounts in millions, except per share data; shares in actual amounts)

	Common Stock Issued			Retained Earnings	Accumulated Other Comprehensive Loss	Total Common Stockholders' Equity
	Shares	Par Value	Additional Paid In Capital			
Three Months Ended Sept. 30, 2022 and 2021						
Balance at June 30, 2021	538,305,927	\$ 1,346	\$ 7,435	\$ 6,146	\$ (135)	\$ 14,792
Net income				609		609
Other comprehensive income					9	9
Dividends declared on common stock (\$0.4575 per share)				(247)		(247)
Issuances of common stock	153,025	—	10			10
Share-based compensation			(2)			(2)
Balance at Sept. 30, 2021	<u>538,458,952</u>	<u>\$ 1,346</u>	<u>\$ 7,443</u>	<u>\$ 6,508</u>	<u>\$ (126)</u>	<u>\$ 15,171</u>
Balance at June 30, 2022	546,807,793	\$ 1,367	\$ 7,960	\$ 6,747	\$ (103)	\$ 15,971
Net income				649		649
Other comprehensive income					12	12
Dividends declared on common stock (\$0.4875 per share)				(267)		(267)
Issuances of common stock	198,283	1	13			14
Share-based compensation			6	(1)		5
Balance at Sept. 30, 2022	<u>547,006,076</u>	<u>\$ 1,368</u>	<u>\$ 7,979</u>	<u>\$ 7,128</u>	<u>\$ (91)</u>	<u>\$ 16,384</u>
Nine Months Ended Sept. 30, 2022 and 2021						
Balance at Dec. 31, 2020	537,438,394	\$ 1,344	\$ 7,404	\$ 5,968	\$ (141)	\$ 14,575
Net income				1,282		1,282
Other comprehensive loss					15	15
Dividends declared on common stock (\$1.373 per share)				(739)		(739)
Issuances of common stock	1,020,558	2	38			40
Share-based compensation			1	(3)		(2)
Balance at Sept. 30, 2021	<u>538,458,952</u>	<u>\$ 1,346</u>	<u>\$ 7,443</u>	<u>\$ 6,508</u>	<u>\$ (126)</u>	<u>\$ 15,171</u>
Balance at Dec. 31, 2021	544,025,269	\$ 1,360	\$ 7,803	\$ 6,572	\$ (123)	\$ 15,612
Net income				1,357		1,357
Other comprehensive income					32	32
Dividends declared on common stock (\$1.463 per share)				(798)		(798)
Issuances of common stock	2,980,807	8	177			185
Share-based compensation			(1)	(3)		(4)
Balance at Sept. 30, 2022	<u>547,006,076</u>	<u>\$ 1,368</u>	<u>\$ 7,979</u>	<u>\$ 7,128</u>	<u>\$ (91)</u>	<u>\$ 16,384</u>

See Notes to Consolidated Financial Statements

XCEL ENERGY INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (UNAUDITED)

In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments necessary to present fairly, in accordance with GAAP, the financial position of Xcel Energy as of Sept. 30, 2022 and Dec. 31, 2021; the results of Xcel Energy's operations, including the components of net income, comprehensive income, and changes in stockholders' equity for the three and nine months ended Sept. 30, 2022 and 2021; and Xcel Energy's cash flows for the nine months ended Sept. 30, 2022 and 2021.

All adjustments are of a normal, recurring nature, except as otherwise disclosed. Management has also evaluated the impact of events occurring after Sept. 30, 2022, up to the date of issuance of these consolidated financial statements. These statements contain all necessary adjustments and disclosures resulting from that evaluation. The Dec. 31, 2021 balance sheet information has been derived from the audited 2021 consolidated financial statements included in the Xcel Energy Inc. Annual Report on [Form 10-K](#) for the year ended Dec. 31, 2021.

Notes to the consolidated financial statements have been prepared pursuant to the rules and regulations of the SEC for Quarterly Reports on Form 10-Q. Certain information and note disclosures normally included in financial statements prepared in accordance with GAAP on an annual basis have been condensed or omitted pursuant to such rules and regulations. For further information, refer to the consolidated financial statements and notes thereto included in the Xcel Energy Inc. Annual Report on [Form 10-K](#) for the year ended Dec. 31, 2021, filed with the SEC on Feb. 23, 2022.

Due to the seasonality of Xcel Energy's electric and natural gas sales, interim results are not necessarily an appropriate base from which to project annual results.

1. Summary of Significant Accounting Policies

The significant accounting policies set forth in Note 1 to the consolidated financial statements in the Xcel Energy Inc. Annual Report on [Form 10-K](#) for the year ended Dec. 31, 2021 appropriately represent, in all material respects, the current status of accounting policies and are incorporated herein by reference.

2. Accounting Pronouncements

As of Sept. 30, 2022, there was no material impact from the recent adoption of new accounting pronouncements, nor expected material impact from recently issued accounting pronouncements yet to be adopted, on Xcel Energy's consolidated financial statements.

3. Selected Balance Sheet Data

(Millions of Dollars)	Sept. 30, 2022	Dec. 31, 2021
Accounts receivable, net		
Accounts receivable	\$ 1,308	\$ 1,124
Less allowance for bad debts	(112)	(106)
Accounts receivable, net	<u>\$ 1,196</u>	<u>\$ 1,018</u>

(Millions of Dollars)	Sept. 30, 2022	Dec. 31, 2021
Inventories		
Materials and supplies	\$ 321	\$ 289
Fuel	234	182
Natural gas	315	160
Total inventories	<u>\$ 870</u>	<u>\$ 631</u>

(Millions of Dollars)	Sept. 30, 2022	Dec. 31, 2021
Property, plant and equipment, net		
Electric plant	\$ 48,959	\$ 48,680
Natural gas plant	8,199	7,758
Common and other property	2,824	2,602
Plant to be retired ^(a)	2,258	1,200
Construction work in progress	<u>2,445</u>	<u>1,969</u>
Total property, plant and equipment	64,685	62,209
Less accumulated depreciation	(17,639)	(17,060)
Nuclear fuel	3,105	3,081
Less accumulated amortization	<u>(2,864)</u>	<u>(2,773)</u>
Property, plant and equipment, net	<u>\$ 47,287</u>	<u>\$ 45,457</u>

(a) Amounts as of Dec. 31, 2021 include Sherco Units 1, 2 and 3 and A.S. King for NSP-Minnesota; Comanche Unit 1 and 2 and Craig Units 1 and 2 for PSCo; and Tolk and coal generation assets at Harrington pending facility gas conversion for SPS. Following the June 2022 approval of PSCo's revised resource plan settlement, amounts as of Sept. 30, 2022 include the addition of Comanche Unit 3, Hayden Units 1 and 2 and coal generation assets at Pawnee pending facility gas conversion. Amounts are presented net of accumulated depreciation.

4. Borrowings and Other Financing Instruments

Short-Term Borrowings

Short-Term Debt — Xcel Energy Inc. and its utility subsidiaries meet their short-term liquidity requirements primarily through the issuance of commercial paper and borrowings under their credit facilities and term loan agreements.

Commercial paper and term loan borrowings outstanding for Xcel Energy:

(Amounts in Millions, Except Interest Rates)	Three Months Ended Sept. 30, 2022	Year Ended Dec. 31, 2021
Borrowing limit	\$ 3,550	\$ 3,100
Amount outstanding at period end	158	1,005
Average amount outstanding	187	1,399
Maximum amount outstanding	329	2,054
Weighted average interest rate, computed on a daily basis	2.51 %	0.57 %
Weighted average interest rate at period end	3.40	0.31

Letters of Credit — Xcel Energy Inc. and its utility subsidiaries use letters of credit, generally with terms of one year, to provide financial guarantees for certain obligations. There were \$39 million and \$19 million of letters of credit outstanding under the credit facilities at Sept. 30, 2022 and Dec. 31, 2021, respectively. Amounts approximate their fair value and are subject to fees.

Revolving Credit Facilities — In order to issue commercial paper, Xcel Energy Inc. and its utility subsidiaries must have revolving credit facilities at least equal to the amount of commercial paper borrowing limits and cannot issue commercial paper exceeding available credit facility capacity. The lines of credit provide short-term financing in the form of notes payable to banks, letters of credit and back-up support for commercial paper borrowings.

Amended Credit Agreements — In September 2022, Xcel Energy Inc., NSP-Minnesota, NSP-Wisconsin, PSCo and SPS each entered into an amended five-year credit agreement with a syndicate of banks. The aggregate borrowing limit was increased to \$3.55 billion. The amended credit agreements have substantially the same terms and conditions as the prior agreements, with the following changes:

- Maturities were extended from June 2024 to September 2027.
- Borrowing limit for Xcel Energy Inc. was increased from \$1.25 billion to \$1.5 billion.
- Borrowing limit for NSP-Minnesota was increased from \$500 million to \$700 million.

As of Sept. 30, 2022, Xcel Energy Inc. and its utility subsidiaries had the following committed revolving credit facilities available:

(Millions of Dollars)	Credit Facility ^(a)	Drawn ^(b)	Available
Xcel Energy Inc.	\$ 1,500	\$ 158	\$ 1,342
PSCo	700	26	674
NSP-Minnesota	700	11	689
SPS	500	2	498
NSP-Wisconsin	150	—	150
Total	\$ 3,550	\$ 197	\$ 3,353

(a) Expires in September 2027.

(b) Includes outstanding commercial paper and letters of credit.

Xcel Energy Inc., NSP-Minnesota, PSCo, and SPS each have the right to request an extension of the credit facility termination date for two additional one-year periods. NSP-Wisconsin has the right to request an extension of the credit facility termination date for an additional one-year period. All extension requests are subject to majority bank group approval.

All credit facility bank borrowings, outstanding letters of credit and outstanding commercial paper reduce the available capacity of the credit facility. Xcel Energy Inc. and its utility subsidiaries had no direct advances on the credit facilities outstanding as of Sept. 30, 2022 and Dec. 31, 2021.

Bilateral Credit Agreement

In April 2022, NSP-Minnesota's uncommitted bilateral credit agreement was renewed for an additional one-year term. The credit agreement is limited in use to support letters of credit.

As of Sept. 30, 2022, NSP-Minnesota had \$50 million of outstanding letters of credit under the \$75 million bilateral credit agreement.

Long-Term Borrowings and Other Financing Instruments

During the nine months ended September 30, 2022, Xcel Energy Inc. and its utility subsidiaries issued the following:

- Xcel Energy issued \$700 million of 4.60% unsecured senior notes due June 1, 2032.
- NSP-Minnesota issued \$500 million of 4.50% first mortgage bonds due June 1, 2052.
- PSCo issued \$300 million of 4.10% first mortgage bonds due June 1, 2032 and \$400 million of 4.50% first mortgage bonds due June 1, 2052.
- SPS issued \$200 million of 5.15% first mortgage bonds due June 1, 2052.
- NSP-Wisconsin issued \$100 million of 4.86% first mortgage bonds due September 15, 2052.

ATM Equity Offering — In November 2021, Xcel Energy Inc. filed a prospectus supplement under which it may sell up to \$800 million of its common stock through an ATM program. In 2021, 5.33 million shares were issued (approximately \$350 million). In the second quarter of 2022, 2.13 million shares of common stock were issued (approximately \$150 million). As of Sept. 30, 2022, approximately \$300 million remained available for sale under the ATM program.

Other Equity — Xcel Energy Inc. issued \$34 million and \$38 million of equity through the DRIP during the nine months ended Sept. 30, 2022 and 2021, respectively. The program allows shareholders to reinvest their dividends directly in Xcel Energy Inc. common stock.

5. Revenues

Revenue is classified by the type of goods/services rendered and market/customer type. Xcel Energy's operating revenues consisted of the following:

(Millions of Dollars)	Three Months Ended Sept. 30, 2022			
	Electric	Natural Gas	All Other	Total
Major revenue types				
Revenue from contracts with customers:				
Residential	\$ 1,109	\$ 181	\$ 15	\$ 1,305
C&I	1,734	116	6	1,856
Other	42	—	2	44
Total retail	2,885	297	23	3,205
Wholesale	450	—	—	450
Transmission	210	—	—	210
Other	20	43	—	63
Total revenue from contracts with customers	3,565	340	23	3,928
Alternative revenue and other	134	17	3	154
Total revenues	\$ 3,699	\$ 357	\$ 26	\$ 4,082

(Millions of Dollars)	Three Months Ended Sept. 30, 2021			
	Electric	Natural Gas	All Other	Total
Major revenue types				
Revenue from contracts with customers:				
Residential	\$ 999	\$ 133	\$ 12	\$ 1,144
C&I	1,515	76	7	1,598
Other	35	—	1	36
Total retail	2,549	209	20	2,778
Wholesale	288	—	—	288
Transmission	167	—	—	167
Other	17	45	—	62
Total revenue from contracts with customers	3,021	254	20	3,295
Alternative revenue and other	155	14	3	172
Total revenues	\$ 3,176	\$ 268	\$ 23	\$ 3,467

Nine Months Ended Sept. 30, 2022

(Millions of Dollars)	Electric	Natural Gas	All Other	Total
Major revenue types				
Revenue from contracts with customers:				
Residential	\$ 2,723	\$ 1,100	\$ 30	\$ 3,853
C&I	4,385	636	15	5,036
Other	111	—	25	136
Total retail	7,219	1,736	70	9,025
Wholesale	1,027	—	—	1,027
Transmission	518	—	—	518
Other	55	125	—	180
Total revenue from contracts with customers	8,819	1,861	70	10,750
Alternative revenue and other	436	62	9	507
Total revenues	\$ 9,255	\$ 1,923	\$ 79	\$ 11,257

Nine Months Ended Sept. 30, 2021

(Millions of Dollars)	Electric	Natural Gas	All Other	Total
Major revenue types				
Revenue from contracts with customers:				
Residential	\$ 2,488	\$ 774	\$ 33	\$ 3,295
C&I	3,830	389	22	4,241
Other	96	—	5	101
Total retail	6,414	1,163	60	7,637
Wholesale	1,265	—	—	1,265
Transmission	461	—	—	461
Other	51	106	—	157
Total revenue from contracts with customers	8,191	1,269	60	9,520
Alternative revenue and other	452	95	9	556
Total revenues	\$ 8,643	\$ 1,364	\$ 69	\$ 10,076

6. Income Taxes

Reconciliation between the statutory rate and ETR:

	Three Months Ended Sept. 30		Nine Months Ended Sept. 30	
	2022	2021	2022	2021
Federal statutory rate	21.0 %	21.0 %	21.0 %	21.0 %
State tax (net of federal tax effect)	4.9	5.0	4.9	5.0
Decreases:				
Wind PTCs ^(a)	(12.3)	(12.1)	(25.2)	(20.0)
Plant regulatory differences ^(b)	(5.8)	(5.8)	(5.5)	(6.0)
Other tax credits, net operating loss & tax credits allowances	(1.2)	(1.2)	(1.4)	(1.1)
Other (net)	(0.3)	(0.3)	(0.1)	(0.2)
Effective income tax rate	<u>6.3 %</u>	<u>6.6 %</u>	<u>(6.3)%</u>	<u>(1.3)%</u>

(a) Wind PTCs are credited to customers (reduction to revenue) and do not materially impact net income.

(b) Regulatory differences for income tax primarily relate to the credit of excess deferred taxes to customers through the average rate assumption method. Income tax benefits associated with the credit of excess deferred taxes are offset by corresponding revenue reductions.

7. Earnings Per Share

Basic EPS was computed by dividing the earnings available to common shareholders by the average weighted number of common shares outstanding. Diluted EPS was computed by dividing the earnings available to common shareholders by the diluted weighted average number of common shares outstanding.

Diluted EPS reflects the potential dilution that could occur if securities or other agreements to issue common stock (i.e., common stock equivalents) were settled. The weighted average number of potentially dilutive shares outstanding used to calculate diluted EPS is calculated using the treasury stock method.

Common Stock Equivalents — Xcel Energy Inc. has common stock equivalents related to time-based equity compensation awards.

Stock equivalent units granted to Xcel Energy Inc.'s Board of Directors are included in common shares outstanding upon grant date as there is no further service, performance or market condition associated with these awards. Restricted stock issued to employees is included in common shares outstanding when granted.

Share-based compensation arrangements for which there is currently no dilutive impact to EPS include the following:

- Equity awards subject to a performance condition; included in common shares outstanding when all necessary conditions have been satisfied by the end of the reporting period.
- Liability awards subject to a performance condition; any portions settled in shares are included in common shares outstanding upon settlement.

Common shares outstanding used in the basic and diluted EPS computation:

(Shares in Millions)	Three Months Ended Sept. 30		Nine Months Ended Sept. 30	
	2022	2021	2022	2021
Basic	548	539	546	539
Diluted ^(a)	548	539	546	539

(a) Diluted common shares outstanding included common stock equivalents of 0.3 million for the three months ended September 30, 2022 and 2021, respectively. Diluted common shares outstanding included common stock equivalents of 0.3 million for the nine months ended September 30, 2022 and 2021, respectively.

8. Fair Value of Financial Assets and Liabilities

Fair Value Measurements

Accounting guidance for fair value measurements and disclosures provides a single definition of fair value and requires disclosures about assets and liabilities measured at fair value. A hierarchical framework for disclosing the observability of the inputs utilized in measuring assets and liabilities at fair value is established by this guidance.

- Level 1 — Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. The types of assets and liabilities included in Level 1 are highly liquid and actively traded instruments with quoted prices.
- Level 2 — Pricing inputs are other than quoted prices in active markets, but are either directly or indirectly observable as of the reporting date. The types of assets and liabilities included in Level 2 are typically either comparable to actively traded securities or contracts, or priced with models using highly observable inputs.
- Level 3 — Significant inputs to pricing have little or no observability as of the reporting date. The types of assets and liabilities included in Level 3 are those valued with models requiring significant management judgment or estimation.

Specific valuation methods include:

Cash equivalents — The fair values of cash equivalents are generally based on cost plus accrued interest; money market funds are measured using quoted NAV.

Investments in equity securities and other funds — Equity securities are valued using quoted prices in active markets. The fair values for commingled funds are measured using NAVs. The investments in commingled funds may be redeemed for NAV with proper notice. Private equity commingled fund investments require approval of the fund for any unscheduled redemption, and such redemptions may be approved or denied by the fund at its sole discretion. Unscheduled distributions from real estate commingled fund investments may be redeemed with proper notice, however, withdrawals may be delayed or discounted as a result of fund illiquidity.

Investments in debt securities — Fair values for debt securities are determined by a third party pricing service using recent trades and observable spreads from benchmark interest rates for similar securities.

Interest rate derivatives — Fair values of interest rate derivatives are based on broker quotes that utilize current market interest rate forecasts.

Commodity derivatives — Methods used to measure the fair value of commodity derivative forwards and options utilize forward prices and volatilities, as well as pricing adjustments for specific delivery locations and are generally assigned a Level 2 classification. When contractual settlements relate to inactive delivery locations or extend to periods beyond those readily observable on active exchanges or quoted by brokers, the significance of the use of less observable inputs on a valuation is evaluated and may result in Level 3 classification.

Electric commodity derivatives held by NSP-Minnesota and SPS include transmission congestion instruments, generally referred to as FTRs. FTRs purchased from an RTO are financial instruments that entitle or obligate the holder to monthly revenues or charges based on transmission congestion across a given transmission path.

The values of these instruments are derived from, and designed to offset, the costs of transmission congestion. In addition to overall transmission load, congestion is also influenced by the operating schedules of power plants and the consumption of electricity pertinent to a given transmission path. Unplanned plant outages, scheduled plant maintenance, changes in the relative costs of fuels used in generation, weather and overall changes in demand for electricity can each impact the operating schedules of the power plants on the transmission grid and the value of these instruments. FTRs are recognized at fair value and adjusted each period prior to settlement. Given the limited observability of certain variables underlying the reported auction values of FTRs, these fair value measurements have been assigned a Level 3.

If costs of electric transmission congestion increase or decrease for a given path, the value of that particular instrument will likewise increase or decrease. Net congestion costs, including the impact of FTR settlements, are shared through fuel and purchased energy cost recovery mechanisms. As such, the fair value of the unsettled instruments (i.e., derivative asset or liability) is offset/deferred as a regulatory asset or liability.

Non-Derivative Fair Value Measurements

The NRC requires NSP-Minnesota to maintain a portfolio of investments to fund the costs of decommissioning its nuclear generating plants. Assets of the nuclear decommissioning fund are legally restricted for the purpose of decommissioning these facilities. The fund contains cash equivalents, debt securities, equity securities and other investments. NSP-Minnesota uses the MPUC-approved asset allocation for the investment targets by asset class for the qualified trust.

NSP-Minnesota recognizes the costs of funding the decommissioning over the lives of the nuclear plants, assuming rate recovery of all costs. Realized and unrealized gains on fund investments over the life of the fund are deferred as an offset of NSP-Minnesota's regulatory asset for nuclear decommissioning costs. Consequently, any realized and unrealized gains and losses on securities in the nuclear decommissioning fund are deferred as a component of the regulatory asset.

Unrealized gains for the nuclear decommissioning fund were \$900 million and \$1.3 billion as of Sept. 30, 2022 and Dec. 31, 2021, respectively, and unrealized losses were \$133 million and \$7 million as of Sept. 30, 2022 and Dec. 31, 2021, respectively.

Non-derivative instruments with recurring fair value measurements in the nuclear decommissioning fund:

(Millions of Dollars)	Sept. 30, 2022					
	Fair Value					
	Cost	Level 1	Level 2	Level 3	NAV	Total
Nuclear decommissioning fund ^(a)						
Cash equivalents	\$ 37	\$ 37	\$ —	\$ —	\$ —	\$ 37
Commingled funds	832	—	—	—	1,167	1,167
Debt securities	696	—	611	9	—	620
Equity securities	409	918	1	—	—	919
Total	<u>\$ 1,974</u>	<u>\$ 955</u>	<u>\$ 612</u>	<u>\$ 9</u>	<u>\$ 1,167</u>	<u>\$ 2,743</u>

(a) Reported in nuclear decommissioning fund and other investments on the consolidated balance sheets, which also includes \$214 million of equity method investments and \$126 million of rabbi trust assets and miscellaneous investments.

Dec. 31, 2021							
(Millions of Dollars)	Cost	Fair Value				NAV	Total
		Level 1	Level 2	Level 3			
Nuclear decommissioning fund ^(a)							
Cash equivalents	\$ 64	\$ 64	\$ —	\$ —	\$ —	\$ —	\$ 64
Commingled funds	856	—	—	—	1,294	1,294	
Debt securities	631	—	666	9	—	675	
Equity securities	411	1,222	1	—	—	1,223	
Total	\$ 1,962	\$ 1,286	\$ 667	\$ 9	\$ 1,294	\$ 3,256	

(a) Reported in nuclear decommissioning fund and other investments on the consolidated balance sheets, which also includes \$208 million of equity method investments and \$164 million of rabbi trust assets and other miscellaneous investments.

For the three and nine months ended Sept. 30, 2022 and 2021, there were immaterial Level 3 nuclear decommissioning fund investments or transfer of amounts between levels.

Contractual maturity dates of debt securities in the nuclear decommissioning fund as of Sept. 30, 2022:

Final Contractual Maturity					
(Millions of Dollars)	Due in 1 year or Less	Due in 1 to 5 Years	Due in 5 to 10 Years	Due after 10 years	Total
Debt securities	\$ 5	\$ 190	\$ 227	\$ 198	\$ 620

Rabbi Trusts

Xcel Energy has established rabbi trusts to provide partial funding for future distributions of its supplemental executive retirement plan and deferred compensation plan.

Cost and fair value of assets held in rabbi trusts:

Sept. 30, 2022						
(Millions of Dollars)	Cost	Fair Value				
		Level 1	Level 2	Level 3	Total	
Rabbi Trusts ^(a)						
Cash equivalents	\$ 1	\$ 1	\$ —	\$ —	\$ 1	
Mutual funds	75	73	—	—	73	
Total	<u>\$ 76</u>	<u>\$ 74</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 74</u>	
Dec. 31, 2021						
(Millions of Dollars)	Cost	Fair Value				
		Level 1	Level 2	Level 3	Total	
Rabbi Trusts ^(a)						
Cash equivalents	\$ 20	\$ 20	\$ —	\$ —	\$ 20	
Mutual funds	75	89	—	—	89	
Total	<u>\$ 95</u>	<u>\$ 109</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 109</u>	

(a) Reported in nuclear decommissioning fund and other investments on the consolidated balance sheets.

Derivative Instruments Fair Value Measurements

Xcel Energy enters into derivative instruments, including forward contracts, futures, swaps and options, for trading purposes and to manage risk in connection with changes in interest rates, utility commodity prices and vehicle fuel prices.

Interest Rate Derivatives — Xcel Energy enters into various instruments that effectively fix the yield or price on a specified benchmark interest rate for an anticipated debt issuance for a specific period. These derivative instruments are generally designated as cash flow hedges for accounting purposes, with changes in fair value prior to settlement recorded as other comprehensive income.

As of Sept. 30, 2022, accumulated other comprehensive loss related to interest rate derivatives included \$2 million of net losses expected to be reclassified into earnings during the next 12 months as the hedged transactions impact earnings. As of Sept. 30, 2022, Xcel Energy had no unsettled interest rate derivatives.

Wholesale and Commodity Trading Risk — Xcel Energy Inc.'s utility subsidiaries conduct various wholesale and commodity trading activities, including the purchase and sale of electric capacity, energy, energy-related instruments and natural gas-related instruments, including derivatives. Xcel Energy is allowed to conduct these activities within guidelines and limitations as approved by its risk management committee, comprised of management personnel not directly involved in the activities governed by this policy. Sharing of any margins is determined through state regulatory proceedings as well as the operation of the FERC approved joint operating agreement.

Commodity Derivatives — Xcel Energy enters into derivative instruments to manage variability of future cash flows from changes in commodity prices in its electric and natural gas operations, as well as for trading purposes. This could include the purchase or sale of energy or energy-related products, natural gas to generate electric energy, natural gas for resale, FTRs, vehicle fuel and weather derivatives.

Xcel Energy may enter into derivative instruments that mitigate commodity price risk on behalf of electric and natural gas customers, but may not be designated as qualifying hedging transactions. The classification of gains or losses for these instruments as a regulatory asset or liability, if applicable, is based on approved regulatory recovery mechanisms. As of Sept. 30, 2022, Xcel Energy had no commodity contracts designated as cash flow hedges.

Xcel Energy also enters into commodity derivative instruments for trading purposes not directly related to commodity price risks associated with serving its electric and natural gas customers. Changes in the fair value of these commodity derivatives are recorded in electric operating revenues, net of amounts credited to customers under margin-sharing mechanisms.

Gross notional amounts of commodity forwards, options and FTRs:

(Amounts in Millions) ^{(a)(b)}	Sept. 30, 2022	Dec. 31, 2021
Megawatt hours of electricity	82	80
Million British thermal units of natural gas	151	156

(a) Not reflective of net positions in the underlying commodities.

(b) Notional amounts for options included on a gross basis but weighted for the probability of exercise.

Consideration of Credit Risk and Concentrations — Xcel Energy continuously monitors the creditworthiness of counterparties to its interest rate derivatives and commodity derivative contracts, prior to settlement, and assesses each counterparty's ability to perform on the transactions set forth in the contracts. Impact of credit risk was immaterial to the fair value of unsettled commodity derivatives presented in the consolidated balance sheets.

Xcel Energy's utility subsidiaries' most significant concentrations of credit risk with particular entities or industries are contracts with counterparties to their wholesale, trading and non-trading commodity activities.

As of Sept. 30, 2022, five of Xcel Energy's ten most significant counterparties for these activities, comprising \$86 million, or 30%, of this credit exposure, had investment grade credit ratings from S&P Global Ratings, Moody's Investor Services or Fitch Ratings. Three of the ten most significant counterparties, comprising \$61 million, or 22%, of this credit exposure, were not rated by these external ratings agencies, but based on Xcel Energy's internal analysis, had credit quality consistent with investment grade. Two of these significant counterparties, comprising \$68 million, or 24%, of this credit exposure, had credit quality less than investment grade, based on internal analysis. Six of these significant counterparties are municipal or cooperative electric entities, RTOs or other utilities.

Impact of Derivative Activity —

(Millions of Dollars)	Pre-Tax Fair Value Gains (Losses) Recognized During the Period in:	
	Accumulated Other Comprehensive Loss	Regulatory (Assets) and Liabilities
Three Months Ended Sept. 30, 2022		
Other derivative instruments:		
Electric commodity	\$ —	\$ 6
Natural gas commodity	—	(6)
Total	\$ —	\$ —
Nine Months Ended Sept. 30, 2022		
Derivatives designated as cash flow hedges:		
Interest rate	\$ 21	\$ —
Total	\$ 21	\$ —
Other derivative instruments:		
Electric commodity	\$ —	\$ 106
Natural gas commodity	—	(3)
Total	\$ —	\$ 103
Three Months Ended Sept. 30, 2021		
Derivatives designated as cash flow hedges:		
Interest rate	\$ 4	\$ —
Total	\$ 4	\$ —
Other derivative instruments:		
Electric commodity	\$ —	\$ 5
Natural gas commodity	—	57
Total	\$ —	\$ 62
Nine Months Ended Sept. 30, 2021		
Derivatives designated as cash flow hedges:		
Interest rate	\$ 5	\$ —
Total	\$ 5	\$ —
Other derivative instruments:		
Electric commodity	\$ —	\$ 18
Natural gas commodity	—	57
Total	\$ —	\$ 75

	Pre-Tax (Gains) Losses Reclassified into Income During the Period from:		Pre-Tax Gains (Losses) Recognized During the Period in Income
(Millions of Dollars)	Accumulated Other Comprehensive Loss	Regulatory Assets and (Liabilities)	
Three Months Ended Sept. 30, 2022			
Derivatives designated as cash flow hedges:			
Interest rate	\$ 1 ^(a)	\$ —	\$ —
Total	\$ 1	\$ —	\$ —
Other derivative instruments:			
Commodity trading	\$ —	\$ —	\$ 13 ^(b)
Electric commodity	—	6 ^(c)	—
Total	\$ —	\$ 6	\$ 13
Nine Months Ended Sept. 30, 2022			
Derivatives designated as cash flow hedges:			
Interest rate	\$ 5 ^(a)	\$ —	\$ —
Total	\$ 5	\$ —	\$ —
Other derivative instruments:			
Commodity trading	\$ —	\$ —	\$ 21 ^(b)
Electric commodity	—	(31) ^(c)	—
Natural gas commodity	—	4 ^(d)	(17) ^{(d)(e)}
Total	\$ —	\$ (27)	\$ 4
Three Months Ended Sept. 30, 2021			
Derivatives designated as cash flow hedges:			
Interest rate	\$ 2 ^(a)	\$ —	\$ —
Total	\$ 2	\$ —	\$ —
Other derivative instruments:			
Commodity trading	\$ —	\$ —	\$ 1 ^(b)
Electric commodity	—	3 ^(c)	—
Total	\$ —	\$ 3	\$ 1
Nine Months Ended Sept. 30, 2021			
Derivatives designated as cash flow hedges:			
Interest rate	\$ 7 ^(a)	\$ —	\$ —
Total	\$ 7	\$ —	\$ —
Other derivative instruments:			
Commodity trading	\$ —	\$ —	\$ 49 ^(b)
Electric commodity	—	(26) ^(c)	—
Natural gas commodity	—	8 ^(d)	(10) ^{(d)(e)}
Total	\$ —	\$ (18)	\$ 39

- (a) Recorded to interest charges.
- (b) Recorded to electric operating revenues. Portions of these gains and losses are subject to sharing with electric customers through margin-sharing mechanisms and deducted from gross revenue, as appropriate.
- (c) Recorded to electric fuel and purchased power. These derivative settlement gains and losses are shared with electric customers through fuel and purchased energy cost-recovery mechanisms, and reclassified out of income as regulatory assets or liabilities, as appropriate. All FTR settlements are shared with customers and do not have a material impact on net income. Presented amounts reflect changes in fair value between auction and settlement dates, but exclude the original auction fair value.
- (d) Recorded to cost of natural gas sold and transported. These losses are subject to cost-recovery mechanisms and reclassified out of income to a regulatory asset, as appropriate.
- (e) Relates primarily to option premium amortization.

Xcel Energy had no derivative instruments designated as fair value hedges during the nine months ended Sept. 30, 2022 and 2021.

Credit Related Contingent Features — Contract provisions for derivative instruments that the utility subsidiaries enter, including those accounted for as normal purchase-normal sale contracts and therefore not reflected on the consolidated balance sheets, may require the posting of collateral or settlement of the contracts for various reasons, including if the applicable utility subsidiary's credit ratings are downgraded below its investment grade credit rating by any of the major credit rating agencies. At Sept. 30, 2022 and Dec. 31, 2021, there were \$5 million and \$3 million, respectively, of derivative liabilities with such underlying contract provisions. Certain contracts also contain cross default provisions that may require the posting of collateral or settlement of the contracts if there was a failure under other financing arrangements related to payment terms or other covenants. As of Sept. 30, 2022 and Dec. 31, 2021, there were approximately \$90 million and \$64 million, respectively, of derivative liabilities with such underlying contract provisions.

Certain derivative instruments are also subject to contract provisions that contain adequate assurance clauses. These provisions allow counterparties to seek performance assurance, including cash collateral, in the event that a given utility subsidiary's ability to fulfill its contractual obligations is reasonably expected to be impaired. Xcel Energy had no collateral posted related to adequate assurance clauses in derivative contracts as of Sept. 30, 2022 and Dec. 31, 2021.

Recurring Fair Value Measurements — Derivative assets and liabilities measured at fair value on a recurring basis were as follows:

	Sept. 30, 2022						Dec. 31, 2021					
	Fair Value			Fair Value Total	Netting ^(a)	Total	Fair Value			Fair Value Total	Netting ^(a)	Total
(Millions of Dollars)	Level 1	Level 2	Level 3				Level 1	Level 2	Level 3			
Current derivative assets												
Other derivative instruments:												
Commodity trading	\$ 53	\$ 184	\$ 47	\$ 284	\$ (211)	\$ 73	\$ 22	\$ 137	\$ 21	\$ 180	\$ (134)	\$ 46
Electric commodity ^(b)	—	—	358	358	(4)	354	—	—	57	57	(1)	56
Natural gas commodity	—	26	—	26	—	26	—	18	—	18	—	18
Total current derivative assets	<u>\$ 53</u>	<u>\$ 210</u>	<u>\$ 405</u>	<u>\$ 668</u>	<u>\$ (215)</u>	453	<u>\$ 22</u>	<u>\$ 155</u>	<u>\$ 78</u>	<u>\$ 255</u>	<u>\$ (135)</u>	120
PPAs ^(c)						3						3
Current derivative instruments						<u>\$ 456</u>						<u>\$ 123</u>
Noncurrent derivative assets												
Other derivative instruments:												
Commodity trading	\$ 50	\$ 64	\$ 92	\$ 206	\$ (120)	\$ 86	\$ 16	\$ 63	\$ 89	\$ 168	\$ (107)	\$ 61
Total noncurrent derivative assets	<u>\$ 50</u>	<u>\$ 64</u>	<u>\$ 92</u>	<u>\$ 206</u>	<u>\$ (120)</u>	86	<u>\$ 16</u>	<u>\$ 63</u>	<u>\$ 89</u>	<u>\$ 168</u>	<u>\$ (107)</u>	61
PPAs ^(c)						4						6
Noncurrent derivative instruments						<u>\$ 90</u>						<u>\$ 67</u>

	Sept. 30, 2022						Dec. 31, 2021					
	Fair Value			Fair Value Total	Netting ^(a)	Total	Fair Value			Fair Value Total	Netting ^(a)	Total
(Millions of Dollars)	Level 1	Level 2	Level 3				Level 1	Level 2	Level 3			
Current derivative liabilities												
Other derivative instruments:												
Commodity trading	\$ 44	\$ 223	\$ 23	\$ 290	\$ (219)	\$ 71	\$ 19	\$ 148	\$ 20	\$ 187	\$ (143)	\$ 44
Electric commodity ^(b)	—	—	4	4	(4)	—	—	—	1	1	(1)	—
Natural gas commodity	—	12	—	12	—	12	—	8	—	8	—	8
Total current derivative liabilities	<u>\$ 44</u>	<u>\$ 235</u>	<u>\$ 27</u>	<u>\$ 306</u>	<u>\$ (223)</u>	83	<u>\$ 19</u>	<u>\$ 156</u>	<u>\$ 21</u>	<u>\$ 196</u>	<u>\$ (144)</u>	52
PPAs ^(c)						17						17
Current derivative instruments						<u>\$ 100</u>						<u>\$ 69</u>
Noncurrent derivative liabilities												
Other derivative instruments:												
Commodity trading	\$ 59	\$ 86	\$ 68	\$ 213	\$ (132)	\$ 81	\$ 18	\$ 48	\$ 127	\$ 193	\$ (128)	\$ 65
Total noncurrent derivative liabilities	<u>\$ 59</u>	<u>\$ 86</u>	<u>\$ 68</u>	<u>\$ 213</u>	<u>\$ (132)</u>	81	<u>\$ 18</u>	<u>\$ 48</u>	<u>\$ 127</u>	<u>\$ 193</u>	<u>\$ (128)</u>	65
PPAs ^(c)						33						40
Noncurrent derivative instruments						<u>\$ 114</u>						<u>\$ 105</u>

- (a) Xcel Energy nets derivative instruments and related collateral on its consolidated balance sheets when supported by a legally enforceable master netting agreement. At Sept. 30, 2022 and Dec. 31, 2021, derivatives include \$2 million and no obligations to return cash collateral, respectively. At Sept. 30, 2022 and Dec. 31, 2021, derivative assets and liabilities include rights to reclaim cash collateral of \$22 million and \$30 million, respectively. Counterparty netting amounts presented exclude settlement receivables and payables and non-derivative amounts that may be subject to the same master netting agreements.
- (b) Amounts relate to FTR instruments administered by MISO and SPP (annual auctions occurring in the second quarter). These instruments are utilized/intended to offset the impacts of transmission system congestion. Higher congestion costs have led to an increase in the fair value of FTRs. Due to regulatory recovery, fair values for FTRs are offset/deferred as a regulatory asset or liability and do not have a material impact on net income.
- (c) During 2006, Xcel Energy qualified these contracts under the normal purchase exception. Based on this qualification, contracts are no longer adjusted to fair value and the previous carrying value of these contracts is being amortized over the remaining contract lives along with the offsetting regulatory assets and liabilities.

Changes in Level 3 commodity derivatives:

(Millions of Dollars)	Three Months Ended Sept. 30	
	2022	2021
Balance at July 1	\$ 485	\$ 71
Purchases / Issuances ^(a)	4	2
Settlements ^(a)	(106)	(53)
Net transactions recorded during the period:		
Gains recognized in earnings ^(b)	16	12
Net gains recognized as regulatory assets and liabilities ^(a)	3	27
Balance at Sept. 30	\$ 402	\$ 59
(Millions of Dollars)	Nine Months Ended Sept. 30	
	2022	2021
Balance at Jan. 1	\$ 19	\$ (49)
Purchases / Issuances ^(a)	398	65
Settlements ^(a)	(286)	(101)
Net transactions recorded during the period:		
Gains recognized in earnings ^(b)	136	59
Net gains recognized as regulatory assets and liabilities ^(a)	135	85
Balance at Sept. 30	\$ 402	\$ 59

- (a) Relates primarily to FTR instruments administered by MISO and SPP (annual auctions occurring in the second quarter). These instruments are utilized/intended to offset the impacts of transmission system congestion. Higher congestion costs have led to an increase in the fair value of FTRs. Due to regulatory recovery, changes in fair value are deferred as a regulatory asset or liability and do not have a material impact on net income.
- (b) Relates to commodity trading and is subject to offsetting losses of derivative instruments categorized as levels 1 and 2 in the consolidated income statement.

Xcel Energy recognizes transfers between levels as of the beginning of each period. There were no transfers of amounts between levels for derivative instruments for the nine months ended Sept. 30, 2022 and 2021.

Fair Value of Long-Term Debt

Other financial instruments for which the carrying amount did not equal fair value:

(Millions of Dollars)	Sept. 30, 2022		Dec. 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt, including current portion	\$ 23,960	\$ 20,560	\$ 22,380	\$ 25,232

Fair value of Xcel Energy's long-term debt is estimated based on recent trades and observable spreads from benchmark interest rates for similar securities. Fair value estimates are based on information available to management as of Sept. 30, 2022 and Dec. 31, 2021 and given the observability of the inputs, fair values presented for long-term debt were assigned as Level 2.

9. Benefit Plans and Other Postretirement Benefits

Components of Net Periodic Benefit Cost (Credit)

(Millions of Dollars)	Three Months Ended Sept. 30			
	2022		2021	
(Millions of Dollars)	Pension Benefits		Postretirement Health Care Benefits	
	2022	2021	2022	2021
Service cost	\$ 24	\$ 26	\$ —	\$ —
Interest cost ^(a)	28	26	3	4
Expected return on plan assets ^(a)	(52)	(52)	(4)	(4)
Amortization of prior service credit	—	—	(2)	(2)
Amortization of net loss ^(a)	19	27	1	1
Settlement charge ^(b)	55	39	—	—
Net periodic benefit cost (credit)	74	66	(2)	(1)
Effects of regulation	(37)	(31)	1	1
Net benefit cost (credit) recognized for financial reporting	\$ 37	\$ 35	\$ (1)	\$ —
(Millions of Dollars)	Nine Months Ended Sept. 30			
	2022	2021	2022	2021
(Millions of Dollars)	Pension Benefits		Postretirement Health Care Benefits	
	2022	2021	2022	2021
Service cost	\$ 73	\$ 78	\$ 1	\$ 1
Interest cost ^(a)	83	78	11	11
Expected return on plan assets ^(a)	(156)	(155)	(13)	(13)
Amortization of prior service credit	(1)	(1)	(5)	(6)
Amortization of net loss ^(a)	56	81	2	4
Settlement charge ^(b)	54	39	—	—
Net periodic benefit cost (credit)	109	120	(4)	(3)
Effects of regulation	(30)	(32)	2	2
Net benefit cost (credit) recognized for financial reporting	\$ 79	\$ 88	\$ (2)	\$ (1)

- (a) The components of net periodic cost other than the service cost component are included in the line item "Other income, net" in the consolidated statements of income or capitalized on the consolidated balance sheets as a regulatory asset.
- (b) A settlement charge is required when the amount of all lump-sum distributions during the year is greater than the sum of the service and interest cost components of the annual net periodic pension cost. In the third quarter of 2022 and 2021, as a result of lump-sum distributions during the 2022 and 2021 plan years, Xcel Energy recorded pension settlement charges of \$55 million and \$39 million, respectively, the majority of which were not recognized in earnings due to the effects of regulation. A total of \$7 million and \$4 million of those amounts were recorded in other expense in the third quarter of 2022 and 2021, respectively.

In January 2022, contributions of \$50 million were made across four of Xcel Energy's pension plans. Xcel Energy does not expect additional pension contributions during 2022.

10. Commitments and Contingencies

The following includes commitments, contingencies and unresolved contingencies that are material to Xcel Energy's financial position.

Legal

Xcel Energy is involved in various litigation matters in the ordinary course of business. The assessment of whether a loss is probable or is a reasonable possibility, and whether the loss or a range of loss is estimable, often involves a series of complex judgments about future events. Management maintains accruals for losses probable of being incurred and subject to reasonable estimation. Management is sometimes unable to estimate an amount or range of a reasonably possible loss in certain situations, including but not limited to when (1) the damages sought are indeterminate, (2) the proceedings are in the early stages, or (3) the matters involve novel or unsettled legal theories.

In such cases, there is considerable uncertainty regarding the timing or ultimate resolution, including a possible eventual loss. For current proceedings not specifically reported herein, management does not anticipate that the ultimate liabilities, if any, would have a material effect on Xcel Energy's consolidated financial statements. Legal fees are generally expensed as incurred.

Gas Trading Litigation — e prime is a wholly owned subsidiary of Xcel Energy. e prime was in the business of natural gas trading and marketing but has not engaged in natural gas trading or marketing activities since 2003. Multiple lawsuits involving multiple plaintiffs seeking monetary damages were commenced against e prime and its affiliates, including Xcel Energy, between 2003 and 2009 alleging fraud and anticompetitive activities in conspiring to restrain the trade of natural gas and manipulate natural gas prices. Cases were all consolidated in the U.S. District Court in Nevada.

One case remains active which includes a multi-district litigation matter consisting of a Wisconsin purported class (Arandell Corp.). The Court issued a ruling on June 30, 2022 granting plaintiffs' class certification. Defendants will work together to prepare and file a petition appealing the class certification ruling to the Seventh Circuit. Xcel Energy has concluded that a loss is remote for the remaining lawsuit.

Comanche Unit 3 Litigation — In September 2021, CORE filed a lawsuit in Denver County District Court. CORE alleges PSCo breached ownership agreement terms by failing to operate Comanche Unit 3 in accordance with prudent utility practices. In January 2022, the Court granted PSCo's motion and dismissed CORE's claims for unjust enrichment, declaratory judgment and damages for replacement power costs. In February 2022, CORE disclosed that it is claiming in excess of \$125 million in total damages.

In April 2022, CORE filed a supplement to include the January 2022 outage. It claims additional undisclosed damages arising from this event. PSCo continues to believe CORE's claims are without merit.

Rate Matters and Other

Xcel Energy's operating subsidiaries are involved in various regulatory proceedings arising in the ordinary course of business. Until resolution, typically in the form of a rate order, uncertainties may exist regarding the ultimate rate treatment for certain activities and transactions. Amounts have been recognized for probable and reasonably estimable losses that may result. Unless otherwise disclosed, any reasonably possible range of loss in excess of any recognized amount is not expected to have a material effect on the consolidated financial statements.

Sherco — In 2018, NSP-Minnesota and SMMPA (Co-owner of Sherco Unit 3) reached a settlement with GE related to a 2011 incident, which damaged the turbine at Sherco Unit 3 and resulted in an extended outage for repair. NSP-Minnesota notified the MPUC of its proposal to refund settlement proceeds to customers through the fuel clause adjustment.

In March 2019, the MPUC approved NSP-Minnesota's settlement refund proposal. Additionally, the MPUC decided to withhold any decision as to NSP-Minnesota's prudence in connection with the incident at Sherco Unit 3 until after conclusion of an appeal pending between GE and NSP-Minnesota's insurers. In February 2020, the Minnesota Court of Appeals affirmed the district court's judgment in favor of GE. In March 2020, NSP-Minnesota's insurers filed a petition seeking additional review by the Minnesota Supreme Court. In April 2020, the Minnesota Supreme Court denied the insurers' petition for further review, ending the litigation.

In January 2021, the OAG and DOC recommended that NSP-Minnesota refund approximately \$17 million of replacement power costs previously recovered through the fuel clause adjustment. NSP-Minnesota subsequently filed its response, asserting that it acted prudently in connection with the Sherco Unit 3 outage, the MPUC has previously disallowed \$22 million of related costs and no additional refund or disallowance is appropriate.

In July 2022, the MPUC referred the matter to the Office of Administrative Hearings to conduct a contested case on the prudence of the replacement power costs incurred by NSP-Minnesota. A final decision by the MPUC is expected in mid-2023. A loss related to this matter is deemed remote.

MISO ROE Complaints — In November 2013 and February 2015, customer groups filed two ROE complaints against MISO TOs, which includes NSP-Minnesota and NSP-Wisconsin. The first complaint requested a reduction in base ROE transmission formula rates from 12.38% to 9.15% for the time period of Nov. 12, 2013 to Feb. 11, 2015, and removal of ROE adders (including those for RTO membership). The second complaint requested, for a subsequent time period, a base ROE reduction from 12.38% to 8.67%.

The FERC subsequently issued various related orders (including Opinion Nos. 569, 569A and 569B) related to ROE methodology/calculations and timing. NSP-Minnesota has processed refunds to customers for applicable complaint periods based on the ROE in the most recent applicable opinions.

The MISO TOs and various other parties have filed petitions for review of the FERC's most recent applicable opinions at the D.C. Circuit. In August 2022, the D.C. Circuit ruled that FERC had not adequately supported its conclusions, vacated FERC's related orders, and remanded the issue back to FERC for further proceedings, which remain pending.

SPP OATT Upgrade Costs — Costs of transmission upgrades may be recovered from other SPP customers whose transmission service depends on capacity enabled by the upgrade under the SPP OATT. SPP had not been charging its customers for these upgrades, even though the SPP OATT had allowed SPP to do so since 2008. In 2016, the FERC granted SPP's request to recover these previously unbilled charges and SPP subsequently billed SPS approximately \$13 million.

In July 2018, SPS' appeal to the D.C. Circuit over the FERC rulings granting SPP the right to recover previously unbilled charges was remanded to the FERC. In February 2019, the FERC reversed its 2016 decision and ordered SPP to refund charges retroactively collected from its transmission customers, including SPS, related to periods before September 2015.

In March 2020, SPP and Oklahoma Gas & Electric separately filed petitions for review of the FERC's orders at the D.C. Circuit. In August 2021, the D.C. Circuit issued a decision denying these appeals and upholding the FERC's orders. Refunds received by SPS are expected to be given back to SPS customers through future rates.

In October 2017, SPS filed a separate related complaint asserting SPP assessed upgrade charges to SPS in violation of the SPP OATT. In March 2018, the FERC issued an order denying the SPS complaint. SPS filed a request for rehearing in April 2018. The FERC issued a tolling order granting a rehearing for further consideration in May 2018. If SPS' complaint results in additional charges or refunds, SPS will seek to recover or refund the amount through future SPS customer rates. In October 2020, SPS filed a petition for review of the FERC's March 2018 order and May 2018 tolling order at the D.C. Circuit. In February 2022, FERC issued an order rejecting SPS' request for hearing. SPS has appealed that order. That appeal has been combined with SPS' prior appeal.

Contract Termination — SPS and LP&L have a 25-year, 170 MW partial requirements contract. In May 2021, SPS and LP&L finalized a settlement which would terminate the contract upon LP&L's move from the SPP to the Electric Reliability Council of Texas (expected in 2023). The settlement agreement requires LP&L to pay SPS \$78 million, to the benefit of SPS' remaining customers. LP&L would remain obligated to pay for SPP transmission charges associated with LP&L's load in SPP. The agreement is subject to approval by the PUCT and FERC. Approval steps are in process, but approval timing from the PUCT is uncertain.

Environmental

MGP, Landfill and Disposal Sites

Xcel Energy is investigating, remediating or performing post-closure actions at 14 MGP, landfill or other disposal sites across its service territories, excluding sites that are being addressed under current coal ash regulations (see below).

Xcel Energy has recognized its best estimate of costs/liabilities from final resolution of these issues, however, the outcome and timing are unknown. In addition, there may be insurance recovery and/or recovery from other potentially responsible parties, offsetting a portion of costs incurred.

Environmental Requirements — Water and Waste

Coal Ash Regulation — Xcel Energy's operations are subject to federal and state regulations that impose requirements for handling, storage, treatment and disposal of solid waste. Under the CCR Rule, utilities are required to complete groundwater sampling around their applicable landfills and surface impoundments as well as perform corrective actions where offsite groundwater has been impacted.

As of Sept. 30, 2022, Xcel Energy had eight regulated ash units in operation.

PSCo is currently exploring an agreement with a third party that would excavate and process ash for beneficial use (at two sites) at a cost of approximately \$43 million. An estimated liability has been recorded and amounts are expected to be fully recoverable through regulatory mechanisms.

Investigation and feasibility studies for additional corrective action related to offsite groundwater are ongoing (at two sites). While the results are uncertain, additional costs are estimated to be up to \$35 million. An estimated liability has been recorded for the portion of these actions that are estimable, and are expected to be fully recoverable through regulatory mechanisms.

Federal Clean Water Act Section 316(b) — The Federal Clean Water Act requires the EPA to regulate cooling water intake structures to assure they reflect the best technology available for minimizing impingement and entrainment of aquatic species. Estimated capital expenditures of approximately \$40 million may be required to comply with the requirements. Xcel Energy anticipates these costs will be recoverable through regulatory mechanisms.

Environmental Requirements — Air

Reasonable Progress Rule: In 2016, the EPA adopted a final rule establishing a federal implementation plan for reasonable further progress under the regional haze program for the state of Texas. The rule imposes sulfur dioxide emission limitations which would require the installation of dry scrubbers on Tolk Units 1 and 2; compliance would have been required by February 2021. SPS appealed the EPA's decision and obtained a stay of the final rule.

In 2017, the Fifth Circuit remanded the rule to the EPA for reconsideration (leaving the stay in effect). In a future rulemaking, the EPA may address whether further sulfur dioxide emission reductions are necessary.

Leases

Xcel Energy evaluates contracts that may contain leases, including PPAs and arrangements for the use of office space and other facilities, vehicles and equipment. A contract contains a lease if it conveys the exclusive right to control the use of a specific asset.

Components of lease expense:

(Millions of Dollars)	Three Months Ended Sept. 30	
	2022	2021
Operating leases		
PPA capacity payments	\$ 59	\$ 56
Other operating leases ^(a)	8	2
Total operating lease expense ^(b)	\$ 67	\$ 58
Finance leases		
Amortization of ROU assets	\$ 1	\$ 2
Interest expense on lease liability	4	4
Total finance lease expense	\$ 5	\$ 6

(a) Includes short-term lease expense of \$1 million for 2022 and 2021.

(b) PPA capacity payments are included in electric fuel and purchased power on the consolidated statements of income. Expense for other operating leases is included in O&M expense and electric fuel and purchased power.

(Millions of Dollars)	Nine Months Ended Sept. 30	
	2022	2021
Operating leases		
PPA capacity payments	\$ 182	\$ 170
Other operating leases ^(a)	28	19
Total operating lease expense ^(b)	\$ 210	\$ 189
Finance leases		
Amortization of ROU assets	\$ 3	\$ 6
Interest expense on lease liability	12	12
Total finance lease expense	\$ 15	\$ 18

(a) Includes short-term lease expense of \$4 million for 2022 and 2021.

(b) PPA capacity payments are included in electric fuel and purchased power on the consolidated statements of income. Expense for other operating leases is included in O&M expense and electric fuel and purchased power.

Commitments under operating and finance leases as of Sept. 30, 2022:

(Millions of Dollars)	PPA Operating Leases	Other Operating Leases	Total Operating Leases	Finance Leases ^(a)
Total minimum obligation	\$ 1,246	\$ 166	\$ 1,412	\$ 239
Interest component of obligation	(174)	(30)	(204)	(169)
Present value of minimum obligation	\$ 1,072	136	1,208	70
Less current portion			(211)	(4)
Noncurrent operating and finance lease liabilities			\$ 997	\$ 66

(a) Excludes certain amounts related to Xcel Energy's 50% ownership interest in WYCO.

Variable Interest Entities

Under certain PPAs, NSP-Minnesota, PSCo and SPS purchase power from IPPs for which the utility subsidiaries are required to reimburse fuel costs, or to participate in tolling arrangements under which the utility subsidiaries procure the natural gas required to produce the energy that they purchase. These specific PPAs create a variable interest in the IPP.

The utility subsidiaries had approximately 3,961 MW and 4,062 MW of capacity under long-term PPAs at Sept. 30, 2022 and Dec. 31, 2021, respectively, with entities that have been determined to be variable interest entities. Xcel Energy concluded that these entities are not required to be consolidated in its financial statements because it does not have the power to direct the activities that most significantly impact the entities' economic performance. The PPAs have expiration dates through 2041.

11. Other Comprehensive Income (Loss)

Changes in accumulated other comprehensive loss, net of tax, for the three and nine months ended Sept. 30, 2022 and 2021:

(Millions of Dollars)	Three Months Ended Sept. 30, 2022			Three Months Ended Sept. 30, 2021		
	Gains and Losses on Cash Flow Hedges	Defined Benefit Pension and Postretirement Items	Total	Gains and Losses on Cash Flow Hedges	Defined Benefit Pension and Postretirement Items	Total
Accumulated other comprehensive loss at July 1	\$ (57)	\$ (46)	\$ (103)	\$ (80)	\$ (55)	\$ (135)
Other comprehensive gain before reclassifications	—	10	10	3	—	3
Losses reclassified from net accumulated other comprehensive loss:						
Interest rate derivatives ^(a)	1	—	1	2	—	2
Amortization of net actuarial loss ^(b)	—	1	1	—	4	4
Net current period other comprehensive income	1	11	12	5	4	9
Accumulated other comprehensive loss at Sept. 30	\$ (56)	\$ (35)	\$ (91)	\$ (75)	\$ (51)	\$ (126)

(Millions of Dollars)	Nine Months Ended Sept. 30, 2022			Nine Months Ended Sept. 30, 2021		
	Gains and Losses on Cash Flow Hedges	Defined Benefit Pension and Postretirement Items	Total	Gains and Losses on Cash Flow Hedges	Defined Benefit Pension and Postretirement Items	Total
Accumulated other comprehensive loss at Jan. 1	\$ (75)	\$ (48)	\$ (123)	\$ (85)	\$ (56)	\$ (141)
Other comprehensive gain before reclassifications	15	11	26	4	—	4
Losses reclassified from net accumulated other comprehensive loss:						
Interest rate derivatives ^(a)	4	—	4	6	—	6
Amortization of net actuarial loss ^(b)	—	2	2	—	5	5
Net current period other comprehensive income	19	13	32	10	5	15
Accumulated other comprehensive loss at Sept. 30	\$ (56)	\$ (35)	\$ (91)	\$ (75)	\$ (51)	\$ (126)

(a) Included in interest charges.

(b) Included in the computation of net periodic pension and postretirement benefit costs.

Other

Guarantees and Bond Indemnifications — Xcel Energy provides guarantees and bond indemnities, which guarantee payment or performance. Xcel Energy Inc.'s exposure is based upon the net liability under the agreements. Most of the guarantees and bond indemnities issued by Xcel Energy have a stated maximum amount.

As of Sept. 30, 2022 and Dec. 31, 2021, Xcel Energy had no assets held as collateral related to their guarantees, bond indemnities and indemnification agreements. Guarantees and bond indemnities issued and outstanding for Xcel Energy were approximately \$62 million and \$60 million at Sept. 30, 2022 and Dec. 31, 2021, respectively.

Other Indemnification Agreements — Xcel Energy provides indemnifications through various contracts. These are primarily indemnifications against adverse litigation outcomes in connection with underwriting agreements, as well as breaches of representations and warranties, including corporate existence, transaction authorization and income tax matters with respect to assets sold.

Xcel Energy's obligations under these agreements may be limited in duration and amount. Maximum future payments under these indemnifications cannot be reasonably estimated.

12. Segment Information

Xcel Energy evaluates performance by each utility subsidiary based on profit or loss generated from the product or service provided including the regulated electric utility operating results of NSP-Minnesota, NSP-Wisconsin, PSCo and SPS, as well as the regulated natural gas utility operating results of NSP-Minnesota, NSP-Wisconsin and PSCo.

These segments are managed separately because the revenue streams are dependent upon regulated rate recovery, which is separately determined for each segment.

Xcel Energy has the following reportable segments:

- **Regulated Electric** — The regulated electric utility segment generates, transmits and distributes electricity in Minnesota, Wisconsin, Michigan, North Dakota, South Dakota, Colorado, Texas and New Mexico. In addition, this segment includes sales for resale and provides wholesale transmission service to various entities in the United States. The regulated electric utility segment also includes wholesale commodity and trading operations.
- **Regulated Natural Gas** — The regulated natural gas utility segment transports, stores and distributes natural gas primarily in portions of Minnesota, Wisconsin, North Dakota, Michigan and Colorado.

Xcel Energy also presents All Other, which includes operating segments with revenues below the necessary quantitative thresholds. Those operating segments primarily include steam revenue, appliance repair services, non-utility real estate activities, revenues associated with processing solid waste into refuse-derived fuel and investments in rental housing projects that qualify for low-income housing tax credits.

Xcel Energy had equity method investments of \$214 million and \$208 million as of Sept. 30, 2022 and Dec. 31, 2021, respectively, included in the natural gas utility and all other segments.

Asset and capital expenditure information is not provided for Xcel Energy's reportable segments. As an integrated electric and natural gas utility, Xcel Energy operates significant assets that are not dedicated to a specific business segment. Reporting assets and capital expenditures by business segment would require arbitrary and potentially misleading allocations, which may not necessarily reflect the assets that would be required for the operation of the business segments on a stand-alone basis.

Certain costs, such as common depreciation, common O&M expenses and interest expense are allocated based on cost causation allocators across each segment. In addition, a general allocator is used for certain general and administrative expenses, including office supplies, rent, property insurance and general advertising.

Xcel Energy's segment information:

(Millions of Dollars)	Three Months Ended Sept. 30	
	2022	2021
Regulated Electric		
Total revenues	\$ 3,699	\$ 3,176
Net income	697	629
Regulated Natural Gas		
Operating revenues	\$ 357	\$ 268
Intersegment revenue	1	1
Total revenues	\$ 358	\$ 269
Net (loss) income	(7)	10
All Other		
Total revenues	\$ 26	\$ 23
Net loss	(41)	(30)
Consolidated Total		
Total revenues	\$ 4,083	\$ 3,468
Reconciling eliminations	(1)	(1)
Total operating revenues	\$ 4,082	\$ 3,467
Net income	649	609
(Millions of Dollars)	Nine Months Ended Sept. 30	
	2022	2021
Regulated Electric		
Operating revenues	\$ 9,255	\$ 8,643
Intersegment revenue	1	1
Total revenues	\$ 9,256	\$ 8,644
Net income	1,312	1,202
Regulated Natural Gas		
Operating revenues	\$ 1,923	\$ 1,364
Intersegment revenue	1	2
Total revenues	\$ 1,924	\$ 1,366
Net income	148	161
All Other		
Total operating revenue	\$ 79	\$ 69
Net loss	(103)	(81)
Consolidated Total		
Total revenues	\$ 11,259	\$ 10,079
Reconciling eliminations	(2)	(3)
Total operating revenues	\$ 11,257	\$ 10,076
Net income	1,357	1,282

ITEM 2 — MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis by management focuses on those factors that had a material effect on Xcel Energy's financial condition, results of operations and cash flows during the periods presented or are expected to have a material impact in the future. It should be read in conjunction with the accompanying unaudited consolidated financial statements and the related notes to consolidated financial statements. Due to the seasonality of Xcel Energy's operating results, quarterly financial results are not an appropriate base from which to project annual results.

The demand for electric power and natural gas is affected by seasonal differences in the weather. In general, peak sales of electricity occur in the summer months, and peak sales of natural gas occur in the winter months. As a result, the overall operating results may fluctuate substantially on a seasonal basis. Additionally, Xcel Energy's operations have historically generated less revenues and income when weather conditions are milder in the winter and cooler in the summer.

Non-GAAP Financial Measures

The following discussion includes financial information prepared in accordance with GAAP, as well as certain non-GAAP financial measures such as ongoing earnings and ongoing diluted EPS. Generally, a non-GAAP financial measure is a measure of a company's financial performance, financial position or cash flows that adjusts measures calculated and presented in accordance with GAAP. Xcel Energy's management uses non-GAAP measures for financial planning and analysis, for reporting of results to the Board of Directors, in determining performance-based compensation, and communicating its earnings outlook to analysts and investors. Non-GAAP financial measures are intended to supplement investors' understanding of our performance and should not be considered alternatives for financial measures presented in accordance with GAAP. These measures are discussed in more detail below and may not be comparable to other companies' similarly titled non-GAAP financial measures.

Earnings Adjusted for Certain Items (Ongoing Earnings and Ongoing Diluted EPS)

GAAP diluted EPS reflects the potential dilution that could occur if securities or other agreements to issue common stock (i.e., common stock equivalents) were settled. The weighted average number of potentially dilutive shares outstanding used to calculate Xcel Energy Inc.'s diluted EPS is calculated using the treasury stock method.

Ongoing earnings reflect adjustments to GAAP earnings (net income) for certain items. Ongoing diluted EPS for Xcel Energy is calculated by dividing net income or loss, adjusted for certain items, by the weighted average fully diluted Xcel Energy Inc. common shares outstanding for the period. Ongoing diluted EPS for each subsidiary is calculated by dividing the net income or loss for such subsidiary, adjusted for certain items, by the weighted average fully diluted Xcel Energy Inc. common shares outstanding for the period.

We use these non-GAAP financial measures to evaluate and provide details of Xcel Energy's core earnings and underlying performance. We believe these measurements are useful to investors to evaluate the actual and projected financial performance and contribution of our subsidiaries. For the three and nine months ended Sept. 30, 2022 and 2021, there were no such adjustments to GAAP earnings and therefore GAAP earnings equal ongoing earnings for these periods.

Results of Operations

The only common equity securities that are publicly traded are common shares of Xcel Energy Inc. Diluted earnings and EPS of each subsidiary discussed below do not represent a direct legal interest in the assets and liabilities allocated to such subsidiary but rather represent a direct interest in our assets and liabilities as a whole.

Summarized diluted EPS for Xcel Energy:

Diluted Earnings (Loss) Per Share	Three Months Ended Sept. 30		Nine Months Ended Sept. 30	
	2022	2021	2022	2021
PSCo	\$ 0.45	\$ 0.40	\$ 1.02	\$ 0.96
NSP-Minnesota	0.49	0.46	0.94	0.91
SPS	0.25	0.25	0.52	0.48
NSP-Wisconsin	0.07	0.07	0.19	0.15
Earnings from equity method investments — WYCO	0.01	0.01	0.03	0.03
Regulated utility ^(a)	1.28	1.19	2.69	2.54
Xcel Energy Inc. and Other	(0.09)	(0.06)	(0.21)	(0.16)
Total ^(a)	\$ 1.18	\$ 1.13	\$ 2.48	\$ 2.38

(a) Amounts may not add due to rounding.

Summary of Earnings

Xcel Energy — Xcel Energy's GAAP third quarter diluted earnings were \$1.18 per share in 2022 compared with \$1.13 per share in 2021. The increase was driven by regulatory rate outcomes, partially offset by higher depreciation, interest charges and O&M expenses. Costs for natural gas sold and transported significantly increased in 2022 primarily due to supply and demand conditions. However, fluctuations in electric and natural gas revenues associated with changes in fuel and purchased power and/or natural gas sold and transported generally do not significantly impact earnings (changes in costs are offset by the related variation in revenues).

PSCo — Earnings increased \$0.05 per share for the third quarter of 2022 and \$0.06 year-to-date. Higher year-to-date earnings reflect regulatory rate outcomes, partially offset by increased depreciation and O&M expenses.

NSP-Minnesota — Earnings increased \$0.03 per share for the third quarter of 2022 and year-to-date. The year-to-date increase is primarily due to regulatory rate outcomes, partially offset by increased depreciation, O&M expenses and a Winter Storm Uri cost disallowance.

SPS — Earnings were flat for the third quarter of 2022 and increased \$0.04 per share year-to-date. Higher year-to-date earnings largely reflect regulatory rate outcomes, strong sales growth and favorable weather, partially offset by higher depreciation, O&M expenses and interest charges.

NSP-Wisconsin — Earnings were flat for the third quarter of 2022 and increased \$0.04 per share year-to-date. The year-to-date increase is due to regulatory rate outcomes and sales growth, partially offset by higher depreciation and O&M expenses.

Xcel Energy Inc. and Other — Primarily includes financing costs at the holding company and earnings from Energy Impact Partners funds equity method investments. Earnings decreased \$0.05 per share year-to-date, largely attributable to higher interest charges.

Changes in GAAP and Ongoing Diluted EPS

Components significantly contributing to changes in 2022 EPS compared to 2021:

Diluted Earnings (Loss) Per Share	Three Months Ended Sept. 30	Nine Months Ended Sept. 30
GAAP and ongoing diluted EPS — 2021	\$ 1.13	\$ 2.38
Components of change - 2022 vs. 2021		
Higher electric revenues, net of electric fuel and purchased power	0.33	0.67
Lower effective tax rate (ETR) ^(a)	0.02	0.12
Higher natural gas revenues, net of cost of natural gas sold and transported	—	0.04
Higher depreciation and amortization	(0.10)	(0.30)
Higher O&M expenses	(0.06)	(0.10)
Higher interest charges	(0.04)	(0.10)
Higher taxes (other than income taxes)	(0.03)	(0.07)
Lower other (expense) income	(0.02)	(0.03)
Other, net	(0.05)	(0.13)
GAAP and ongoing diluted EPS — 2022	\$ 1.18	\$ 2.48

(a) Includes PTCs and plant regulatory amounts, which are primarily offset as a reduction to electric revenues.

Statement of Income Analysis

The following summarizes the items that affected the individual revenue and expense items reported in the consolidated statements of income.

Estimated Impact of Temperature Changes on Regulated Earnings — Unusually hot summers or cold winters increase electric and natural gas sales, while mild weather reduces electric and natural gas sales. The estimated impact of weather on earnings is based on the number of customers, temperature variances, the amount of natural gas or electricity historically used per degree of temperature and excludes any incremental related operating expenses that could result due to storm activity or vegetation management requirements. As a result, weather deviations from normal levels can affect Xcel Energy's financial performance. However, decoupling mechanisms in Colorado and proposed sales true-up mechanisms in Minnesota predominately mitigate the positive and adverse impacts of weather for the electric utility in those jurisdictions.

Degree-day or THI data is used to estimate amounts of energy required to maintain comfortable indoor temperature levels based on each day's average temperature and humidity. HDD is the measure of the variation in the weather based on the extent to which the average daily temperature falls below 65° Fahrenheit. CDD is the measure of the variation in the weather based on the extent to which the average daily temperature rises above 65° Fahrenheit.

Each degree of temperature above 65° Fahrenheit is counted as one CDD, and each degree of temperature below 65° Fahrenheit is counted as one HDD. In Xcel Energy's more humid service territories, a THI is used in place of CDD, which adds a humidity factor to CDD. HDD, CDD and THI are most likely to impact the usage of Xcel Energy's residential and commercial customers. Industrial customers are less sensitive to weather. Typically, sales are not impacted in the first or fourth quarter due to THI or CDD.

Normal weather conditions are defined as either the 10, 20 or 30 year average of actual historical weather conditions. The historical period of time used in the calculation of normal weather differs by jurisdiction, based on regulatory practice. To calculate the impact of weather on demand, a demand factor is applied to the weather impact on sales. Extreme weather variations, windchill and cloud cover may not be reflected in weather-normalized estimates.

Percentage increase (decrease) in normal and actual HDD, CDD and THI:

	Three Months Ended Sept. 30			Nine Months Ended Sept. 30		
	2022 vs. Normal	2021 vs. Normal	2022 vs. 2021	2022 vs. Normal	2021 vs. Normal	2022 vs. 2021
HDD	(27.8)%	(50.5)%	36.0 %	8.3 %	0.1 %	7.5 %
CDD	23.0	18.1	13.0	24.7	11.7	17.8
THI	1.7	6.2	(4.2)	6.4	25.5	(14.4)

Weather — Estimated impact of temperature variations on EPS compared with normal weather conditions:

	Three Months Ended Sept. 30			Nine Months Ended Sept. 30		
	2022 vs. Normal	2021 vs. Normal	2022 vs. 2021	2022 vs. Normal	2021 vs. Normal	2022 vs. 2021
Retail electric	\$ 0.074	\$ 0.067	\$ 0.007	\$ 0.123	\$ 0.122	\$ 0.001
Decoupling and sales true-up	(0.032)	(0.035)	0.003	(0.055)	(0.076)	0.021
Electric total	\$ 0.042	\$ 0.032	\$ 0.010	\$ 0.068	\$ 0.046	\$ 0.022
Firm natural gas	—	—	—	0.019	0.004	0.015
Total	\$ 0.042	\$ 0.032	\$ 0.010	\$ 0.087	\$ 0.050	\$ 0.037

Sales — Sales growth (decline) for actual and weather-normalized sales in 2022 compared to 2021:

	Three Months Ended Sept. 30				
	PSCo	NSP-Minnesota	SPS	NSP-Wisconsin	Xcel Energy
Actual					
Electric residential	(1.7)%	(2.7)%	7.8 %	(0.1)%	(0.7)%
Electric C&I	(2.3)	0.2	7.2	3.7	1.6
Total retail electric sales	(2.0)	(0.8)	7.3	2.6	0.9
Firm natural gas sales	(1.6)	—	N/A	2.3	(0.9)

	Three Months Ended Sept. 30				
	PSCo	NSP-Minnesota	SPS	NSP-Wisconsin	Xcel Energy
Weather-Normalized					
Electric residential	(4.6)%	0.5 %	3.3 %	(0.1)%	(1.1)%
Electric C&I	(3.2)	0.4	6.4	3.5	1.2
Total retail electric sales	(3.7)	0.4	5.9	2.5	0.5
Firm natural gas sales	(1.5)	(2.2)	N/A	—	(1.6)

	Nine Months Ended Sept. 30				
	PSCo	NSP-Minnesota	SPS	NSP-Wisconsin	Xcel Energy
Actual					
Electric residential	(2.9)%	(1.4)%	4.9 %	1.3 %	(0.9)%
Electric C&I	(0.3)	2.3	9.6	3.6	3.6
Total retail electric sales	(1.2)	1.1	8.6	2.9	2.2
Firm natural gas sales	(3.4)	19.9	N/A	20.2	4.9

	Nine Months Ended Sept. 30				
	PSCo	NSP-Minnesota	SPS	NSP-Wisconsin	Xcel Energy
Weather-Normalized					
Electric residential	(3.7)%	0.6 %	0.7 %	0.6 %	(1.0)%
Electric C&I	(0.5)	2.7	9.0	3.8	3.5
Total retail electric sales	(1.6)	2.0	7.4	2.8	2.2
Firm natural gas sales	(2.4)	6.0	N/A	7.4	0.9

Weather-normalized electric sales growth (decline) — year-to-date

- PSCo — Residential sales declined due to decreased use per customer, partially offset by a 1.1% increase in customers. C&I sales decline was attributable to decreased use per customer, primarily in the manufacturing sector (largely due to an alternative generation arrangement with a significant customer), partially offset by strong small C&I sales in the professional services and health care sectors.
- NSP-Minnesota — Residential sales growth reflects a 1.2% increase in customers, partially offset by decreased use per customer. Growth in C&I sales was primarily due to higher use per customer, particularly in the manufacturing, real estate and leasing, and food service sectors.
- SPS — Residential sales growth was primarily attributable to a 1.0% increase in customers, partially offset by a lower use per customer. C&I sales increased due to higher use per customer, primarily driven by the energy sector.
- NSP-Wisconsin — Residential sales growth was driven by a 0.7% increase in customers. C&I sales growth was primarily associated with higher use per customer, experienced primarily in the transportation and manufacturing sectors.

Weather-normalized natural gas sales growth (decline) — year-to-date

- Natural gas sales reflect a higher use per customer, experienced primarily in NSP-Minnesota and NSP-Wisconsin partially offset by a decrease in PSCo (lower residential use per customer). In addition, residential and C&I customer growth was 1.2% and 0.5%, respectively.

Electric Margin

Electric margin is presented as electric revenues less electric fuel and purchased power expenses. Expenses incurred for electric fuel and purchased power are generally recovered through various regulatory recovery mechanisms. As a result, changes in these expenses are generally offset in operating revenues.

Electric revenues and fuel and purchased power expenses are impacted by fluctuations in the price of natural gas, coal and uranium. However, these price fluctuations generally have minimal earnings impact due to fuel recovery mechanisms that recover fuel expenses. In addition, electric customers receive a credit for PTCs generated, which reduce electric revenue and income taxes.

Electric revenues, fuel and purchased power and margin and explanation of the changes are listed as follows:

(Millions of Dollars)	Three Months Ended Sept. 30		Nine Months Ended Sept. 30	
	2022	2021	2022	2021
Electric revenues	\$ 3,699	\$ 3,176	\$ 9,255	\$ 8,643
Electric fuel and purchased power	(1,497)	(1,210)	(3,772)	(3,643)
Electric margin	\$ 2,202	\$ 1,966	\$ 5,483	\$ 5,000

(Millions of Dollars)	Three Months Ended Sept. 30, 2022 vs. 2021	Nine Months Ended Sept. 30, 2022 vs. 2021
Regulatory rate outcomes (Minnesota, Colorado, Texas, New Mexico and Wisconsin)	\$ 165	\$ 361
Revenue recognition for the Texas rate case surcharge ^(a)	—	85
Sales and demand ^(b)	24	84
Non-fuel riders	8	48
Conservation and demand side management (offset in expenses)	9	31
Wholesale transmission (net)	19	25
Estimated impact of weather (net of decoupling/sales true-up)	7	16
PTCs flowed back to customers (offset by lower ETR)	(17)	(120)
Proprietary commodity trading, net of sharing ^(c)	(1)	(33)
Other (net)	22	(14)
Total increase	\$ 236	\$ 483

- (a) Recognition of revenue from the Texas rate case outcome is largely offset by recognition of previously deferred costs, see Public Utility Regulation for additional information.
- (b) Sales excludes weather impact, net of decoupling in Colorado and proposed sales true-up mechanism in Minnesota.
- (c) Includes \$27 million of net gains recognized in the first quarter of 2021, driven by market changes associated with Winter Storm Uri.

Natural Gas Margin

Natural gas margin is presented as natural gas revenues less the cost of natural gas sold and transported. Expenses incurred for the cost of natural gas sold are generally recovered through various regulatory recovery mechanisms. As a result, changes in these expenses are generally offset in operating revenues.

Natural gas revenues, cost of natural gas sold and transported and margin and explanation of the changes are listed as follows:

(Millions of Dollars)	Three Months Ended Sept. 30		Nine Months Ended Sept. 30	
	2022	2021	2022	2021
Natural gas revenues	\$ 357	\$ 268	\$ 1,923	\$ 1,364
Cost of natural gas sold and transported	(173)	(86)	(1,134)	(603)
Natural gas margin	\$ 184	\$ 182	\$ 789	\$ 761

(Millions of Dollars)	Three Months Ended Sept. 30, 2022 vs. 2021		Nine Months Ended Sept. 30, 2022 vs. 2021	
	2022	2021	2022	2021
Regulatory rate outcomes (Minnesota, Wisconsin, North Dakota, Colorado)	\$ 2	\$ 16		
Estimated impact of weather	—	11		
Conservation revenue (offset in expenses)	2	9		
Infrastructure and integrity riders	4	7		
Winter Storm Uri disallowances	(7)	(20)		
Other (net)	1	5		
Total increase	\$ 2	\$ 28		

Non-Fuel Operating Expenses and Other Items

O&M Expenses — O&M expenses increased \$43 million for the third quarter and \$75 million year-to-date. O&M costs increased due to recognition of previously deferred amounts related to the 2021 Texas Electric Rate Case, additional investments in technology and customer programs, higher costs for storms and vegetation management and inflationary impacts. These increases were partially offset by a reduction in employee benefit costs and timing of certain power plant overhaul costs.

Depreciation and Amortization — Depreciation and amortization increased \$70 million for the third quarter and \$221 million year-to-date. The increase was primarily driven by normal system expansion, recognition of previously deferred costs related to the Texas Electric Rate Case and several wind farms going into service.

Other (Expense) Income — Other (expense) income decreased \$12 million for the third quarter and \$25 million year-to-date, largely related to rabbi trust performance, which is primarily offset in O&M expenses (employee benefit costs).

Interest Charges — Interest charges increased \$33 million for the third quarter and \$77 million year-to-date, largely due to higher interest rates and increased long-term debt levels to fund capital investments.

Income Taxes — Income tax expense increased \$1 million for the third quarter and income tax benefit increased \$63 million year-to-date. The year-to-date increase was primarily driven by an increase in wind PTCs due to greater production at existing wind farms, several new wind farms going into service and an increase in the PTC rate. Wind PTCs are credited to customers (recorded as a reduction to revenue) and do not have a material impact on net income.

Public Utility Regulation and Other

The FERC and various state and local regulatory commissions regulate Xcel Energy Inc.'s utility subsidiaries and West Gas Interstate. Xcel Energy is subject to rate regulation by state utility regulatory agencies, which have jurisdiction with respect to the rates of electric and natural gas distribution companies in Minnesota, North Dakota, South Dakota, Wisconsin, Michigan, Colorado, New Mexico and Texas.

Rates are designed to recover plant investment, operating costs and an allowed return on investment. Our utility subsidiaries request changes in utility rates through commission filings. Changes in operating costs can affect Xcel Energy's financial results, depending on the timing of rate cases and implementation of final rates. Other factors affecting rate filings are new investments, sales, conservation and demand side management efforts, and the cost of capital.

In addition, the regulatory commissions authorize the ROE, capital structure and depreciation rates in rate proceedings. Decisions by these regulators can significantly impact Xcel Energy's results of operations.

Except to the extent noted below, the circumstances set forth in Public Utility Regulation included in Item 7 of Xcel Energy's Annual Report on [Form 10-K](#) for the year ended Dec. 31, 2021 appropriately represent, in all material respects, the current status of public utility regulation and are incorporated herein by reference.

NSP-Minnesota

Pending and Recently Concluded Regulatory Proceedings

2022 Minnesota Electric Rate Case — In October 2021, NSP-Minnesota filed a three-year electric rate case with the MPUC. The rate case is based on a requested ROE of 10.2%, a 52.5% equity ratio and forward test years.

The request is detailed as follows:

(Amounts in Millions, Except Percentages)	2022	2023	2024	Total
Annual rate increase requested	\$ 396	\$ 150	\$ 131	\$ 677
Increase percentage	12.2 %	4.8 %	4.2 %	21.2 %
Rate base	\$ 10,931	\$ 11,446	\$ 11,918	N/A

In December 2021, the MPUC approved interim rates, subject to refund, of \$247 million, effective Jan. 1, 2022. On Sept. 30, 2022, NSP-Minnesota requested an incremental increase to interim rates of \$122 million, effective Jan. 1, 2023. On Oct. 21, 2022, intervening parties to the rate case filed comments recommending the MPUC deny NSP-Minnesota's request. A MPUC decision is expected in late 2022.

In October 2022, nine parties filed testimony. The DOC, OAG, XLI, CUB and JSC were the only parties to quantify recommended financial adjustments. XLI recommended \$112 million in proposed adjustments, based on reducing ROE, reducing recovery of incentive compensation and not including the prepaid pension asset in rate base. CUB recommended adjustments based on reducing ROE. Other parties provided specific issue recommendations.

Proposed DOC modifications to NSP-Minnesota's request:

(Millions of Dollars)	2022	2023	2024
NSP-Minnesota's filed base revenue request	\$ 396	\$ 546	\$ 677
Recommended adjustments:			
Rate base and rate of return ^(a)	(71)	(58)	(57)
MISO capacity credits	(55)	(94)	(94)
Monticello and wind farm life extension	(21)	(54)	(51)
PTC and ND ITC forecast	(28)	(40)	(43)
Property tax	(14)	(22)	(32)
Prepaid pension asset and liability	(13)	(21)	(32)
O&M expenses	(18)	(26)	(29)
Other, net	(48)	(57)	(65)
Total adjustments	(268)	(372)	(403)
Total proposed revenue change	\$ 128	\$ 174	\$ 274

(a) Included in the rate base and rate of return adjustments is an annual proposed increase in the cost of debt.

Positions on NSP-Minnesota's filed rate request:

Recommended Position	DOC	XLI	CUB	JSC
ROE	9.25 %	9.17 %	8.80-9.00 %	9.06 %
Equity	52.5 %	N/A	N/A	N/A

Next steps in the procedural schedule are expected to be as follows:

- Rebuttal testimony: Nov. 8, 2022.
- Hearing: Dec. 13-16, 2022.
- ALJ Report: March 31, 2023.
- MPUC Order: June 30, 2023.

2022 Minnesota Natural Gas Rate Case — In November 2021, NSP-Minnesota filed a request with the MPUC for an annual natural gas rate increase of \$36 million, or 6.6%. The filing is based on a 2022 forecast test year and includes a requested ROE of 10.5%, an equity ratio of 52.5% and a rate base of \$934 million. In December 2021, the MPUC approved an interim rate increase of \$25 million, subject to refund, effective Jan. 1, 2022.

In October 2022, NSP-Minnesota and various parties filed an uncontested settlement, which includes the following key terms:

- Base rate revenue increase of \$21 million, with a true up to weather normalized actual sales for 2022.
- Revenue decoupling mechanism.
- Symmetrical property tax true-up.
- ROE of 9.57%.
- Equity ratio of 52.5%.

A hearing is scheduled for the fourth quarter of 2022 and a MPUC order is expected in the first half of 2023.

2021 North Dakota Natural Gas Rate Case — In September 2021, NSP-Minnesota filed a request with the NDPSC for a natural gas rate increase of \$7 million, or 10.5%. The filing is based on a requested ROE of 10.5%, an equity ratio of 52.54%, a 2022 forecast test year and a rate base of \$124 million. Interim rates of \$7 million, subject to refund, were implemented on Nov. 1, 2021.

In May 2022, NSP-Minnesota and NDPSC Staff reached a natural gas settlement, which reflects a rate increase of \$5 million, based on a 9.8% ROE and 52.54% equity ratio. A NDPSC decision is pending.

2022 South Dakota Electric Rate Case — In June 2022, NSP-Minnesota filed a South Dakota electric rate case (first since 2014) seeking a revenue increase of approximately \$44 million. The filing is based on a 2021 historic test year adjusted for certain known and measurable changes for 2022 and 2023, a requested ROE of 10.75%, rate base of approximately \$947 million and an equity ratio of 53%. Final rates are expected to be effective in the first quarter of 2023.

Wind Repowering — In January 2021, the MPUC approved NSP-Minnesota's request for the repowering of 651 MW of owned wind projects. Two of the four repowering projects, where construction has not yet begun (in-service dates in 2025), now expect costs in excess of the original approval. While the capital costs have increased, the passage of the IRA and other changes result in a levelized cost of energy that is approximately 30% lower than the original approval. In October 2022, NSP-Minnesota filed a request with the MPUC seeking approval of the higher capital costs for these repowering projects.

Wind PPA Buyout — In July 2022, NSP-Minnesota requested approval from the MPUC for updated agreements with ALLETE Clean Energy to purchase the repowered 100 MW Northern Wind Facility and 22 MW Rock Aetna Facility. In October 2022, the MPUC approved NSP-Minnesota's updated acquisition agreements, which included an increase in the purchase price. The price increase is more than offset by the passage of the IRA, resulting in greater savings for customers than the original approval.

2022 Minnesota Electric Vehicle Proposal — In August 2022, NSP-Minnesota filed a request with the MPUC for approval of approximately \$320 million of capital investments (2022 through 2026) to support a public charging network, electric school bus pilot, and other expansions and modifications to its residential and commercial electric vehicle programs. A MPUC decision is expected in 2023.

Sherco Solar Proposal — In September 2022, the MPUC approved NSP-Minnesota's proposal to add 460 MW of solar facilities at the Sherco site. The project is expected to cost approximately \$690 million (two phases to be completed in 2024 and 2025). As a result of the IRA, the levelized cost of the project is expected to be approximately 30% lower than previously estimated.

2022 RES Electric Rider — In November 2021, NSP-Minnesota filed the RES Rider. In September 2022, the MPUC approved the requested amount of \$264 million, which includes a true-up (2020 and 2021 riders) of \$154 million and the 2022 requested amount of \$110 million.

2022 GUIC Natural Gas Rider — In October 2021, NSP-Minnesota filed the GUIC Rider for an amount of \$27 million. A MPUC decision is pending.

2021 GUIC Natural Gas Rider — In October 2020, NSP-Minnesota filed the GUIC Rider for an amount of \$27 million. A MPUC decision is pending.

2022 TCR Electric Rider — In November 2021, NSP-Minnesota filed the TCR Rider for an amount of \$105 million. A MPUC decision is pending.

Nuclear Power Operations

NSP-Minnesota owns two nuclear generating plants: the Monticello plant and the Prairie Island plant. See Note 12 to the consolidated financial statements of Xcel Energy's Annual Report on [Form 10-K](#) for the year ended Dec. 31, 2021 for further information. The circumstances set forth in Nuclear Power Operations included in Item 7 of Xcel Energy's Annual Report on [Form 10-K](#) for the year ended Dec. 31, 2021, appropriately represent, in all material respects, the current status of nuclear power operations, and are incorporated by reference.

PSCo

Pending and Recently Concluded Regulatory Proceedings

Colorado Natural Gas Rate Case — In January 2022, PSCo filed a request with the CPUC seeking a net increase to retail natural gas rates of \$107 million. The total change to base rates is \$215 million, which reflects the transfer of \$108 million previously recovered from customers through the pipeline system integrity adjustment rider. The request is based on a 10.25% ROE, an equity ratio of 55.66% and a 2022 current test year with a projected rate base of \$3.6 billion. PSCo has requested a proposed effective date of Nov. 1, 2022.

Additionally, PSCo's request includes step revenue increases of \$40 million (effective Nov. 1, 2023) and \$41 million (effective Nov. 1, 2024) related to continued capital investment.

In October 2022, the CPUC issued a written decision approving a rate increase net of rider roll-ins of \$64 million. The decision reflects a stated WACC of 6.7%, a historic test year with a year-end rate base and \$16 million of incremental depreciation expense. PSCo has the option to determine its ROE within a range of 9.2% to 9.5% and its equity ratio within a range of 52% to 55%, as long as it results in a WACC of 6.7%. PSCo anticipates using a ROE of 9.2% and an equity ratio of 53.8%. The CPUC denied the 2023-2024 step increases.

Colorado Power Pathway Settlement — In June 2022, the CPUC issued a final written order issuing the CPCN for the Pathway Project. Key decisions include:

- The CPUC approved PSCo's cost estimate of \$1.7 billion and recovery through the transmission rider.
- The CPUC modified the PIMs proposed in the settlement agreement, which focused on cost controls, to add a separate mechanism to further incentivize timely delivery of the Pathway Project segments. The CPUC also increased the magnitude of the PIMs.
- The CPUC granted conditional approval for the 345 kilovolt May Valley-Longhorn line extension, pending the level of renewables being added in that region through PSCo's resource plan. The initial cost estimate for the extension is approximately \$250 million.

Colorado Resource Plan Settlement — In August 2022, the CPUC issued a written approval of a revised settlement, which will result in the further acceleration of the retirement of the Comanche Unit 3 coal plant, an expected carbon reduction of at least 85% and an 80% renewable mix by 2030. The CPUC deferred a decision on the method of cost recovery for the retiring coal units to a separate docket, which will consider accelerated depreciation, creation of regulatory assets and securitization. PSCo expects to commence the request for proposal process for generation resources and file a recovery method docket in the fourth quarter of 2022.

Key settlement terms include:

- Early retirement of Hayden: Unit 2 in 2027 (was 2036); and Unit 1 in 2028 (was 2030).
- Conversion of the Pawnee coal plant to natural gas by no later than Jan. 1, 2026.
- Early retirement of Comanche Unit 3 by Jan. 1, 2031 (was 2070) with reduced operations beginning in 2025.
- Addition of ~2,400 MW of wind.
- Addition of ~1,600 MW of universal-scale solar.
- Addition of 400 MW of storage.
- Addition of 1,300 MW of flexible, dispatchable generation.
- Addition of ~1,200 MW of distributed solar resources through our renewable energy programs.

Colorado Partial Settlement — In October 2021, PSCo filed a comprehensive settlement with the CPUC Staff and the Colorado Energy Office, which proposed to address four outstanding regulatory items, including recovery of fuel costs related to Winter Storm Uri, disputed revenue associated with the 2020 electric decoupling pilot program year, replacement power costs associated with an extended outage at Comanche Unit 3 during 2020 and deferred customer bad debt balances associated with COVID-19. In July 2022, the CPUC approved the settlement, with an \$8 million disallowance relating to the Winter Storm Uri fuel costs.

Decoupling Filing — PSCo has a decoupling program, effective April 1, 2020 through Dec. 31, 2023. The program applies to Residential and metered small C&I customers who do not pay a demand charge. The program includes a refund and surcharge cap not to exceed 3% of forecasted base rate revenue for a specified period.

In October 2021, a settlement was reached on Winter Storm Uri costs and also addressed certain components of decoupling. See Colorado Partial Settlement disclosure above.

As of Sept. 30, 2022, PSCo has recognized a refund for Residential customers and a surcharge for small C&I customers based on 2020, 2021 and the first, second and third quarters of 2022 results.

In April 2022, PSCo made its annual filing. In May 2022, the UCA filed a protest raising issues relating to the Winter Storm Uri settlement and the soft cap components of the decoupling program. On May 25, 2022 the CPUC found merit in UCA's protest, suspended PSCo's advice letter and referred the matter to the ALJ. A hearing is expected to take place in the fourth quarter of 2022 and an ALJ recommendation is expected in the first quarter of 2023.

2019 Electric Rate Case Appeal — In August 2020, PSCo filed an appeal with the Denver District Court seeking a review of CPUC decisions on gains and losses on sales of assets and other items. In January 2022, the court issued its decision that the CPUC's approach to gains and losses on certain sales of assets was legally erroneous and confiscatory to PSCo and set aside and remanded the issue for further consideration. In October 2022, the CPUC approved PSCo's proposed methodology to allocate gains and losses.

GCA NOPR — In June 2021, the CPUC issued a NOPR addressing the recovery of costs through the GCA. The CPUC has reopened the GCA NOPR matter and proposed a 2 step process aimed at 1) considering near term process changes to the GCA used by various utilities and 2) a longer term process to evaluate potential performance incentive GCA structures to be filed by Nov. 1, 2022. In step 1, consensus proposed rule amendments to update the process and filing requirements for GCA and related filings have been submitted to the CPUC for consideration.

Natural Gas Planning NOPR — In October 2021, the CPUC issued a NOPR to implement recent state legislation requiring natural gas utilities to develop clean heat plans as a means to meet state greenhouse gas emission reduction targets, as well as updated demand-side management criteria. Additionally, the proposed rules included new comprehensive natural gas infrastructure planning requirements and related CPCN application procedures, changes in natural gas line extension policy, and details on emission accounting related to clean heat plans. The CPUC staff will provide proposed rules in the fourth quarter of 2022.

SPS

Pending and Recently Concluded Regulatory Proceedings

2021 Texas Electric Rate Case — In 2021, SPS filed an electric rate case with the PUCT and its municipalities seeking an increase in base rates of approximately \$140 million. In May 2022, the PUCT approved a settlement between SPS and intervening parties, which reflects the following terms:

- Base rate increase of \$89 million effective retroactively to March 15, 2021.
- A 9.35% ROE and 7.01% weighted average cost of capital for AFUDC purposes only.
- Depreciation lives for Tolk accelerated to 2034 and Harrington coal assets accelerated to 2024.

In July 2022, SPS filed to surcharge the final under-recovered amount, estimated to be approximately \$85 million, substantially offset by the recognition of previously deferred costs. The impact of the retroactive amounts is as follows:

(Millions of Dollars)	Nine Months Ended Sept. 30, 2022	
Revenue surcharge accrual	\$	85
Depreciation and amortization		(43)
O&M expenses		(16)
Interest expense		(12)
Taxes other than income taxes		(10)
Fuel and purchased power		(2)

Other

Supply Chain

Xcel Energy's ability to meet customer energy requirements, respond to storm-related disruptions and execute our capital expenditure program are dependent on maintaining an efficient supply chain. Manufacturing processes have experienced disruptions related to scarcity of certain raw materials and interruptions in production and shipping. For example, availability of certain types of transformers has been significantly impacted and in some cases may result in delays in new customer connections as we work to address the shortage. These disruptions have been further exacerbated by inflationary pressures, labor shortages and the impact of international conflicts/issues. Xcel Energy continues to monitor the situation as it remains fluid and seeks to mitigate the impacts by securing alternative suppliers, modifying design standards, and adjusting the timing of work.

Advanced Metering Infrastructure Implementation

Supply chain issues associated with semi-conductors have delayed the availability of advanced infrastructure electric meters, which has led to a reduced number of meters deployed in 2022. Impacts to the 2023 deployment schedule are currently being evaluated.

Solar Resources

In April 2022, the U.S. Department of Commerce initiated an anti-circumvention investigation that would subject CSPV solar panels and cells imported from Malaysia, Vietnam, Thailand, and Cambodia with potential incremental tariffs ranging from 50% to 250%. These countries account for more than 80% of CSPV panel imports.

Since that time, an interim stay on tariffs has been issued and many significant solar projects have resumed with modified costs and projected in-service dates, including the Sherco Solar facility in Minnesota which was recently approved by the MPUC and certain PPAs in PSCo which are pending regulatory approval.

Marshall Wildfire

In December 2021, a wildfire ignited in Boulder County, Colorado (the "Marshall Fire"), which burned over 6,000 acres and destroyed or damaged over 1,000 structures. Boulder County authorities are currently investigating the fire and have not yet determined a cause. There were no downed power lines in the ignition area, and nothing the Company has seen to this point indicates that our equipment or operations caused the fire.

In Colorado, the standard of review governing liability differs from the "inverse condemnation" or strict liability standard utilized in California. In Colorado, courts look to whether electric power companies have operated their system with a heightened duty of care consistent with the practical conduct of its business, and liability does not extend to occurrences that cannot be reasonably anticipated. In addition, PSCo has been operating under a commission approved wildfire mitigation plan and carries wildfire liability insurance.

In March 2022, a class action suit was filed in Boulder County pertaining to the Marshall Fire. In the remote event PSCo was found liable related to this litigation and were required to pay damages, such amounts could exceed our insurance coverage and have a material adverse effect on our financial condition, results of operations or cash flows. In June 2022, Plaintiffs served the class action lawsuit. In July 2022, PSCo filed a Motion to Dismiss.

Comanche Unit 3 Outage — In late January 2022, PSCo experienced an outage at the Comanche Unit 3 coal plant. The plant returned to service in June 2022. PSCo will not seek recovery of the \$10 million of incremental replacement power costs incurred during the outage, which reflects a true-up to final incurred costs in the third quarter of 2022.

MISO Capacity Credits — The NSP System offered 1,500 MW of excess capacity into the MISO planning resource auction for June 2022 through May 2023. Due to a projected overall capacity shortfall in the MISO region, the 1,500 MWs offered cleared the auction at maximum pricing and is expected to generate revenues of approximately \$90 million in 2022 and approximately \$60 million in 2023. During the three and nine months ended Sept. 30, 2022, the NSP System received approximately \$40 million and \$50 million, respectively, of capacity credits. These amounts will primarily be used to mitigate customer rate increases or returned through earnings sharing or other mechanisms.

Inflation Reduction Act — In August 2022, the IRA was signed into law.

Key provisions impacting Xcel Energy include:

- Extends current PTC and ITC for renewable technologies (e.g., wind and solar).
- Restores full value of the PTC and ITC for qualifying facilities placed in-service after 2021.
- Creates a PTC for solar, clean hydrogen and nuclear.
- Establishes an ITC for energy storage, microgrids, interconnection facilities, etc.
- Allows companies to monetize or sell credits to unrelated parties.

Xcel Energy anticipates the IRA will drive approximately \$500 million of customer savings over the next 5 years for existing company owned renewable projects, assuming appropriate regulatory mechanisms and development of a market for the sale of credits. The IRA will drive additional customer savings as Xcel Energy adds new renewable projects due to the extension of tax credits and transferability.

The IRA is expected to allow Xcel Energy to monetize tax credits more efficiently with the incremental benefits passed through to customers. Transferability provisions apply to eligible tax credits generated starting in 2023 for both new and existing facilities. Xcel Energy anticipates tax credit transferability from existing renewable projects will improve cash from operations by \$1.8 billion (2023-2027), assuming constructive regulatory outcomes and the development of a market. Tax credit transferability has been included in our five-year financing plan and rate base projections.

The IRA creates a nuclear PTC beginning in 2024 that may also provide additional customer savings. The annual customer benefit from these PTCs could range from \$0 to \$200 million, depending on locational marginal pricing, as well as constructive U.S. Treasury guidance regarding computation of the credits.

In addition, the IRA created a new corporate AMT. Xcel Energy does not anticipate AMT having a material cash impact based on current estimates and our interpretation of AMT application.

Winter Storm Uri

In February 2021, the United States experienced Winter Storm Uri. Extreme cold temperatures impacted certain operational assets as well as the availability of renewable generation. The cold weather also affected the country's supply and demand for natural gas. These factors contributed to extremely high market prices for natural gas and electricity. As a result of the extremely high market prices, Xcel Energy incurred net natural gas, fuel and purchased energy costs of approximately \$1 billion (largely deferred as regulatory assets).

Xcel Energy has received recovery approval from all of our impacted states except for Texas, which is pending. A summary of pending and recently approved regulatory requests for Winter Storm Uri cost recovery is listed below.

Utility Subsidiary	Jurisdiction	Regulatory Status
NSP-Minnesota	Minnesota	<p>In 2021, the MPUC allowed recovery of \$179 million of costs (with no financing charge) starting in September 2021, pending a prudency review. The C&I class (\$82 million) will be recovered over 27 months and the residential class (\$97 million) will be recovered over a 63-month recovery period.</p> <p>In May 2022, the ALJs found the Winter Storm Uri fuel costs were prudently incurred and recommended no disallowances.</p> <p>In August 2022, the MPUC approved recovery of Uri storm costs with a \$19 million disallowance.</p>
PSCo	Colorado	<p>In May 2021, PSCo filed a request with the CPUC to recover \$263 million in weather-related electric costs, \$287 million in incremental natural gas costs and \$4 million in incremental steam costs over 24 months with no financing charge.</p> <p>In May 2022, an ALJ recommended full recovery of all costs with no cost disallowances. In July 2022, the CPUC approved a partial settlement providing full recovery of fuel costs with the exception of an \$8 million disallowance.</p>
SPS	Texas	<p>In 2021, SPS filed to recover \$88 million of Winter Storm Uri costs over 24 months, as part of the Texas fuel surcharge filing, with total under-recovered costs of \$121 million.</p> <p>In April 2022, interim rates designed to recover \$121 million over 30 months were approved. The interim rate recovery does not address the prudence of costs nor the retention of approximately \$10 million related to market sales during the event. These items will be reviewed through the triennial Fuel Reconciliation proceeding and are subject to a final PUCT decision.</p> <p>In July 2022, the intervenors filed recommendations in the Fuel Reconciliation proceeding. The Texas Industrial Energy Consumers and PUCT staff recommended disallowances of approximately \$10 million (off-system sales margins). The Office of Public Utility Counsel recommended disallowances of approximately \$15 million (off-system sales margins and adjustment to energy loss factors). The Alliance of Xcel Municipalities recommended disallowances of approximately \$100 million (natural gas storage, contracted capability and off-system sales margins).</p> <p>A recommendation from the ALJ is expected in the fourth quarter of 2022 and a final decision is anticipated in the first quarter of 2023.</p>

Environmental

Clean Air Act

In April 2022 the EPA proposed regulations under the "Good Neighbor" provisions of the Clean Air Act. The proposed rules establish an allowance trading program for NOx, potentially impacting Xcel Energy generating facilities in Minnesota, Texas and Wisconsin. Facilities without NOx controls will have to secure additional allowances, install NOx controls, or develop a strategy of operations that utilizes the existing allowance allocations. The EPA has indicated that it intends for the rule to be final by the end of 2022 with initial applicability for 2023. While the financial impacts of the proposed regulation are uncertain, Xcel Energy anticipates that costs will be recoverable through regulatory mechanisms.

CERCLA

PFAS are man-made chemicals that are widely used in consumer products and can persist and bio-accumulate in the environment. Xcel Energy does not manufacture PFAS but because PFAS are so ubiquitous in products and the environment, it may impact our operations. In September 2022, the EPA proposed to designate two types of PFAS as "hazardous substances" under the CERCLA, specifically perfluorooctanoic acid and perfluorooctanesulfonic acid. This proposed rule could result in new obligations for investigation and cleanup wherever PFAS are found to be present. The impact the proposed regulation may have on electric and gas utilities is currently uncertain.

Derivatives, Risk Management and Market Risk

We are exposed to a variety of market risks in the normal course of business. Market risk is the potential loss that may occur as a result of adverse changes in the market or fair value of a particular instrument or commodity. All financial and commodity-related instruments, including derivatives, are subject to market risk.

See Note 8 to the consolidated financial statements for further discussion of market risks associated with derivatives.

Xcel Energy is exposed to the impact of adverse changes in price for energy and energy-related products, which is partially mitigated by the use of commodity derivatives. In addition to ongoing monitoring and maintaining credit policies intended to minimize overall credit risk, management takes steps to mitigate changes in credit and concentration risks associated with its derivatives and other contracts, including parental guarantees and requests of collateral. While we expect that the counterparties will perform under the contracts underlying our derivatives, the contracts expose us to some credit and non-performance risk.

Distress in the financial markets may impact counterparty risk, the fair value of the securities in the nuclear decommissioning fund and pension fund and Xcel Energy's ability to earn a return on short-term investments.

Commodity Price Risk — We are exposed to commodity price risk in our electric and natural gas operations. Commodity price risk is managed by entering into long- and short-term physical purchase and sales contracts for electric capacity, energy and energy-related products and fuels used in generation and distribution activities. Commodity price risk is also managed through the use of financial derivative instruments. Our risk management policy allows us to manage commodity price risk within each rate-regulated operation per commission approved hedge plans.

Wholesale and Commodity Trading Risk — Xcel Energy conducts various wholesale and commodity trading activities, including the purchase and sale of electric capacity, energy, energy-related instruments and natural gas-related instruments, including derivatives. Our risk management policy allows management to conduct these activities within guidelines and limitations as approved by our risk management committee.

Fair value of net commodity trading contracts as of Sept. 30, 2022:

(Millions of Dollars)	Futures / Forwards Maturity				
	Less Than 1 Year	1 to 3 Years	4 to 5 Years	Greater Than 5 Years	Total Fair Value
NSP-Minnesota ^(a)	\$ (8)	\$ (11)	\$ (6)	\$ (3)	\$ (28)
NSP-Minnesota ^(b)	6	4	(1)	(2)	7
PSCo ^(a)	17	7	3	1	28
PSCo ^(b)	(50)	(21)	1	—	(70)
	<u>\$ (35)</u>	<u>\$ (21)</u>	<u>\$ (3)</u>	<u>\$ (4)</u>	<u>\$ (63)</u>

(Millions of Dollars)	Options Maturity				Total Fair Value
	Less Than 1 Year	1 to 3 Years	4 to 5 Years	Greater Than 5 Years	
NSP-Minnesota ^(b)	\$ 1	\$ —	\$ —	\$ 14	\$ 15
PSCo ^(b)	28	7	—	—	35
	<u>\$ 29</u>	<u>\$ 7</u>	<u>\$ —</u>	<u>\$ 14</u>	<u>\$ 50</u>

(a) Prices actively quoted or based on actively quoted prices.

(b) Prices based on models and other valuation methods.

Changes in the fair value of commodity trading contracts before the impacts of margin-sharing for the nine months ended Sept. 30:

(Millions of Dollars)	2022	2021
Fair value of commodity trading net contracts outstanding at Jan. 1	\$ (33)	\$ (54)
Contracts realized or settled during the period	(11)	(35)
Commodity trading contract additions and changes during the period	31	72
Fair value of commodity trading net contracts outstanding at Sept. 30	<u>\$ (13)</u>	<u>\$ (17)</u>

At Sept. 30, 2022, a 10% increase in market prices for commodity trading contracts through the forward curve would increase pre-tax income from continuing operations by approximately \$9 million, whereas a 10% decrease would decrease pre-tax income from continuing operations by approximately \$9 million. At Sept. 30, 2021, a 10% increase in market prices for commodity trading contracts would increase pre-tax income from continuing operations by approximately \$23 million, whereas a 10% decrease would decrease pre-tax income from continuing operations by approximately \$23 million. Market price movements can exceed 10% under abnormal circumstances.

The utility subsidiaries' commodity trading operations measure the outstanding risk exposure to price changes on contracts and obligations that have been entered into, but not closed, using an industry standard methodology known as VaR. VaR expresses the potential change in fair value of the outstanding contracts and obligations over a particular period of time under normal market conditions.

The VaRs for the NSP-Minnesota and PSCo commodity trading operations, excluding both non-derivative transactions and derivative transactions designated as normal purchase, normal sales, calculated on a consolidated basis using a Monte Carlo simulation with a 95% confidence level and a one-day holding period, were as follows:

(Millions of Dollars)	Three Months Ended Sept. 30	Average	High	Low
2022	\$ 0.9	\$ 1.7	\$ 3.0	\$ 0.8
2021	1.9	1.5	2.2	0.9

Nuclear Fuel Supply — NSP-Minnesota has contracted for and has its 2022 and 2023 enriched nuclear material requirements in various stages of processing in Canada, Europe and the United States. We will continue to monitor the evolving situation in Ukraine and its global impacts and will take necessary actions to ensure a secure supply of enriched nuclear material. NSP-Minnesota is scheduled to take delivery of approximately 30% of its average enriched nuclear material requirements from Russia through 2030.

Interest Rate Risk — Xcel Energy is subject to interest rate risk. Our risk management policy allows interest rate risk to be managed through the use of fixed rate debt, floating rate debt and interest rate derivatives such as swaps, caps, collars and put or call options.

At Sept. 30, 2022 and 2021, a 100-basis-point change in the benchmark rate on Xcel Energy's variable rate debt would impact pre-tax interest expense annually by approximately \$3 million and \$18 million, respectively.

See Note 8 to the consolidated financial statements for a discussion of Xcel Energy's interest rate derivatives.

NSP-Minnesota maintains a nuclear decommissioning fund, as required by the NRC. The nuclear decommissioning fund is subject to interest rate risk and equity price risk. The fund is invested in a diversified portfolio of cash equivalents, debt securities, equity securities and other investments. These investments may be used only for the purpose of decommissioning NSP-Minnesota's nuclear generating plants.

Realized and unrealized gains on the decommissioning fund investments are deferred as an offset of NSP-Minnesota's regulatory asset for nuclear decommissioning costs. Fluctuations in equity prices or interest rates affecting the nuclear decommissioning fund do not have a direct impact on earnings due to the application of regulatory accounting.

Changes in discount rates and expected return on plan assets impact the value of pension and postretirement plan assets and/or benefit costs.

Credit Risk — Xcel Energy is also exposed to credit risk. Credit risk relates to the risk of loss resulting from counterparties' nonperformance on their contractual obligations. Xcel Energy maintains credit policies intended to minimize overall credit risk and actively monitors these policies to reflect changes and scope of operations.

At Sept. 30, 2022, a 10% increase in commodity prices would have resulted in an increase in credit exposure of \$71 million, while a decrease in prices of 10% would have resulted in a decrease in credit exposure of \$57 million. At Sept. 30, 2021, a 10% increase in commodity prices would have resulted in an increase in credit exposure of \$73 million, while a decrease in prices of 10% would have resulted in a decrease in credit exposure of \$43 million.

Xcel Energy conducts credit reviews for all counterparties and employs credit risk controls, such as letters of credit, parental guarantees, master netting agreements and termination provisions. Credit exposure is monitored and when necessary, the activity with a specific counterparty is limited until credit enhancement is provided. Distress in the financial markets could increase our credit risk.

FAIR VALUE MEASUREMENTS

Xcel Energy uses derivative contracts such as futures, forwards, interest rate swaps, options and FTRs to manage commodity price and interest rate risk. Derivative contracts, with the exception of those designated as normal purchase-normal sale contracts, are reported at fair value.

The Company's investments held in the nuclear decommissioning fund, rabbi trusts, pension and other postretirement funds are also subject to fair value accounting.

See Note 8 to the consolidated financial statements for further discussion of the fair value hierarchy and the amounts of assets and liabilities measured at fair value that have been assigned to Level 3.

Commodity Derivatives — Xcel Energy monitors the creditworthiness of the counterparties to its commodity derivative contracts and assesses each counterparty's ability to perform on the transactions. The impact of discounting commodity derivative assets for counterparty credit risk was not material to the fair value of commodity derivative assets at Sept. 30, 2022.

Adjustments to fair value for credit risk of commodity trading instruments are recorded in electric revenues. Credit risk adjustments for other commodity derivative instruments are deferred as other comprehensive income or deferred as regulatory assets and liabilities. Classification as a regulatory asset or liability is based on commission

approved regulatory recovery mechanisms. The impact of discounting commodity derivative liabilities for credit risk was immaterial at Sept. 30, 2022.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

Operating Cash Flows

(Millions of Dollars)	Nine Months Ended Sept. 30
Cash provided by operating activities — 2021	\$ 1,579
Components of change — 2022 vs. 2021	
Higher net income	75
Non-cash transactions	159
Changes in working capital	(79)
Changes in net regulatory and other assets and liabilities	1,433
Cash provided by operating activities — 2022	\$ 3,167

Net cash provided by operating activities increased \$1,588 million for the nine months ended Sept. 30, 2022 compared with the prior year. The increase was primarily due to the net natural gas, fuel and purchased energy costs related to Winter Storm Uri (incurred/deferred) in the first quarter of 2021.

Investing Cash Flows

(Millions of Dollars)	Nine Months Ended Sept. 30
Cash used in investing activities — 2021	\$ (3,065)
Components of change — 2022 vs. 2021	
Increased capital expenditures	(293)
Other investing activities	37
Cash used in investing activities — 2022	\$ (3,321)

Net cash used in investing activities increased \$256 million for the nine months ended Sept. 30, 2022 compared with the prior year. The increase in capital expenditures was largely due to timing and normal/planned system expansion.

Financing Cash Flows

(Millions of Dollars)	Nine Months Ended Sept. 30
Cash provided by financing activities — 2021	\$ 1,988
Components of change — 2022 vs. 2021	
Higher net short-term debt repayments	(2,010)
Higher long-term debt issuances, net of repayments	43
Higher proceeds from issuance of common stock	143
Other financing activities	(59)
Cash provided by financing activities — 2022	\$ 105

Net cash provided by financing activities decreased \$1,883 million for the nine months ended Sept. 30, 2022 compared with the prior year. The decrease was primarily related to the amount/timing of debt issuances and repayments associated with Winter Storm Uri.

Capital Requirements

Xcel Energy expects to meet future financing requirements by periodically issuing short-term debt, long-term debt, common stock, hybrid and other securities to maintain desired capitalization ratios.

Pension Fund — Xcel Energy's pension assets are invested in a diversified portfolio of domestic and international equity securities, short-term to long-duration fixed income securities, and alternative investments, including private equity, real estate and hedge funds.

- In January 2022, contributions of \$50 million were made across four of Xcel Energy's pension plans.
- In 2021, contributions of \$131 million were made across four of Xcel Energy's pension plans.
- For future years, contributions will be made as deemed appropriate based on evaluation of various factors including the funded status of the plans, minimum funding requirements, interest rates and expected investment returns.

Capital Sources

Short-Term Funding Sources — Xcel Energy uses a number of sources to fulfill short-term funding needs, including operating cash flow, notes payable, commercial paper and bank lines of credit. The amount and timing of short-term funding needs depend on financing needs for construction expenditures, working capital and dividend payments.

Short-Term Investments — Xcel Energy Inc., NSP-Minnesota, NSP-Wisconsin, PSCo and SPS maintain cash operating and short-term investment accounts.

Revolving Credit Facilities — Xcel Energy Inc., NSP-Minnesota, PSCo and SPS each have the right to request an extension of their revolving credit facility termination date for two additional one-year periods beyond the September 2027 termination date. NSP-Wisconsin has the right to request an extension of the revolving credit facility termination date for an additional one-year period. All extension requests are subject to majority bank group approval.

As of Oct. 25, 2022, Xcel Energy Inc. and its utility subsidiaries had the following committed credit facilities available to meet liquidity needs:

(Millions of Dollars)	Credit Facility ^(a)	Drawn ^(b)	Available	Cash	Liquidity
Xcel Energy Inc.	\$ 1,500	\$ 129	\$ 1,371	\$ 1	\$ 1,372
PSCo	700	264	436	3	439
NSP-Minnesota	700	55	645	4	649
SPS	500	67	433	1	434
NSP-Wisconsin	150	—	150	3	153
Total	\$ 3,550	\$ 515	\$ 3,035	\$ 12	\$ 3,047

(a) Credit facilities expire in September 2027.

(b) Includes outstanding commercial paper and letters of credit.

Bilateral Credit Agreement

In April 2022, NSP-Minnesota's uncommitted \$75 million bilateral credit agreement was renewed for an additional one-year term. The credit agreement is limited in use to support letters of credit.

As of Sept. 30, 2022, NSP-Minnesota had \$50 million of outstanding letters of credit under the \$75 million bilateral credit agreement.

Short-Term Debt — Xcel Energy Inc., NSP-Minnesota, NSP-Wisconsin, PSCo and SPS each have individual commercial paper programs. The authorized levels for these commercial paper programs are:

- \$1.5 billion for Xcel Energy Inc.
- \$700 million for PSCo.
- \$700 million for NSP-Minnesota.
- \$500 million for SPS.
- \$150 million for NSP-Wisconsin.

Short-term debt outstanding for Xcel Energy was as follows:

(Amounts in Millions, Except Interest Rates)	Three Months Ended Sept. 30, 2022	Year Ended Dec. 31, 2021
Borrowing limit	\$ 3,550	\$ 3,100
Amount outstanding at period end	158	1,005
Average amount outstanding	187	1,399
Maximum amount outstanding	329	2,054
Weighted average interest rate, computed on a daily basis	2.51 %	0.57 %
Weighted average interest rate at period end	3.40	0.31

Money Pool — Xcel Energy received FERC approval to establish a utility money pool arrangement with the utility subsidiaries, subject to receipt of required state regulatory approvals. The utility money pool allows for short-term investments in and borrowings between the utility subsidiaries.

Xcel Energy may make investments in the utility subsidiaries at market-based interest rates; however, the money pool arrangement does not allow the utility subsidiaries to make investments in Xcel Energy. The money pool balances are eliminated in consolidation. NSP-Minnesota, NSP-Wisconsin, PSCo and SPS participate in the money pool pursuant to approval from their respective state regulatory commissions.

Capital Expenditures — Base capital expenditures and incremental capital forecasts for Xcel Energy for 2023 through 2027 are as follows:

	Base Capital Forecast (Millions of Dollars)					
By Regulated Utility	2023	2024	2025	2026	2027	2023 - 2027 Total
PSCo	\$ 2,140	\$ 2,440	\$ 2,550	\$ 1,980	\$ 2,190	\$ 11,300
NSP-Minnesota	2,000	2,400	2,530	2,200	2,580	11,710
SPS	710	780	720	770	900	3,880
NSP-Wisconsin	540	570	500	450	540	2,600
Other ^(a)	10	10	(30)	10	10	10
Total base capital expenditures	\$ 5,400	\$ 6,200	\$ 6,270	\$ 5,410	\$ 6,220	\$ 29,500

(a) Other category includes intercompany transfers for safe harbor wind turbines.

	Base Capital Forecast (Millions of Dollars)					
By Function	2023	2024	2025	2026	2027	2023 - 2027 Total
Electric distribution	\$ 1,610	\$ 1,790	\$ 1,680	\$ 2,000	\$ 2,450	\$ 9,530
Electric transmission	1,280	1,650	1,890	1,690	1,900	8,410
Electric generation	710	910	900	560	650	3,730
Natural gas	740	730	760	650	680	3,560
Other	780	840	570	510	540	3,240
Renewables	280	280	470	—	—	1,030
Total base capital expenditures	\$ 5,400	\$ 6,200	\$ 6,270	\$ 5,410	\$ 6,220	\$ 29,500

The base plan does not include any potential renewable generation assets approved in our Minnesota and Colorado resource plans or additional transmission capital needed to integrate new renewable generation additions in Colorado, beyond the Pathway project. We expect further clarification in the second half of 2023 after the commissions rule on the recommended resource plan portfolios, which could result in incremental capital expenditures of approximately \$2 to \$4 billion (assuming 50% ownership of renewable projects).

Xcel Energy's capital expenditure forecast is subject to continuing review and modification. Actual capital expenditures may vary from estimates due to changes in electric and natural gas projected load growth, safety and reliability needs, regulatory decisions, legislative initiatives (e.g., federal clean energy and tax policy), reserve requirements, availability of purchased power, alternative plans for meeting long-term energy needs, environmental initiatives and regulation, and merger, acquisition and divestiture opportunities.

Financing for Capital Expenditures through 2027 — Xcel Energy issues debt and equity securities to refinance retiring maturities, reduce short-term debt, fund capital programs, infuse equity in subsidiaries, fund asset acquisitions and for other general corporate purposes. Current estimated financing plans of Xcel Energy for 2023 through 2027 (includes the impact of approximately \$1.8 billion of tax credit transferability):

(Millions of Dollars)	
Funding Capital Expenditures	
Cash from operations ^(a)	\$ 20,540
New debt ^(b)	8,210
Equity through the DRIP and benefit program	425
Other equity	325
Base capital expenditures 2023-2027	\$ 29,500
Maturing Debt	\$ 3,800

(a) Net of dividends and pension funding.

(b) Reflects a combination of short and long-term debt; net of refinancing.

2022 Planned Financing Activity — During 2022, Xcel Energy plans to issue approximately \$75 to \$80 million of equity through the DRIP and benefit programs. In 2022, approximately \$150 million of equity has been issued through an at-the-market program. Xcel Energy and its utility subsidiaries issued the following long-term debt:

Issuer	Security	Amount	Tenor	Coupon
Xcel Energy	Unsecured Senior Notes	\$ 700 million	10 Year	4.60%
PSCo	First Mortgage Bonds	300 million	10 Year	4.10%
PSCo	First Mortgage Bonds	400 million	30 Year	4.50%
SPS	First Mortgage Bonds	200 million	30 Year	5.15%
NSP-Minnesota	First Mortgage Bonds	500 million	30 Year	4.50%
NSP-Wisconsin	First Mortgage Bonds	100 million	30 Year	4.86%

Financing plans are subject to change, depending on legislative initiatives (e.g., federal tax law changes), capital expenditures, regulatory outcomes, internal cash generation, market conditions and other factors.

Off-Balance-Sheet Arrangements

Xcel Energy does not have any off-balance-sheet arrangements, other than those currently disclosed, that have or are reasonably likely to have a current or future effect on financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Earnings Guidance and Long-Term EPS and Dividend Growth Rate Objectives

Xcel Energy 2022 Earnings Guidance — Xcel Energy's 2022 GAAP and ongoing earnings guidance is a narrowed range of \$3.14 to \$3.19 per share.^(a)

Key assumptions as compared with 2021 levels unless noted:

- Constructive outcomes in all rate case and regulatory proceedings.
- Normal weather patterns for the remainder of the year.
- Weather-normalized retail electric sales are projected to increase ~2%.
- Weather-normalized retail firm natural gas sales are projected to increase ~1%.
- Capital rider revenue is projected to be relatively flat (net of PTCs). The reduction in capital rider revenue is due to changes in expected PTC levels and is largely earnings neutral.
- O&M expenses are projected to increase approximately 4%.
- Depreciation expense is projected to increase approximately \$295 million to \$305 million.
- Property taxes are projected to increase approximately \$35 million to \$45 million.
- Interest expense (net of AFUDC - debt) is projected to increase \$100 million to \$110 million.
- AFUDC - equity is projected to be relatively flat.
- ETR is projected to be ~ (7%) to (9%).

Xcel Energy 2023 Earnings Guidance — Xcel Energy's 2023 GAAP and ongoing earnings guidance is a range of \$3.30 to \$3.40 per share.^(a)

Key assumptions as compared with 2022 projected levels unless noted:

- Constructive outcomes in all rate case and regulatory proceedings.
- Normal weather patterns for the year.
- Weather-normalized retail electric sales are projected to increase ~1%.
- Weather-normalized retail firm natural gas sales are projected to be relatively flat.
- Capital rider revenue is projected to increase \$70 million to \$80 million (net of PTCs).
- O&M expenses are projected to be relatively flat.
- Depreciation expense is projected to increase approximately \$140 million to \$150 million.
- Property taxes are projected to increase approximately \$35 million to \$45 million.
- Interest expense (net of AFUDC - debt) is projected to increase \$110 million to \$120 million.
- AFUDC - equity is projected to increase \$0 million to \$10 million.
- ETR is projected to be ~ (5%) to (7%).

^(a) Ongoing earnings is calculated using net income and adjusting for certain nonrecurring or infrequent items that are, in management's view, not reflective of ongoing operations. Ongoing earnings could differ from those prepared in accordance with GAAP for unplanned and/or unknown adjustments. Xcel Energy is unable to forecast if any of these items will occur or provide a quantitative reconciliation of the guidance for ongoing EPS to corresponding GAAP EPS.

Long-Term EPS and Dividend Growth Rate Objectives — Xcel Energy expects to deliver an attractive total return to our shareholders through a combination of earnings growth and dividend yield, based on the following long-term objectives:

- Deliver long-term annual EPS growth of 5% to 7% based off of a 2022 base of \$3.15 per share, which represents the mid-point of the original 2022 guidance range of \$3.10 to \$3.20 per share.
- Deliver annual dividend increases of 5% to 7%.
- Target a dividend payout ratio of 60% to 70%.
- Maintain senior secured debt credit ratings in the A range.

ITEM 3 — QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to the market risk disclosure included in our Annual Report on [Form 10-K](#) for the year ended Dec. 31, 2021 under "Derivatives, Risk Management and Market Risk."

ITEM 4 — CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Xcel Energy maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed in reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms. In addition, the disclosure controls and procedures ensure that information required to be disclosed is accumulated and communicated to management, including the CEO and CFO, allowing timely decisions regarding required disclosure.

As of Sept. 30, 2022, based on an evaluation carried out under the supervision and with the participation of Xcel Energy's management, including the CEO and CFO, of the effectiveness of its disclosure controls and procedures, the CEO and CFO have concluded that Xcel Energy's disclosure controls and procedures were effective.

Internal Control Over Financial Reporting

No changes in Xcel Energy's internal control over financial reporting occurred during the most recent fiscal quarter that materially affected, or are reasonably likely to materially affect, Xcel Energy's internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1 — LEGAL PROCEEDINGS

Xcel Energy is involved in various litigation matters in the ordinary course of business. The assessment of whether a loss is probable or is a reasonable possibility, and whether the loss or a range of loss is estimable, often involves a series of complex judgments about future events. Management maintains accruals for losses probable of being incurred and subject to reasonable estimation.

Management is sometimes unable to estimate an amount or range of a reasonably possible loss in certain situations, including but not limited to when (1) the damages sought are indeterminate, (2) the proceedings are in the early stages, or (3) the matters involve novel or unsettled legal theories. In such cases, there is considerable uncertainty regarding the timing or ultimate resolution of such matters, including a possible eventual loss.

For current proceedings not specifically reported herein, management does not anticipate that the ultimate liabilities, if any, would have a material effect on Xcel Energy's consolidated financial statements. Legal fees are generally expensed as incurred.

See Note 10 to the consolidated financial statements and Part I Item 2 for further information.

ITEM 1A — RISK FACTORS

Xcel Energy's risk factors are documented in Item 1A of Part I of its Annual Report on [Form 10-K](#) for the year ended Dec. 31, 2021, which is incorporated herein by reference. There have been no material changes from the risk factors previously disclosed in the [Form 10-K](#).

ITEM 2 — UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchases of Equity Securities by the Issuer and Affiliated Purchaser:

For the quarter ended Sept. 30, 2022, no equity securities that are registered by Xcel Energy Inc. pursuant to Section 12 of the Securities Exchange Act of 1934 were purchased by or on behalf of us or any of our affiliated purchasers.

ITEM 6 — EXHIBITS

* Indicates incorporation by reference

Exhibit Number	Description	Report or Registration Statement	Exhibit Reference
3.01*	Amended and Restated Articles of Incorporation of Xcel Energy Inc., dated May 17, 2012	Xcel Energy Inc. Form 8-K dated May 16, 2012	3.01
3.02*	Bylaws of Xcel Energy Inc. as Amended on April 3, 2020	Xcel Energy Inc Form 8-K dated April 3, 2020	3.01
4.01*	Supplemental Indenture dated as of July 15, 2022 between Northern States Power Company and U.S. Bank Trust Company, National Association, as successor Trustee, creating 4.86% First Mortgage Bonds, Series due September 15, 2052	NSP-Wisconsin Form 8-K dated July 15, 2022	4.01
10.01*	Fourth Amended and Restated Credit Agreement, dated as of September 19, 2022, among Xcel Energy Inc., as Borrower, the several lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, Bank of America, N.A. and Barclays Bank PLC, as Syndication Agents, and Citibank, N.A., MUFG Bank Ltd. and Wells Fargo Bank, National Association, as Documentation Agents	Xcel Energy Inc. Form 8-K dated September 19, 2022	99.01
10.02*	Fourth Amended and Restated Credit Agreement, dated as of September 19, 2022, among Northern States Power Company, a Minnesota corporation, as Borrower, the several lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, Bank of America, N.A. and Barclays Bank PLC, as Syndication Agents, and Citibank, N.A., MUFG Bank, Ltd. and Wells Fargo Bank, National Association as Documentation Agents	Xcel Energy Inc. Form 8-K dated September 19, 2022	99.02
10.03*	Fourth Amended and Restated Credit Agreement, dated as of September 19, 2022, among Public Service Company of Colorado, as Borrower, the several lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, Bank of America, N.A. and Barclays Bank PLC, as Syndication Agents, and Citibank, N.A., MUFG Bank, Ltd. and Wells Fargo Bank, National Association, as Documentation Agents	Xcel Energy Inc. Form 8-K dated September 19, 2022	99.03
10.04*	Fourth Amended and Restated Credit Agreement, dated as of September 19, 2022, among Southwestern Public Service Company, as Borrower, the several lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, Bank of America, N.A. and Barclays Bank PLC, as Syndication Agents, and Citibank, N.A., MUFG Bank, Ltd. and Wells Fargo Bank, National Association, as Documentation Agents	Xcel Energy Inc. Form 8-K dated September 19, 2022	99.04
10.05*	Fourth Amended and Restated Credit Agreement, dated as of September 19, 2022, among Northern States Power Company, a Wisconsin corporation, as Borrower, the several lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, Bank of America, N.A. and Barclays Bank PLC, as Syndication Agents, and Citibank, N.A., MUFG Bank, Ltd. and Wells Fargo Bank, National Association, as Documentation Agents	Xcel Energy Inc. Form 8-K dated September 19, 2022	99.05
31.01	Principal Executive Officer's certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		
31.02	Principal Financial Officer's certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		
32.01	Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.		
101.SCH	Inline XBRL Schema		
101.CAL	Inline XBRL Calculation		
101.DEF	Inline XBRL Definition		
101.LAB	Inline XBRL Label		
101.PRE	Inline XBRL Presentation		
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)		

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

XCEL ENERGY INC.

10/27/2022

By: /s/ BRIAN J. VAN ABEL

Brian J. Van Abel

Executive Vice President, Chief Financial Officer

(Duly Authorized Officer and Principal Financial Officer)

CERTIFICATION

I, Robert C. Frenzel, certify that:

1. I have reviewed this report on Form 10-Q of Xcel Energy Inc. (a Minnesota corporation);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **10/27/2022**

/s/ ROBERT C. FRENZEL

Robert C. Frenzel
 President, Chief Executive Officer and Director
 (Principal Executive Officer)

CERTIFICATION

I, Brian J. Van Abel, certify that:

1. I have reviewed this report on Form 10-Q of Xcel Energy Inc. (a Minnesota corporation);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **10/27/2022**

/s/ BRIAN J. VAN ABEL

Brian J. Van Abel

Executive Vice President, Chief Financial Officer

(Duly Authorized Officer and Principal Financial Officer)

OFFICER CERTIFICATION
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Xcel Energy Inc. (Xcel Energy) on Form 10-Q for the quarter ended Sept. 30, 2022, as filed with the SEC on the date hereof (Form 10-Q), each of the undersigned officers of Xcel Energy certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

- (1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Xcel Energy as of the dates and for the periods expressed in the Form 10-Q.

Date: **10/27/2022**

/s/ ROBERT C. FRENZEL

Robert C. Frenzel
President, Chief Executive Officer and Director
(Principal Executive Officer)

/s/ BRIAN J. VAN ABEL

Brian J. Van Abel
Executive Vice President, Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Xcel Energy and will be retained by Xcel Energy and furnished to the SEC or its staff upon request.