

XCEL ENERGY INC
Form PRE 14A
March 21, 2011
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material pursuant to §240.14a-12

XCEL ENERGY INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Edgar Filing: XCEL ENERGY INC - Form PRE 14A

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Edgar Filing: XCEL ENERGY INC - Form PRE 14A

.. Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

Richard C. Kelly

Chairman of the Board

and Chief Executive Officer

April 5, 2011

Dear Shareholder,

Xcel Energy Inc.'s annual meeting of shareholders convenes Wednesday, May 18, 2011, at 11 a.m. CDT, at 414 Nicollet Mall, lower level, Minneapolis, Minn. The doors will open at 10:15 a.m. CDT.

In response to declining attendance in recent years, we will once again use a shorter format for our annual meeting. We will conduct the business portion of the meeting, announce voting results and provide time for your questions. Parking for the annual meeting will not be provided.

All shareholders as of the record date, or their duly appointed proxies, may attend the annual meeting. Remember, too, that you can listen to a webcast of the meeting at www.xcelenergy.com. You must reserve an admission ticket in order to attend. If you are a shareholder of record and plan to attend, please contact Xcel Energy's Corporate Secretary Department by e-mail at CorporateSecretary@xcelenergy.com or by telephone at (612) 215-5391 to reserve a ticket. Your ticket will be available for pick-up at the meeting. Requests to reserve admission tickets will be processed in the order in which they are received and must be received no later than May 13, 2011. In addition, state-issued photo identification will be required to gain admittance to the annual meeting.

If you hold shares through an intermediary, such as a bank or broker, and you plan to attend, you will need to send a written request for a ticket either by regular mail, fax or e-mail, along with proof of share ownership, such as a bank or brokerage firm account statement or a letter from the broker, trustee, bank or nominee holding your shares, confirming ownership to: Shareholder Relations, Xcel Energy Inc., 414 Nicollet Mall, Suite 500, Minneapolis, Minn. 55401-1993; fax: 612-215-4504; or e-mail: CorporateSecretary@xcelenergy.com.

If you plan to attend the annual meeting, please review the annual meeting guidelines that appear on the back cover of this proxy statement.

Your vote is important. We encourage you to vote on the issues included in the proxy statement as soon as possible. You can vote electronically over the internet, by telephone or by mailing a proxy card. Instructions about each of the options are included on your Notice of Internet Availability of Proxy Materials or your proxy card.

Sincerely,

Richard C. Kelly

Table of Contents

ANNUAL MEETING OF SHAREHOLDERS

NOTICE OF ANNUAL MEETING AND PROXY STATEMENT

TABLE OF CONTENTS

	Page
<u>Notice of Annual Meeting of Shareholders</u>	ii
<u>Questions and Answers about the Proxy Materials and the Annual Meeting</u>	1
<u>Corporate Governance</u>	7
<u>Board Structure and Compensation</u>	14
<u>Proposal No. 1 Election of Directors</u>	21
<u>Proposal No. 2 Approval of an Amendment to Increase the Number of Shares Under the Xcel Energy Inc. Non-Employee Directors' Stock Equivalent Plan, as Amended and Restated</u>	32
<u>Proposal No. 3 Approval of an Amendment to our Restated Articles of Incorporation to Eliminate Cumulative Voting in the Election of Directors</u>	36
<u>Proposal No. 4 Approval of Other Amendments to, and the Restatement of, our Restated Articles of Incorporation</u>	37
<u>Proposal No. 5 Advisory Vote on Frequency of Advisory Vote on Executive Compensation</u>	38
<u>Proposal No. 6 Advisory Vote on Executive Compensation</u>	39
<u>Proposal No. 7 Ratification of the Appointment of Deloitte & Touche LLP as Xcel Energy Inc.'s Independent Registered Public Accounting Firm for 2011</u>	41
<u>Proposal No. 8 Shareholder Proposal Regarding a Report on the Financial Risks of Continued Reliance on Coal Beneficial Ownership of Certain Shareholders</u>	42
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	46
<u>Compensation Discussion and Analysis</u>	48
<u>Report of the Compensation Committee</u>	49
<u>Tables Related to Executive Compensation</u>	65
<u>Potential Payments Upon Termination or Change in Control</u>	66
<u>Securities Authorized for Issuance Under Equity Compensation Plans</u>	80
<u>Information About Related Persons</u>	85
<u>Report of the Audit Committee of the Board of Directors</u>	86
<u>Independent Registered Public Accounting Firm</u>	88
<u>Other Business</u>	89
<u>Driving Directions</u>	90
<u>Appendix A</u>	91
<u>Appendix B</u>	A-1
<u>Annual Meeting Guidelines</u>	B-1
	Back
	Cover

Table of Contents

XCEL ENERGY INC.

414 Nicollet Mall

Minneapolis, Minnesota 55401-1993

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

- Time** 11:00 a.m. CDT on Wednesday, May 18, 2011
- Place** 414 Nicollet Mall, Lower Level, in Minneapolis, Minnesota
- Purpose of Meeting**
- (1) To elect as directors the 11 nominees named in the attached proxy statement to hold office until the next Annual Meeting of Shareholders and until their respective successors have been elected or appointed.
 - (2) To approve an amendment to increase the number of shares under the Xcel Energy Inc. Non-Employee Directors' Stock Equivalent Plan, as amended and restated.
 - (3) To approve an amendment to our Restated Articles of Incorporation to eliminate cumulative voting in the election of directors.
 - (4) To approve other amendments to, and the restatement of, our Restated Articles of Incorporation.
 - (5) To hold an advisory vote on the frequency of the advisory vote on executive compensation.
 - (6) To hold an advisory vote on executive compensation.
 - (7) To ratify the appointment of Deloitte & Touche LLP as Xcel Energy Inc.'s independent registered public accounting firm for 2011.
 - (8) To vote on a shareholder proposal regarding the preparation of a report on the financial risks of coal generation, if properly presented.
 - (9) To consider such other business as may properly come before the Annual Meeting or any adjournments thereof.

Record Date

You are entitled to vote if you were a shareholder at the close of business on March 22, 2011.

Annual Meeting Admission

All shareholders as of the record date, or their duly appointed proxies, may attend the Annual Meeting. You must reserve an admission ticket in order to attend. If you are a shareholder of record and plan to attend, please contact Xcel Energy's Corporate Secretary Department by email at CorporateSecretary@xcelenergy.com or by telephone at (612) 215-5391 to reserve a ticket. Your ticket will be available for pick-up at the meeting.

If you hold shares through an intermediary, such as a bank or broker, and you plan to attend, you will need to send a written request for a ticket either by regular mail, fax or email, along with proof of share ownership, such as a bank or brokerage firm account statement or a letter from the broker, trustee, bank or nominee holding your shares, confirming ownership to: Shareholder Relations, Xcel Energy Inc., 414 Nicollet Mall, Suite 500, Minneapolis, MN 55401-1993; fax: 612-215-4504; or email: CorporateSecretary@xcelenergy.com. Requests to reserve admission tickets will be processed in the order in which they are received and must be received no later than May 13, 2011.

State-issued photo identification will be required to gain admittance to the Annual Meeting.

Voting by Proxy

Please submit a proxy as soon as possible so that your shares can be voted at the Annual Meeting in accordance with your instructions. You may submit your proxy:

- (1) over the internet;
- (2) by telephone; or
- (3) by mail.

For specific instructions, refer to the Questions and Answers beginning on page 1 of this proxy statement and the voting instructions on your Notice of Internet Availability of Proxy Materials or your proxy card.

A Notice of Internet Availability of Proxy Materials or this proxy statement and proxy card are being distributed on or about April 5, 2011.

By Order of the Board of Directors,

CATHY J. HART

Corporate Secretary

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on May 18, 2011.

Our 2011 Proxy Statement and Annual Report are available at www.ematerials.com/xcl

Table of Contents

XCEL ENERGY INC.

414 Nicollet Mall

Minneapolis, Minnesota 55401-1993

April 5, 2011

PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 18, 2011

QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING

Q: Why Am I Receiving These Materials?

A: You are receiving these proxy materials in connection with the solicitation by the Board of proxies to be voted at Xcel Energy's 2011 Annual Meeting of Shareholders. You are requested to vote on the proposals described in this proxy statement. Xcel Energy has appointed Michael C. Connelly, Cathy J. Hart and David M. Sparby, or any of them with power of substitution, to vote all proxies properly executed and submitted by shareholders who are entitled to vote at the Annual Meeting, or any adjournment of the meeting.

Q: Why Did I Only Receive a Notice Directing Me to the Internet Instead of the Proxy Statement and Annual Report?

A: Instead of mailing a printed copy of our proxy materials to each shareholder, including our Proxy Statement and Annual Report to Shareholders, we are again providing shareholders access to these materials in a fast and efficient manner via the internet. This reduces the amount of paper and the environmental impact from our Annual Meeting as well as the costs associated with mailing these materials to all shareholders. On April 5, 2011, we began mailing a Notice of Internet Availability of Proxy Materials (the Notice) to some of our shareholders and posted our proxy materials on the website referenced in the Notice (www.ematerials.com/xcl). As more fully described in the Notice, shareholders may choose to access our proxy materials on the website or may request to receive a printed set of our proxy materials. Shareholders can indicate a preference to receive a hard copy of the full package by contacting Wells Fargo Shareholder Relations at 1-866-697-9377. The full package choice will remain in effect until changed by the shareholder. If you are a beneficial owner and you want to receive separate copies of the Annual Report to Shareholders and proxy statement in the future, you should contact your bank, broker, or other nominee record holder.

Q: What Are the Company's Voting Recommendations?

A: Our Board recommends that you vote your shares as follows:

FOR each of the nominees to the Board (see pages 21-31);

FOR the approval of an amendment to increase the number of shares under the Xcel Energy Inc. Non-Employee Directors' Stock Equivalent Plan, as amended and restated (see pages 32-35);

FOR the approval of an amendment to our Restated Articles of Incorporation to eliminate cumulative voting in the election of directors (see page 36);

Edgar Filing: XCEL ENERGY INC - Form PRE 14A

FOR the approval of an amendment to, and the restatement of, our Restated Articles of Incorporation (see page 37);

ONE YEAR for the proposal regarding an advisory vote on the frequency of the advisory vote on executive compensation (see page 38);

FOR the proposal regarding an advisory vote on executive compensation (see pages 39-40);

Table of Contents

FOR the ratification of the appointment of Deloitte & Touche LLP as Xcel Energy Inc.'s independent registered public accounting firm for 2011 (see page 41); and

AGAINST the shareholder proposal in this proxy statement regarding the preparation of a report on the financial risks of coal generation (see pages 42-45).

Q: What is the Difference Between Holding Shares as a Shareholder of Record and as a Beneficial Owner?

A: As summarized below, there are some distinctions between shares held of record and those owned beneficially:

Shareholder of Record. Your shares are registered directly in your name with our transfer agent, Wells Fargo Shareowner Services. As the shareholder of record, you have the right to vote your shares by proxy directly with the Company (by internet, by telephone or by mail) or to vote in person at the Annual Meeting. If you do not vote in person or by proxy, your shares will not be voted.

Beneficial Owner of Shares Held in Street Name. Your shares are held in a stock brokerage account or by a bank or other nominee (sometimes this is referred to as a street name). Your broker or nominee is considered the shareholder of record with respect to those shares and forwards proxy materials to you. As the beneficial owner, you have the right to direct your broker on how to vote and are also invited to attend the Annual Meeting. If you wish to vote your shares in person, you must provide us with a legal proxy from your broker.

Q: How Can I Vote My Shares?

A: You may vote in person at the Annual Meeting, by granting a proxy or, for shares held in street name, by submitting voting instructions to your broker or nominee. If you are a shareholder of record, you will be able to do this over the internet, by telephone or by mail. ***Please help us save time and postage costs by voting through the internet or by telephone.*** Each method is generally available 24 hours a day and will ensure that your vote is confirmed and posted immediately.

Shareholders of record (including participants in our Dividend Reinvestment and Stock Purchase Plan) may vote their shares as follows:

By Internet Go to the website at www.ematerials.com/xcl, 24 hours a day, seven days a week. You will need the control number that appears on your proxy card or on your Notice of Internet Availability of Proxy Materials. Internet voting is available until 11:59 p.m. EDT on May 16, 2011. You may incur telephone and internet access charges if you vote by the internet.

By Telephone Call 1-800-560-4078, 24 hours a day, seven days a week. You will need the control number that appears on your proxy card or on your Notice of Internet Availability of Proxy Materials. Telephone voting is available until 11:59 p.m. EDT on May 16, 2011.

By Mail If you received a full paper set of materials, date and sign your proxy card exactly as your name appears on your proxy card and mail it in the enclosed, postage-paid envelope. If you received a Notice of Internet Availability of Proxy Materials, you may request a proxy card by following the instructions in your Notice. You do not need to mail the proxy card if you are voting by internet or telephone.

Beneficial owners will receive instructions from the holder of record (the bank, brokerage house or other nominee that holds your shares) that you must follow in order for your shares to be voted.

If you are a participant in one of our employee savings or stock ownership plans, your proxy card is a voting directive for shares allocated to your account. The trustee will vote the shares as instructed

Table of Contents

by you in your voting directive. If you do not return your voting directive by 11:59 p.m. EDT on May 16, 2011 the trustee will vote your allocated shares, along with all unallocated shares held in the plan, in the same proportion that all other allocated shares are voted.

Q: What happens if I do not give specific voting instructions?

A: **Shareholders of Record.** If you are a shareholder of record and you:

Indicate when voting on the internet or by telephone that you wish to vote as recommended by the Board; or

Sign and return a proxy card without giving specific voting instructions, then the proxy holders will vote your shares in the manner recommended by the Board on all matters presented in this Proxy Statement and as the proxy holders may determine in their discretion with respect to any other matters properly presented for a vote at the Annual Meeting.

Beneficial Owners of Shares Held in Street Name. If you are a beneficial owner of shares held in street name and do not provide specific voting instructions, under the rules of various national and regional securities exchanges, the organization that holds your shares may generally vote your shares on routine matters but cannot vote on non-routine matters. If the organization that holds your shares does not receive instructions from you on how to vote your shares on a non-routine matter, it will inform the inspector of election that it does not have the authority to vote on this matter with respect to your shares. This is generally referred to as a broker non-vote.

Q: Which ballot measures are considered routine or non-routine ?

A. The proposal to make other amendments to, and the restatement of, our Restated Articles of Incorporation (Proposal No. 4) and the ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2011 (Proposal No. 7) are considered routine under applicable rules. A broker or other nominee may generally vote on routine matters.

The election of directors (Proposal No. 1), the approval of the increase in shares under the Stock Equivalent Plan for Non-Employee Directors (Proposal No. 2), the amendments to our Restated Articles of Incorporation to eliminate cumulative voting (Proposal No. 3), the advisory vote on the frequency of the advisory vote on executive compensation (Proposal No.5), the advisory vote on executive compensation (Proposal No. 6), and the shareholder proposal (Proposal No. 8) are matters considered non-routine under applicable rules. A broker or other nominee cannot vote without instructions on non-routine matters, and therefore there may be broker non-votes on Proposals No. 1, No. 2, No. 3, No. 5, No. 6 and No. 8.

Q: Can I Change My Vote?

A: Yes. If you change your mind after voting your proxy and prior to the Annual Meeting, you can revoke your proxy and change your proxy instructions by signing another proxy with a later date, voting a second time by telephone or by the internet prior to 11:59 p.m. EDT on May 16, 2011, or revoking your prior proxy and voting at the Annual Meeting. Alternatively, you may provide a written statement to the Company (attention: Corporate Secretary) of your intention to revoke your proxy.

Q: Is My Vote Confidential?

A: Yes. Xcel Energy has adopted a confidential voting policy under which shareholder votes are revealed only to a non-employee proxy tabulator or an independent inspector of election, except (1) as necessary to meet legal requirements, (2) in a dispute regarding authenticity of proxies and ballots, (3) in the event of a proxy contest if the other party does not agree to comply with the confidential voting policy, and (4) where disclosure may be necessary for the Company to assert or defend claims.

Table of Contents

Q: What is the Record Date and What Does it Mean?

A: Only shareholders of record at the close of business on the record date, March 22, 2011, are entitled to receive notice of the Annual Meeting and to vote the shares of common stock and preferred stock that they held on the record date.

Except in the case of cumulative voting for directors, each share of our common stock is entitled to one vote upon each matter presented at the Annual Meeting. On March 22, 2011, there were 4 , , shares of common stock issued and outstanding. If you owned preferred stock (other than the \$3.60 Series preferred stock), you are entitled to one vote per share of such preferred stock upon each matter presented at the Annual Meeting. On March 22, 2011, we had 774,800 shares of our preferred stock (other than the \$3.60 Series preferred stock) outstanding. If you owned shares of our \$3.60 Series preferred stock, you are entitled to three votes per share of such \$3.60 Series of preferred stock upon each matter presented at the Annual Meeting. On March 22, 2011, we had 275,000 shares of our \$3.60 Series preferred stock outstanding. Accordingly, shares representing 4 , , votes are entitled to vote at the Annual Meeting.

Q: What is the Quorum Requirement for the Annual Meeting?

A: At March 22, 2011, there were shares representing 4 , , votes entitled to vote at the Annual Meeting. We will have a quorum and be permitted to conduct business, except with respect to Proposal No. 3, if a majority of the voting power of these shares is present at the Annual Meeting in person or by proxy. We will have a quorum and be permitted to conduct business with respect to Proposal No. 3 if a majority of the voting power of the shares of our common stock and preferred stock together, a majority of the voting power of our common stock and a majority of the voting power of each series of our preferred stock are present in person or by proxy at the Annual Meeting. Abstentions and broker non-votes will be counted for the purpose of determining the presence of a quorum.

Q: What is the Voting Requirement to Approve Each of the Proposals?

A: **Election of Directors.** In the election of directors, you may vote FOR or AGAINST each of the nominees or your vote may be WITHHELD with respect to one or more of the nominees. In order to elect a director, the shares voted FOR a nominee must exceed the shares voted AGAINST the nominee. A WITHHOLD vote will not have an impact on the election of directors. You are entitled to cumulatively vote your shares for one or more nominees as described more specifically under the heading Proposal No. 1 Election of Directors.

Under our Guidelines on Corporate Governance, if an incumbent director in an uncontested election does not receive a majority of the votes cast FOR , he or she must offer to tender his or her resignation to our Governance, Compensation and Nominating Committee. The Board, taking into account the Governance, Compensation and Nominating Committee's recommendation, will act on the offer of resignation and publicly disclose its decision within ninety days after the date of the certification of the election results. The Governance, Compensation and Nominating Committee, in making its recommendation, and the Board, in making its decision, may each consider any factors or other recommendations that it considers relevant and appropriate. Any director who has offered to tender his or her resignation will not participate in the decision regarding his or her resignation. If the director's resignation is not accepted by the Board, the director will continue to serve until the next annual meeting and until his or her successor is duly elected. If the director's resignation is accepted by the Board, the Board may fill any resulting vacancy or may elect to not fill the vacancy and decrease the size of the Board.

Other Proposals. For all other proposals, except Proposal No. 5, you may vote FOR, AGAINST or ABSTAIN. All such proposals, other than Proposals No. 3, No. 5 and No. 6, require the

Table of Contents

affirmative FOR vote of a majority of the voting power of the shares present in person or by proxy and entitled to vote at the Annual Meeting. Proposal No. 3, if approved, will change the voting rights of the outstanding shares of common stock and preferred stock. Therefore, Proposal No. 3 requires the affirmative FOR vote of a majority of the voting power of the shares present in person or by proxy and entitled to vote at the Annual Meeting of the common stock and preferred stock (voting together), the common stock (voting separately) and each series of our preferred stock (voting separately). If you ABSTAIN on any of these proposals, except Proposals No. 5 and No. 6, it has the same effect as a vote AGAINST. A shareholder who does not vote in person or by proxy on a proposal (including a broker non-vote on a proposal) is treated as not present and not entitled to vote on that proposal, except for Proposal No. 2 where a broker non-vote may have the effect of precluding the proposal from being approved.

With respect to Proposal 5, you may vote for ONE, TWO or THREE years or ABSTAIN. We will consider our shareholders to have selected, on an advisory non-binding basis, the option receiving the most votes among the choices of the frequency of the advisory non-binding vote on executive compensation. For purposes of this proposal, a vote to ABSTAIN and a failure to vote in person on proxy (including a broker non-vote) will have no effect on this proposal.

With respect to Proposal No. 6, we will consider our shareholders to have approved, on an advisory, non-binding basis, our executive compensation if the shares voted FOR the proposal exceed the shares voted AGAINST. For purposes of this proposal, a vote to ABSTAIN and a failure to vote in person on proxy (including a broker non-vote) will have no effect on this proposal.

Q: What Does it Mean if I Receive More Than One Notice of Internet Availability of Proxy Materials or Proxy Card or Voting Instruction Card?

A: It means your shares are registered differently or are in more than one account. Please provide voting instructions for all notices, proxy cards and voting instruction cards you receive.

Q: Who Will Count the Vote?

A: We will continue, as we have for many years, to retain an independent inspector to receive and tabulate the proxies and to certify the results. For the 2011 Annual Meeting, representatives of Wells Fargo Shareowner Services, will tabulate the votes and act as the inspectors of election.

Q: Who Pays for the Cost of Soliciting Votes for the Annual Meeting?

A: We will bear the expense of preparing, printing and mailing this proxy material, as well as the cost of any solicitation. Some of our directors and officers as well as management and non-management employees may also contact you by telephone, mail, email or in person. You may also be solicited by means of news releases issued by Xcel Energy, postings on our website, www.xcelenergy.com, and advertisements in periodicals. We have also hired Alliance Advisors LLC to assist us in the solicitation of votes. We expect to pay Alliance Advisors LLC approximately \$8,000 for these services, plus expenses. We will also reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to beneficial owners of our stock.

Q: Does the Company Offer Shareholders Electronic Delivery of Proxy Materials?

A: Yes. Xcel Energy offers shareholders the option to receive the Annual Report to Shareholders and proxy statement electronically instead of receiving paper copies of these documents in the mail. You must consent to do so prior to the record date for the Annual Meeting.

To provide your consent for electronic delivery, please go to www.xcelenergy.com and click on Investor Information and then Shareholder Information. Then look for information about requesting

Table of Contents

electronic delivery. As soon as the Annual Report to Shareholders and proxy statement are available, electronic delivery participants will receive an e-mail with a link to the information and a control number to use to vote online.

Q: What Happens if Additional Proposals are Presented at the Annual Meeting?

A: Other than the proposals described in this proxy statement, we do not expect any matters to be presented for a vote at the Annual Meeting. If you grant a proxy, the persons named as proxy holders, Michael C. Connelly, Cathy J. Hart and David M. Sparby, or any of them, will have the discretion to vote your shares on any additional matters properly presented for a vote at the Annual Meeting. If for any unforeseen reason any of our nominees is not available as a candidate for director, the persons named as proxy holders will vote your proxy for such other candidate or candidates as may be recommended by the Governance, Compensation and Nominating Committee and nominated by the Board.

Q: May I Propose Actions for Consideration at Next Year's Annual Meeting of Shareholders?

A: Yes, you may submit proposals for consideration at future shareholder meetings as follows:

To Be Included in the Proxy Statement. Unless we indicate otherwise at a later date, in order for a shareholder proposal (other than a director nomination) to be considered for inclusion in the Company's proxy statement for next year's Annual Meeting, the written proposal must be received by the Corporate Secretary no later than 5:00 p.m. CST on December 7, 2011. These proposals must be in writing and sent to: Corporate Secretary, Xcel Energy Inc., 414 Nicollet Mall, Suite 500, Minneapolis, Minnesota 55401-1993. These proposals also will need to comply with Securities and Exchange Commission (SEC) regulations regarding the inclusion of shareholder proposals in our proxy materials.

To Be Raised from the Floor. Similarly, unless we indicate otherwise at a later date, in order for a shareholder proposal or director nomination to be raised from the floor during next year's Annual Meeting, the shareholder's written notice must be received by the Corporate Secretary no later than February 18, 2012, and must contain certain information as required under our bylaws. The requirements for such notice are set forth in our bylaws, a copy of which can be found on our website, www.xcelenergy.com, under "About Us" Corporate Governance.

Table of Contents

CORPORATE GOVERNANCE

Our Restated Articles of Incorporation and Restated Bylaws, together with Minnesota law and New York Stock Exchange and SEC rules, govern the Company. The Board of Directors operates under a set of written Guidelines on Corporate Governance. These Guidelines set forth the Company's corporate governance philosophy and the governance policies and practices that have been established to assist in governing the Company and its affiliates. Our Guidelines describe Board and Committee membership criteria, the Board selection and member orientation process, stock ownership guidelines and lead director responsibilities. Other important documents governing our corporate governance practices include our Committee Charters, Code of Conduct, our Political Contributions and Government Communication Policy and our Environmental Policy. Our Code of Conduct applies to all our officers, including our CEO, CFO and Chief Accounting Officer, as well as the employees and directors of Xcel Energy Inc., its wholly owned subsidiaries and affiliates. Any waiver of the Code of Conduct for our executive officers or directors may be made only by the Board of Directors or a committee of the Board.

All of our corporate governance materials are available on the Company's website at www.xcelenergy.com, under About Us. Copies of our corporate governance materials are also available free of charge to shareholders who request them. Requests must be in writing and sent to: Corporate Secretary, Xcel Energy Inc., 414 Nicollet Mall, Suite 500, Minneapolis, Minnesota 55401-1993. We will publish any amendments to the Code of Conduct and waivers of the Code of Conduct for our CEO, CFO and Chief Accounting Officer on our website.

Key Governance Policies and Practices

Xcel Energy is committed to effective corporate governance and ethical business conduct. Our Board believes that these values improve long-term performance. Our Board reevaluates our policies on an ongoing basis to ensure they meet our company's needs. Listed below are some of the significant corporate governance practices and policies we have adopted.

Shareholder Voting

All members of our Board of Directors are elected annually by our shareholders.

Each director must be elected by a majority vote in uncontested elections. If an incumbent director in an uncontested election does not receive a majority of the votes cast FOR, he or she must offer to tender his or her resignation to our Governance, Compensation and Nominating Committee.

We have no supermajority shareholder approval provisions.

Our shareholders annually ratify the selection of our independent registered public accounting firm.

Board and Committee Practices Under our Guidelines on Corporate Governance

We have an independent lead director who is elected annually by the independent directors. Our Guidelines on Corporate Governance establish the role and responsibilities of the lead director. More information about that role and our board structure can be found below in this section.

Directors may not serve on more than three public company boards of directors (including the Company) without the prior approval of the Governance, Compensation and Nominating Committee.

Table of Contents

Under our Guidelines, directors are to retire from the Board on or prior to the day of the Annual Meeting of Shareholders after they turn 72 and, except for inside directors and directors first elected prior to August 18, 2000, are to serve no more than 15 years on the Board.

Directors are required to offer their resignations upon a change in their primary careers.

Our Board of Directors conducts executive sessions of non-management directors at each regularly scheduled Board meeting. The lead director presides over each executive session of non-management directors. Our Board committees also conduct executive sessions that are presided over by the Committee Chairs of their respective committees.

Our Board of Directors and Board committees have the authority to retain independent advisors.

Our Board of Directors conducts an annual assessment of the performance of the Board and its processes.

The members of each Board committee conduct an annual assessment of the performance of the committees on which they serve.

Under the Guidelines, the Governance, Compensation and Nominating Committee is required to evaluate the performance of the CEO on an annual basis, using objective criteria.

Corporate Policies

We maintain stock ownership guidelines for directors and executive officers. More information about these guidelines is contained under *Directors Compensation Director Stock Ownership Guidelines* and *Compensation, Discussion and Analysis* below.

Our related-person transactions approval policy sets forth the standards for the review, approval and ratification by our Governance, Compensation and Nominating Committee of related-person transactions. See the discussion under *Certain Relationships and Transactions* below.

Our long-term incentive agreements have a clawback provision that either allows the Company to recover cash incentive compensation and equity awards from any employee receiving a long-term incentive award in the event of fraud or misconduct resulting in a restatement of the Company's financial statements or, for more recent awards, in the event the employee is terminated for fraud or misconduct. See the discussion under the heading *Compensation Discussion and Analysis Can Xcel Energy recover any compensation from an executive who has been terminated for fraud or misconduct?* below.

We have an anti-hedging policy, under which all directors and employees are prohibited from hedging in the Company's stock. See the discussion under the heading, *Compensation Discussion and Analysis What are the guidelines for stock ownership by executive officers?* below.

We have a political contributions policy under which we disclose on an annual basis all corporate contributions to a candidate's campaign, or to an entity organized under Section 527 of the Internal Revenue Code, on our corporate website.

Edgar Filing: XCEL ENERGY INC - Form PRE 14A

We have an environmental policy that sets forth our commitment to outstanding environmental compliance and our commitment to pursue industry-leading initiatives that enhance customer and shareholder value while demonstrating respect for our communities and concern for the environment.

Board Leadership Structure

The Xcel Energy Board of Directors is committed to effective and independent oversight of management and effective corporate governance. Our Board leadership structure, which is set forth in

Table of Contents

our Guidelines on Corporate Governance, promotes effective governance through the designated lead director and Board and committee composition and structure.

First, the Board leadership structure, which includes a designated lead director and a combined position of Chairman and CEO, promotes effective governance. The combined position promotes strategy development, execution, and the provision of information, which are essential to effective governance. One of the key responsibilities of the Board is to develop strategic direction and hold management accountable for the execution of that strategy. Management and independent directors have different perspectives and roles in strategy development and execution. Management brings experience and expertise of the Company and the industry. An executive Chair who is familiar with the Company and industry is in the best position to define and develop strategy and work with the lead director to educate the Board and lead the development of strategy. An example of this is our environmental leadership strategy. The Company also believes that an executive Chair can more effectively provide information to the Board on the Company's opportunities, challenges and performance. Independent directors, represented by the lead independent director, bring experience and expertise from outside the Company and industry to strategy development.

The lead independent director is elected by and from the independent Board members for a one-year term. On May 19, 2010, the independent members of our Board of Directors elected Fredric W. Corrigan to serve as the lead director for a one-year term. The responsibilities of the lead independent director are outlined in our Guidelines on Corporate Governance and include the following:

Preside at all meetings of the Board at which the Chair is not present, including executive sessions of the non-management and independent directors;

Serve as a liaison between the Chair and the independent directors, maintain regular communications with the independent directors and focus director communication on critical issues;

Approve the agenda for the Board and, with the Chair, approve all materials provided to the directors;

Approve meeting schedules to ensure sufficient time is provided for discussion of agenda items;

Call meetings of the independent directors, as necessary;

Consult and communicate with major shareholders, if requested;

Manage evaluation of Board performance;

Chair executive sessions of the Board; and

Develop and maintain a process for CEO succession planning with the Governance, Compensation and Nominating Committee. The lead director and executive Chair both have responsibilities in providing information and contributing to effective governance by the Board. The Board believes that the balance of the two positions ensures the Board receives the information, experience and direction it needs to effectively govern.

Second, our Board and committee composition ensures independence. The Board currently has nine independent, non-employee directors among its eleven members. All committees are composed of independent, non-employee directors. The independent directors meet on a regular basis in executive sessions without the CEO or any other management present. The lead director presides at these executive sessions.

Table of Contents

Board Oversight of Risk

The goal of the Company's risk management process is to understand and manage material risk; management is responsible for identifying and managing the risks, while directors oversee and hold management accountable. Our risk management process has three parts: identification and analysis; management and mitigation; and communication and disclosure. Company management identifies and analyzes risks to determine materiality and other attributes like timing, probability and controllability. Management broadly considers our business, the utility industry, the domestic and global economy, and the environment to identify risks. Identification and analysis occurs formally through a key risk assessment process conducted by senior management, the securities disclosure process, the hazard risk management process, and internal auditing and compliance with financial and operational controls. Management also identifies and analyzes risk through its business planning process and development of goals and key performance indicators, which include risk identification to determine barriers to implementing the Company's strategy. At the same time, the business planning process identifies areas where a business area may take inappropriate risk to meet goals.

The goal of the risk management process is to mitigate the risks inherent in the implementation of the Company's strategy. The process for risk management and mitigation includes our Code of Conduct and other compliance policies, formal structures and groups, and overall business management. At a threshold level, the Company has developed a robust compliance program and promotes a culture of compliance, which mitigates risk. In addition to the Code of Conduct, the Company has compliance policies, training and reporting options. Building on the culture of compliance, the Company manages and mitigates risks through formal structures and groups, including Management Councils, Risk Committees, and the services of corporate areas such as internal audit, the corporate controller and legal services. While the Company has developed a number of formal structures for risk management, many material risks affect the business as a whole and are managed across business areas. The Company confronts legislative and regulatory policy and compliance risks, including risks related to climate change and emission of carbon dioxide and risks for recovery of capital and operating costs; resource planning and other long-term planning risks, including resource acquisition risks; financial risks, including credit, interest rate and capital market risks; and macroeconomic risks, including risks related to economic conditions and changes in demand for the Company's products and services. Cross-cutting risks such as these are discussed and managed across business areas and coordinated by the Company's senior management.

Management provides information to the Board in presentations and communications over the course of the Board calendar. Senior management presents an assessment of key risks to the Board annually. The presentation of the key risks and the discussion provides the Board with information on the risks management believes material, including the earnings impact, timing, likelihood and controllability. Based on this presentation, the Board reviews risks at an enterprise level and confirms risk management and mitigation are included in the Company's strategy. The Guidelines on Corporate Governance and committee charters define the scope of review and inquiry for the Board and Committees. The standing Committees also oversee risk management as part of their charters. Each committee has responsibility for overseeing aspects of risk and the Company's management and mitigation of the risk. The Board has overall responsibility for risk oversight. As described above, the Board reviews the key risk assessment process presented by senior management. This key risk assessment analyzes the most likely areas of future risk to the Company. The Board also reviews the performance and annual goals of each business area. This review, when combined with the oversight of specific risks by the committees, allows the Board to confirm risk is considered in the development of goals and that risk has been adequately considered and mitigated in the execution of corporate strategy.

Table of Contents

Director Independence

For purposes of determining independence, we have adopted the following categorical standards for director independence in compliance with the listing standards of the New York Stock Exchange:

No director qualifies as independent unless the Board affirmatively determines, taking into account all of the relevant facts and circumstances, that the director has no material relationship with us or any of our subsidiaries (either directly or as a partner, shareholder or officer of an organization that has a relationship with us or any of our subsidiaries);

A director who is an employee, or whose immediate family member is an executive officer, of us or any of our subsidiaries is not independent until four years after the end of such employment relationship;

A director who receives, or whose immediate family member receives, more than \$120,000 per year in direct compensation from us or any of our subsidiaries, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), is not independent until four years after he or she ceases to receive more than \$120,000 per year in such compensation;

A director (a) who is a current partner or employee of the firm that is the Company's external auditor, or (b) whose immediate family member is a current partner of such firm, or (c) whose immediate family member is a current employee of such firm and personally worked on the Company's audit, or (d) who was, or whose immediate family member was, within the last four years a partner or employee of such a firm and personally worked on the Company's audit within that time, is not independent;

A director who is employed, or whose immediate family member is employed, as an executive officer of another company where any of our present executives or any of our subsidiaries' present executives serve on that company's compensation committee is not independent until four years after the end of such service or the employment relationship;

A director who is an executive officer or an employee, or whose immediate family member is an executive officer, of a company that makes payments to, or receives payments from, us or any of our subsidiaries for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues is not independent until four years after falling below such threshold; and

A director who is an employee or representative of a significant supplier of any Xcel Energy business unit or legal entity will not be independent unless we entered into the relationship with the supplier as a result of competitive purchasing practices.

For purposes of determining whether a director is independent, the Board has determined that the receipt of regulated electric and gas service from the Company by a director, the director's immediate family member, or any entity of which the director is an affiliate does not constitute a material relationship.

One of our directors, Mr. Richard K. Davis, is the Chairman, President and Chief Executive Officer of U.S. Bancorp. U.S. Bancorp serves as trustee for two of our operating subsidiaries first mortgage indentures, is a member of the banking group syndicate, but not the lead bank, for our and our subsidiaries' revolving credit facilities, and one of its subsidiaries served as a co-manager, but not the lead bank, on two public debt securities offerings by two of our subsidiaries. In the future, U.S. Bancorp may perform similar services for the Company. For these services, the Company paid U.S. Bancorp and its affiliates approximately \$728,605 in 2010. For purposes of determining whether Mr. Davis is independent, the Board has determined that, due to the nature and relative size of such banking work

Table of Contents

compared to the revenues of both the Company and U.S. Bancorp, such banking work did not constitute a material relationship.

In light of the foregoing, the Board determined that the following directors, who constitute all of the non-management directors of our Board, meet the independence standards set forth above: Mr. Fredric W. Corrigan, Mr. Richard K. Davis, Mr. Albert F. Moreno, Mr. Christopher J. Policinski, Ms. A. Patricia Sampson, Mr. James J. Sheppard, Mr. David A. Westerlund, Ms. Kim Williams and Mr. Timothy V. Wolf. Mr. Richard C. Kelly and Mr. Benjamin G.S. Fowke III do not meet the independence standards because they currently serve as our Chairman and Chief Executive Officer and President and Chief Operating Officer, respectively.

Director Attendance

During 2010, the Board met six (6) times and the independent directors met in executive session on six (6) occasions. All of our directors attended all the meetings of the Board and committees on which such director served during 2010. In addition, all the members of the Board attended an all-day strategy session and related executive session, which we do not include in the meeting total above. We do not have a formal policy, but encourage each of our Board members to attend each Annual Meeting. All members of our Board attended the 2010 Annual Meeting of Shareholders.

Communications with the Board of Directors

Shareholders or other interested parties who wish to communicate with members of the Board, including the independent directors individually or as a group, may send correspondence to them in care of the Corporate Secretary at the Company's principal offices, 414 Nicollet Mall, Suite 500, Minneapolis, Minnesota 55401-1993. Alternatively, the directors may be contacted via e-mail at BoardofDirectors@xcelenergy.com.

Currently, all such emailed correspondence is sent automatically to an independent director who has been designated by the independent directors to receive such communications, without filter from the Company, and also simultaneously to the Corporate Secretary's Office. While the Corporate Secretary does not screen this correspondence, the Corporate Secretary may, as requested by the receiving independent director, act as agent for the independent directors and forward correspondence such as requests for service or customer complaints to an appropriate party within the Company for response. If the receiving director requests that the Company respond on behalf of the directors, a copy of the Company prepared response is provided to the receiving director. The Company reserves the option to review and change this policy if directed by the Board due to the nature and volume of the correspondence.

Board Diversity

The Governance, Compensation and Nominating Committee of the Board considers a number of factors when identifying nominees for director. On an annual basis, the Committee assesses the skills and characteristics required of directors in the context of the current make-up of the Board.

While the Committee does not have a formal diversity policy, diversity is one of the factors included in the Board membership criteria. The Board's Guidelines on Corporate Governance state:

The Governance, Compensation and Nominating Committee is responsible for reviewing with the Board, on an annual basis, the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board. This assessment of the perceived needs of the Board should consider factors such as demonstrated leadership, judgment, skill, diversity, integrity, experience with business and other organizations of comparable size, interplay of

Table of Contents

experience with experience of other Board members and the extent to which a member would be a desirable addition to the Board and any committee of the Board.

With respect to diversity, the Committee considers a broad range of diversity factors, including gender, ethnicity, race, national origin, geographic representation, education and personality. During its director search process and review of nominees, the Committee strives for a balance of skills and characteristics of Board members to appropriately represent the diversity of its shareholders, employees and customers.

Nomination of Directors

In considering individuals for nomination as directors, the Governance, Compensation and Nominating Committee typically solicits recommendations from its current directors and is authorized to engage third party advisors, including search firms, to assist in the identification and evaluation of candidates. In evaluating potential candidates, the Committee may consider such factors as it deems appropriate. As noted above, these factors include demonstrated leadership, judgment, skill, diversity, integrity, experience with businesses and other organizations of comparable size, the interplay of the candidate's experience with the experience of other Board members and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board. While the Committee has not established any specific minimum qualifications for director nominees, the Committee believes that demonstrated leadership, as well as significant years of service in an area of endeavor such as business, law, public service, related industry or academia, is a desirable qualification for service as a director of the Company.

Of the nine non-employee directors recommended for election at the 2011 Annual Meeting, all were elected as directors at our 2010 Annual Meeting, except for Mr. James J. Sheppard, who was appointed to the Board after our external director recruitment firm identified him as a candidate. The director recruitment firm identified, evaluated and performed background searches of the nominees and coordinated interviews. The Governance, Compensation and Nominating Committee reviewed his qualifications and recommended his election to the Board.

Shareholder Nomination of Directors

Any shareholder may make recommendations to the Governance, Compensation and Nominating Committee for consideration by the Committee for membership on the Board by sending a written statement of the qualifications of the recommended individual to the Corporate Secretary at 414 Nicollet Mall, Suite 500, Minneapolis, Minnesota 55401-1993. Such recommendations should be received by October 1, 2011 in order to be considered for next year's Annual Meeting. The Committee will evaluate candidates recommended by shareholders on the same basis as it evaluates other candidates.

Table of Contents**BOARD STRUCTURE AND COMPENSATION****Standing Committees**

The Board had the following four standing committees during 2010:

Audit;

Finance;

Governance, Compensation and Nominating; and

Nuclear, Environmental and Safety.

The current members of the Committees are as follows:

Committee Structure

Name(1)(2)	Audit Committee	Finance Committee	Governance, Compensation and Nominating Committee	Nuclear, Environmental and Safety Committee
Fredric W. Corrigan			X	X
Richard K. Davis		*		X
Albert F. Moreno	*	X		
Christopher J. Policinski			X	X
A. Patricia Sampson	X		X	
James J. Sheppard(3)				
David A. Westerlund		X	*	
Kim Williams	X	X		
Timothy V. Wolf	X			*

* Committee Chair

- (1) The Board has determined that each of the directors named in this table is independent, as defined in the listing standards of the New York Stock Exchange.
- (2) During 2010 and prior to their retirement from the Board at the time of the 2010 Annual Meeting of Shareholders, Mr. C. Coney Burgess served as Chair of the Governance, Compensation and Nominating Committee and as a member of the Finance Committee, Dr. Margaret R. Preska served on the Audit and Finance Committee and Mr. Richard H. Truly served on the Governance, Compensation and Nominating Committee and as Chair of the Nuclear, Environmental and Safety Committee.

Edgar Filing: XCEL ENERGY INC - Form PRE 14A

(3) Mr. James J. Sheppard was elected to the Board on March 1, 2011. The Board expects that he will be a member of the Nuclear, Environmental and Safety Committee, but no committee assignments have been determined at the date of this proxy statement. The Governance, Compensation and Nominating Committee recommends to the Board the directors to chair these committees. The roles and responsibilities of these committees are defined in the committee charters adopted by the Board and provide for oversight of executive management. The duties and responsibilities of all the Board committees are reviewed regularly and are outlined below.

Table of Contents

Audit Committee

All members of the Audit Committee are independent, as defined in the listing standards of the New York Stock Exchange and SEC rules, and are financially literate in accordance with the listing standards of the New York Stock Exchange. The Board has determined that Mr. Timothy V. Wolf and Ms. Kim Williams meet the Securities and Exchange Commission's definition of an audit committee financial expert.

Number of meetings in 2010: Six (6)

The functions of the Audit Committee include:

Oversight of our financial reporting process, including the integrity of our financial statements, compliance with legal and regulatory requirements, and the independence and performance of internal and external auditors;

Review of the annual audited financial statements and quarterly financial information with management and the independent auditors;

Appointment of independent auditors;

Review with management the Company's major financial risk exposures and the steps management has taken to monitor and control the exposures, including the Company's risk assessment and risk management guidelines and policies;

Review with the independent auditors of the scope and the planning of the annual audit;

Review of findings and recommendations of the independent auditors and management's response to the recommendations of the independent auditors; and

Preparation of the Report of the Audit Committee included in this proxy statement.

Finance Committee

Number of meetings in 2010: Four (4)

The functions of the Finance Committee include:

Oversight of corporate capital structure and budgets;

Oversight of financial plans and dividend policies;

Recommendations as to dividends;

Oversight of insurance coverage and banking relationships;

Oversight of investor relations; and

Oversight of financial and operational risk management.

Governance, Compensation and Nominating Committee

Number of meetings in 2010: Four (4)

The functions of the Governance, Compensation and Nominating Committee include, among others:

Determination of Board organization, selection of director nominees and setting of director compensation;

Evaluation of performance of the CEO and other senior officers;

Approval of executive officer compensation, including incentives and other benefits;

Establishment of corporate governance principles and procedures;

Table of Contents

Review of corporate structure and policies with respect to human resource policies, corporate ethics, and long range workforce planning and strategy;

Oversight of compensation and governance related risks;

Review proxy disclosures regarding directors and executive officers compensation and benefits, including but not limited to the Compensation Discussion and Analysis; and

Preparation of the Report of the Compensation Committee included in this proxy statement.

Process Related to Executive Officer and Director Compensation

Under the terms of its charter, the Governance, Compensation and Nominating Committee of the Board of Directors has broad authority to develop and implement compensation policies and programs for executive officers and Board members. In particular the role or functions of the Governance, Compensation and Nominating Committee is to:

Review and approve corporate goals and objectives relevant to the compensation of the CEO;

Evaluate the performance of the CEO in light of those corporate goals and objectives and set the compensation level for the CEO based on such evaluation and any other factors it deems appropriate;

Review and recommend to the Board the approval, adoption and amendment of all cash and equity-based incentive compensation plans in which any executive officer participates and all other equity-based plans;

Administer the equity-based incentive compensation plans and any other plans adopted by the Board that contemplate administration by the Governance, Compensation and Nominating Committee;

Review performance and approve salaries and other forms of compensation, including perquisites and awards under the incentive compensation plans and equity-based plans, for executive and senior officers and report the results of such performance and compensation evaluations to the Board;

For executive and senior officers, approve short-term and long-term incentive awards and review corporate annual and long-term performance against goals;

Review severance and employment arrangements for senior officers; and

Review and recommend Board compensation plans.

The Governance, Compensation and Nominating Committee may in its discretion delegate all or a portion of its duties and responsibilities to a subcommittee.

The Governance, Compensation and Nominating Committee retained Towers Perrin as its independent, external compensation consultant for the last several years. At the beginning of 2010, Towers Perrin merged with Watson Wyatt, and became Towers Watson, and Towers Watson served

Edgar Filing: XCEL ENERGY INC - Form PRE 14A

as the Committee's independent compensation consultant until October 2010. In October 2010, following the formation of Pay Governance LLC, the Governance, Compensation and Nominating Committee hired Pay Governance LLC as its independent executive compensation consultant. Pay Governance LLC is an independent consulting firm focused on delivering advisory services to compensation committees and does not perform any assignments that are not in support of the Committee's charter. At the Committee's direction, its independent executive compensation consultant provides an annual evaluation and analysis of trends in executive and director compensation and evaluates related compensation issues from time to time as directly requested by the Committee.

Table of Contents

In its oversight of the Company's executive compensation program, the Governance, Compensation and Nominating Committee worked with its independent executive compensation consultants, the CEO and the Chief Administrative Officer. The Governance, Compensation and Nominating Committee receives additional support from the Vice President and Corporate Secretary and the Vice President and General Counsel. The CEO and other officers provide recommendations with respect to:

The corporate performance objectives and goals other than goals relating to environmental leadership and safety strategies, on which awards of both annual and long-term incentive compensation are based;

Issues related to attracting, retaining or motivating executive officers; and

Information regarding financial performance, budgets and forecasts as they pertain to executive compensation.

The CEO and officers also provide recommendations to the Nuclear, Environmental and Safety (NES) Committee with respect to safety and environmental leadership goals, which the NES Committee considers and recommends, if appropriate, as goals. The Governance, Compensation and Nominating Committee considers this information with the advice of its independent compensation consultant and takes into account several factors, including but not limited to: the desire to align management interests with those of shareholders, customers and employees; the desire to link management pay to annual and long-term Company performance; and the need to attract and retain talent from both within and outside of the utility industry, all of which ultimately determines the executive compensation policies and programs.

The Governance, Compensation and Nominating Committee reviews tally sheets for each executive officer, which identify the components of each executive officer's compensation and present in one document the entire compensation of the executive officers whether actually earned and received or in potential future amounts. The tally sheets are prepared by the Company with certain post-employment valuations provided by outside consultants. They present the value of each component of the executive officer's compensation including total cash compensation, deferred compensation, perquisite allowances, existing but unvested equity awards, any retirement or other post employment benefits, and other potential compensation under applicable severance plans. Tally sheets are used in evaluating whether total executive compensation is competitive and accomplishes the goals of our executive officer compensation program. They are not used to determine any particular amount of compensation. Tally sheets are also used to make comparisons of executive officers for internal equity.

Nuclear, Environmental and Safety Committee

Number of meetings in 2010: Four (4)

The functions of the Nuclear, Environmental and Safety Committee include, among others:

Oversight of nuclear strategy and operations, including the review of the results of reports and major inspections and evaluations;

Review of environmental strategy, compliance, performance issues and initiatives;

Review of material risks relating to our nuclear operations and our environmental and safety performance, including risks to the Company's reputation; and

Review of safety performance, strategy and initiatives.

Table of Contents**Directors Compensation**

Only non-employee directors are compensated for their Board service. For 2010, the director pay components were as follows:

Annual Retainers:

\$80,000 retainer for all non-employee directors;

\$15,000 for the lead independent director;

\$5,000 if serving as a chair of a Board committee, with the exception of the Audit Committee chair, who receives \$10,000; and

\$5,000 for members of the Audit Committee, other than the chair.

Directors receive 25% of the applicable annual retainer each quarter (pro-rated for partial service during the quarter). As discussed under Director Deferred Compensation Plans, directors may elect to defer all or a portion of their cash retainer into stock equivalent units.

Annual Equity Grant:

\$120,000 of Xcel Energy common stock equivalent units are granted on the first business day following the annual shareholders meeting (prorated for directors who serve part of the one-year term), which are payable upon the director's disability or termination of service.

Xcel Energy does not pay meeting fees for a director's participation in Board or committee meetings. The amount of compensation each current and former director received in 2010, including deferred amounts, is shown in the table below.

Director Compensation Table

Name	Fees Earned or Paid in Cash	Stock Awards	Total (\$)
	(\$)(1)	(\$)(2)	
C. Coney Burgess(3)		39,231	39,231
Fredric W. Corrigan	95,000	120,000	215,000
Richard K. Davis	85,000	120,000	205,000
Albert F. Moreno	90,000	120,000	210,000
Christopher J. Policinski		216,000	216,000
Margaret R. Preska(3)		39,231	39,231
A. Patricia Sampson	73,950	133,260	207,210
James J. Sheppard(4)			
Richard H. Truly(3)		39,231	39,231
David A. Westerlund		222,000	222,000
Kim Williams		222,000	222,000
Timothy V. Wolf	88,077	120,000	208,077

- (1) Represents cash payments of annual retainer and additional retainers for service as lead independent director, committee chairs or Audit Committee members, including amounts deferred under our Non-Employee Directors Deferred Compensation Plan.

Table of Contents

(2) Amounts in this column represent the aggregate grant date fair value of the deferred stock units granted to directors in fiscal 2010 as computed in accordance with FASB ASC Topic 718 Compensation – Stock Compensation. For a discussion of the assumptions and methodologies used to calculate the amounts reported, see Note 8, Share-Based Compensation, to Xcel Energy’s Consolidated Financial Statements, included as part of Xcel Energy’s 2010 Annual Report on Form 10-K. Directors receive stock equivalent units for their annual equity grant and if they elect to defer their cash retainers into stock equivalent units. Stock equivalent units are only payable as a distribution of whole shares of the Company’s common stock upon a director’s death, disability or termination of service. The stock equivalent units fluctuate in value as the value of our common stock fluctuates. As of December 31, 2010, the number of stock equivalent units owned by our current directors were as follows: Mr. Corrigan: 23,340.599 units; Mr. Davis: 23,340.599 units; Mr. Moreno: 94,895.477 units; Mr. Policinski: 12,359.419 units; Ms. Sampson: 77,933.641 units; Mr. Westerlund: 40,598.683 units; Ms. Williams: 12,660.904 units; and Mr. Wolf: 19,989.358 units.

(3) Messrs. Burgess and Truly and Dr. Preska retired from the Board of Directors on May 19, 2010.

(4) Mr. Sheppard was elected to the Board on March 1, 2011, and received no compensation for 2010.

Stock Equivalent Plan

We have a Stock Equivalent Plan for Non-Employee Directors (the “SEP”) to more closely align directors’ interests with those of our shareholders. Under the SEP, directors receive an annual award of stock equivalent units on the first business day following the annual shareholders meeting for the following year of service, with each unit having a value equal to one share of our common stock. Stock equivalent units cannot be voted by a director and are only payable as a distribution of whole shares of the Company’s common stock upon a director’s death, disability or termination of service. The stock equivalent units fluctuate in value as the value of our common stock fluctuates. Additional stock equivalent units are accumulated upon the payment of, and at the same value as, dividends declared on our common stock. The SEP is intended to comply with Section 409A of the Internal Revenue Code. As such, directors can elect to receive payouts from the SEP either in January of the year following their separation from service or within 90 days of such event.

On May 20, 2010, each outside director of the Company received an award of 5,747.126 stock equivalent units under this plan representing approximately \$120,000 in cash value; these amounts are reflected in the “Stock Awards” column in the “Director Compensation Table” above. Additional stock equivalent units were accumulated during 2010 as dividends were paid on our common stock. The number of stock equivalent units for each outside director that have accumulated during their tenure of Board service is listed in the Beneficial Ownership Table on page 46. The Company is asking shareholders to approve an increase to the number of shares under the SEP at this Annual Meeting. See “Proposal No. 2 Approval of an Amendment to Increase the Number of Shares Under the Xcel Energy Inc. Non-Employee Directors’ Stock Equivalent Plan, as Amended and Restated.”

Directors Deferred Compensation Plans

During 2010, directors were able to defer director fees until after retirement from the Board or separation from service as a director under two different plans. Under our SEP, directors who elect to defer compensation into stock equivalent units receive a premium of 20% of the compensation that was deferred. The terms of the SEP are discussed above.

Until December 2010, when this plan was frozen, directors were also able to elect to defer receipt of their cash retainer under our Non-Employee Directors Deferred Compensation Plan. Under this plan,

Table of Contents

deferred amounts earn a return of the average of the rate at which 30-day U.S. Treasury Bills are sold in the first auction of each month during a calendar quarter plus 100 basis points. The Directors Deferred Compensation Plan is intended to comply with the requirements of Section 409A of the Internal Revenue Code, and directors could elect to receive payments under the plan in either a lump sum in the January immediately following their termination of service or in ten annual installments commencing no later than the January of the year following their termination of service. Since the plan was frozen in 2010, directors cannot elect to defer future payments into this plan.

Frozen Predecessor Director Retirement Plan

The Company does not offer retirement benefits to its current directors. However, under a predecessor company's plan that was frozen on August 22, 2000, at the time of the formation of Xcel Energy, Mr. Burgess is entitled to a benefit which commenced with his retirement from the Board in 2010 resulting from his service as a director for that predecessor company. Based on the terms of this frozen tenure policy, Mr. Burgess is eligible to receive a monthly benefit (\$406.25) for the lesser of ten years or life upon his retirement from the Board. The retirement benefits provided Mr. Burgess are grandfathered benefits that were frozen in 2000. None of our current directors are entitled to receive similar benefits.

Director Stock Ownership Guidelines

Outside directors are subject to stock ownership guidelines, which establish a target level ownership of Xcel Energy common stock or common stock equivalents of seven times their annual cash retainer. Directors are expected to meet this guideline within five years of becoming a director. All directors whose stock ownership target date was on or before December 31, 2010 have met the guideline.

Table of Contents

PROPOSALS TO BE VOTED ON

PROPOSAL NO. 1

ELECTION OF DIRECTORS

Number of Nominees, Classification and Voting

The Board of Directors has set the size of the Board at 11 directors. Each director serves a one-year term, with all directors subject to annual election.

The following 11 individuals are the nominees to be elected to serve until the 2012 Annual Meeting and until their successors are elected: Fredric W. Corrigan, Richard K. Davis, Benjamin G.S. Fowke III, Richard C. Kelly, Albert F. Moreno, Christopher J. Policinski, A. Patricia Sampson, James J. Sheppard, David A. Westerlund, Kim Williams and Timothy V. Wolf. Each of the nominees is a current director. The persons named as proxies intend to vote the proxies for the election of the foregoing nominees to the Board. If any of the nominees should be unavailable to serve as a director by an event that is not anticipated, the persons named as proxies reserve full discretion to vote for any other persons who may be recommended by the Governance, Compensation and Nominating Committee and nominated by the Board.

The election of each director shall be decided by majority vote unless cumulative voting is in effect. This means that, to be elected, a nominee must receive more votes **FOR** his or her election than the votes cast **AGAINST** his or her election. If cumulative voting is in effect, you would be entitled to a number of votes equal to the number of votes entitled to be cast with respect to the shares held by you multiplied by the number of directors to be elected. If cumulative voting is in effect, you may cast all your votes **FOR** one nominee or distribute your votes **FOR** any number of nominees. With respect to the election of the nominated directors, the persons named as proxies reserve the right to cumulate votes represented by proxies which they receive and to distribute such votes among one or more of the nominees at their discretion.

Information as to Nominees

The nominees, their ages, principal occupations or positions, qualifications that the Board believes each has to serve as a director of the Company, experience and the years first elected as a director of the Company, if applicable, are shown on the following pages.

In considering relevant business experience for director candidates, the Company considers experience, demonstrated leadership, judgment, skill, diversity, integrity, experience with businesses and other organizations of comparable size, the interplay of the candidate's experience with the experience of other Board members and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board.

None of the nominees are related to each other or to any other nominee or to any executive officer of the Company or its subsidiaries by blood, marriage or adoption.

Except for Mr. Kelly and Mr. Fowke, no nominee has been an employee of the Company within the past five years.

The Board of Directors recommends a vote **FOR the election to the Board of each of the following nominees. Proxies solicited by the Board of Directors will be voted **FOR** each of the nominees, unless a different vote is specified.**

Table of Contents**Fredric W. Corrigan**

Age: 68

Director Since: 2006

Principal Occupation/
Experience: Retired CEO and President of The Mosaic Company, a global crop nutrition company; CEO and President of The Mosaic Company (October 2004 to January 2007). Previously Executive Vice President of Cargill, Incorporated (1999 to 2004).

Other Directorships: Clearwater Paper Corporation (2009 to Present); Edenspace Systems Corporation (2008 to Present); Northern Star Council Boy Scouts of America (2009 to Present); Western Golf Association – Evans Scholars Foundation (2003 to Present); Rockefeller Center for Public Policy and Community Service – Dartmouth College (2009 to Present); The Mosaic Company (2004 to 2007).

Mr. Corrigan is the retired CEO and President of The Mosaic Company (Mosaic). Mr. Corrigan was CEO and President of The Mosaic from October 2004 to January 2007. Mosaic is the world’s leading producer and marketer of concentrated phosphate and potash, two of the primary nutrients required to grow food crops. Mosaic is headquartered in Plymouth, Minnesota and employs approximately 7,400 people in ten countries. Previously Mr. Corrigan was Executive Vice President of Cargill, Incorporated. Mr. Corrigan is a director at Clearwater Paper Corporation, a manufacturer of paperboard, consumer tissue and wood products, and Edenspace Systems Corporation, a plant biotechnology company that develops innovative renewable fuel crops. Mr. Corrigan is also a director of the Northern Star Council of the Boy Scouts of America. Mr. Corrigan is the lead independent director on the Board and has served as a director of the Company since 2006.

Mr. Corrigan was selected to serve as a director and should continue to serve as a director based on his demonstrated leadership in business. Mr. Corrigan’s experience as CEO and President of a multinational corporation demonstrates judgment, business acumen, integrity and experience in a business of comparable size. His service as a director of another public company, Clearwater Paper Corporation, and an emerging technology company, Edenspace Systems Corporation, provide additional relevant business experience. Specifically, Mr. Corrigan has experience with strategic, commercial, environmental and safety issues similar to those faced by the Company. This experience provides value to the Company’s shareholders. During his tenure as the lead independent director, the Board has performed well. He has developed familiarity with the Company and the utility industry, and expertise in evaluating and guiding the Company in the execution of its corporate strategy.

Table of Contents**Richard K. Davis**

Age: 53

Director Since: 2006

Principal Occupation/
Experience: Chairman, President and CEO of U.S. Bancorp, a multi-state financial holding company (December 2007 to present). Previously President and CEO of U.S. Bancorp (December 2006 to December 2007); President and Chief Operating Officer of U.S. Bancorp (October 2004 to December 2006); Vice Chairman of U.S. Bancorp (February 2001 to October 2004).

Other Directorships: U.S. Bancorp (2006 to Present); American Bankers Association (2004 to 2008); Minnesota Orchestra (2003 to Present); Guthrie Theatre (2006 to 2009); Minneapolis YMCA (2008 to Present); University of San Diego (Trustee) (2007 to Present); Financial Services Roundtable (2001 to Present); Minneapolis Institute of Arts (2007 to Present); International Monetary Conference (2007 to Present); Minnesota Business Partnership (2007 to Present); Metropolitan Economic Development Association (2007 to 2008); The Clearing House (2007 to Present).

Mr. Davis is the Chairman, President and CEO of U.S. Bancorp, a multi-state financial holding company. Mr. Davis has been Chairman, President and CEO of U.S. Bancorp since December 2007. U.S. Bancorp is the parent company of U.S. Bank, the sixth largest commercial bank in the United States, which provides banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses and institutions. U.S. Bank is headquartered in Minneapolis, Minnesota, and operates in 25 states. Mr. Davis serves as the director of a number of non-profit and educational institutions, including the Minnesota Orchestra; Minneapolis YMCA; University of San Diego (Trustee); Financial Services Roundtable; Minneapolis Institute of Arts; International Monetary Conference; Minnesota Business Partnership; and Federal Reserve Advisory Committee. Mr. Davis has served as a director of the Company since 2006.

Mr. Davis was selected to serve as a director and should continue to serve as a director based on his demonstrated leadership in business. Mr. Davis' experience as Chairman, President and CEO of a prominent financial institution demonstrates judgment, business acumen, integrity and experience in a business of comparable size. His service as a director of non-profit and educational institutions provides additional relevant experience in many of the communities the Company serves. Mr. Davis has experience with strategic, commercial and financial issues similar to those faced by the Company. In particular, he has extensive experience and knowledge of financial markets, which is important given the Company's need to access these markets to support its corporate strategy. This experience provides value to the Company's shareholders. During his tenure as a director and chairman of the Finance Committee, the Board has performed well. He has developed familiarity with the other Company and the utility industry, and expertise in evaluating and guiding the Company in the execution of its corporate strategy.

Table of Contents

Benjamin G.S. Fowke III

Age: 52

Director Since: 2009

Principal Occupation/
Experience: President and Chief Operating Officer, Xcel Energy Inc., August 2009 to Present. Previously Executive Vice President, Xcel Energy Inc., December 2008 to August 2009; Chief Financial Officer, Xcel Energy Inc., October

2003 to August 2009; Vice President, Xcel Energy Inc., November 2002 to December 2008; Treasurer, Xcel Energy Inc., October 2003 to May 2004 and Vice President and Chief Financial Officer, Energy Markets Business Unit, Xcel Energy Inc., August 2000 to November 2002.

Other Directorships: American Gas Association (2008 to Present); the Minnesota Orchestra (2009 to Present); University of Colorado Denver Business School (2010 to Present); Energy Insurance Mutual (2010 to Present); Metropolitan Economic Development Association (2010 to Present).

Mr. Fowke is the President and Chief Operating Officer of Xcel Energy Inc. Mr. Fowke is responsible for certain corporate operations as well as Xcel Energy Inc.'s four operating companies that do business in eight states. Before assuming his current responsibilities, Mr. Fowke held a variety of executive positions at the company, including Vice President and CFO of Xcel Energy Inc. and Vice President and CFO of Energy Markets, where he was responsible for the financial operations of the Company's commodities trading and marketing business unit. Prior to the 2000 merger of Northern States Power Co. and New Century Energies to form Xcel Energy Inc., he was a Vice President in the NCE Retail business unit. Mr. Fowke served ten years with FPL Group, Inc., where he held various management positions. He also has held positions outside the energy industry with DWG Corp. and KPMG. He currently serves on the board of directors of the American Gas Association, the Minnesota Orchestra and Energy Insurance Mutual, and he is a member of the board of advisors for the University of Colorado Denver Business School. He also serves on the advisory board of the Metropolitan Economic Development Association. Mr. Fowke has served as a director of the Company since 2009.

Mr. Fowke was selected to serve as a director and should continue to serve as a director based on his demonstrated leadership in business. Mr. Fowke's experience as Vice President and Chief Financial Officer demonstrates judgment, business acumen, integrity and experience. Mr. Fowke has experience with the strategic, commercial and financial issues faced by the Company. In particular, he has extensive experience and knowledge of financial markets, which is important given the Company's need to access these markets to support its corporate strategy. His current position of Chief Operating Officer provides experience with the operations of the Company and expands Mr. Fowke's already extensive knowledge and experience in the utility industry. His service as a director of non-profit institutions, particularly the American Gas Association, provides additional relevant experience in management and governance. Mr. Fowke's experience provides value to the Company's shareholders.

Table of Contents**Richard C. Kelly**

Age: 64

Director Since: 2004

Principal Occupation/
Experience: Chairman and CEO of Xcel Energy Inc. (August 2009 to present); Chairman, President and CEO of Xcel Energy Inc. (December 2005 to August 2009); Chairman, Public Service Company of Colorado (PSCo), Southwestern Public Service (SPS), Northern States Power Company Wisconsin (NSPW) and Northern States Power Company Minnesota (NSPM) (March 2005 to present). Previously President and CEO of Xcel Energy Inc. (July 2005 to December 2005); President and Chief Operating Officer of Xcel Energy Inc. (October 2003 to June 2005); Vice President and Chief Financial Officer of Xcel Energy Inc. (August 2002 to October 2003); President, Enterprises of Xcel Energy Inc. (August 2000 to August 2002); Executive Vice President and Chief Financial Officer of New Century Energies (1997 to August 2000); and Senior Vice President of PSCo (1990 to 1997). Executive officer and director of many of our subsidiaries, including NSPM, NSPW, SPS and PSCo. President and Chief Operating Officer of NRG Energy, Inc. (NRG), a former subsidiary of Xcel Energy Inc. (June 2002 to May 2003), and a director of NRG (June 2000 to May 2003). In May 2003, NRG and certain of NRG's affiliates filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code to restructure their debt. NRG Energy, Inc. emerged from bankruptcy in December 2003.

Other Directorships: Canadian Pacific Railway (2008 to Present); Science Museum of Minnesota (2004 to 2010); Capital City Partnership (2006 to Present); Regis University (2006 to Present); Edison Electric Institute (2008 to Present); Electric Power Research Institute (2008 to Present); Nuclear Energy Institute (2005 to Present); Denver Metro Chamber of Commerce (2007 to Present); Member of National Renewable Energy Laboratory Advisory Council (2007 to Present); National Petroleum Council (2006 to Present); Colorado Concern (2004 to Present); Colorado Forum (2005 to Present); and Minnesota Business Partnership (2006 to Present).

Mr. Kelly is Chairman and CEO of Xcel Energy Inc. Previously Mr. Kelly served as President and CEO from August 2002 to October 2003 and President, Enterprises from August 2000 to August 2002. Mr. Kelly also served as Executive Vice President and CFO for NCE from 1997 to August 2000 and Senior Vice President of PSCo from 1990 to 1997. Mr. Kelly is also a director and executive officer of NSPM, NSPW, SPS and PSCo, all subsidiaries of Xcel Energy Inc. Mr. Kelly is a director of the Canadian Pacific Railway. Mr. Kelly is the Chairman of the Edison Electric Institute, the Chairman of the Board of Trustees of Regis University and a board member of the Capital City Partnership. Mr. Kelly is a member of the Minnesota Business Partnership; the National Petroleum Council; Nuclear Energy Institute; Colorado Concern and Colorado Forum; and the National Advisory Council of the National Renewable Energy Laboratory (NREL). Mr. Kelly has served as a director of the Company since 2004.

Mr. Kelly was selected to serve as a director and should continue to serve as a director based on his demonstrated leadership in business. Mr. Kelly's experience as Chairman and CEO of Xcel Energy Inc. demonstrates judgment, business acumen, integrity and experience. His service as a director of the Canadian Pacific Railway provides additional experience in development of corporate strategy and corporate governance. His service as a director of non-profit and educational institutions provides additional relevant experience in many of the communities the Company serves. Mr. Kelly has extensive experience with the strategic, commercial and financial issues the Company faces and has over forty years experience in the utility industry. He has extensive experience and knowledge of operational and financial issues. This experience provides value to the Company's shareholders. During Mr. Kelly's service as Chairman, the Board has performed well. Through his tenure as a director and Chairman, he has developed familiarity with the Company and the utility industry, and expertise in evaluating and guiding the Company in the execution of its corporate strategy.

Table of Contents**Albert F. Moreno**

Age: 67

Director Since: 1999

Principal Occupation/
Experience: Retired Senior Vice President and General Counsel of Levi Strauss & Co., a brand name apparel manufacturer (1996 to 2005).

Other Directorships: Rosenberg Foundation (1997 to Present).

Mr. Moreno is the retired Vice President and General Counsel of Levi Strauss & Co., a brand-name apparel manufacturer, in San Francisco, California. Mr. Moreno was Vice President and General Counsel of Levi Strauss & Company from 1996 to 2005. Levi Strauss & Company has sales in over 110 countries and employs approximately 10,000 employees world-wide. Mr. Moreno serves as a director of the Rosenberg Foundation, a philanthropic organization providing grants for the health, education, and recreation of California's children and communities. Formerly he was vice chairman and member of the board of trustees of the Levi Strauss Foundation, chairperson and member of the board of trustees of the Tomás Rivera Policy Institute, director of the National Association of Latino Elected and Appointed Officials (NALEO) Education Fund, member of the board of trustees of the Mexican Museum, chairperson of the National Hispanic Corporate Council and former member and vice president of the board of trustees of the University of California at Berkeley School of Law (Boalt Hall) Alumni Association. Mr. Moreno has been a director of the Company since 2000 and was a director of New Century Energies, Inc. from 1999 to 2000.

Mr. Moreno was selected to serve as a director and should continue to serve as a director based on his demonstrated leadership in business and law. Mr. Moreno's experience as Vice President and General Counsel of a multinational corporation demonstrates judgment, business acumen, integrity and experience in a business of comparable size. His service as a director of non-profit institutions provides additional relevant experience in management, governance and an understanding of the importance of diversity. Mr. Moreno has experience with strategic, commercial, legal, regulatory and compliance issues similar to those faced by the Company. In particular, he has extensive experience and knowledge of legal and regulatory issues, which is important given the legal and regulatory framework in which the Company operates. This experience provides value to the Company's shareholders. During his tenure as a director and chairman of the Audit Committee, the Board has performed well. He has developed familiarity with the Company and the utility industry, and expertise in evaluating and guiding the Company in the execution of its corporate strategy.

Table of Contents

Christopher J. Policinski

Age: 53

Director Since: 2009

Principal Occupation/
Experience: President and CEO of Land O Lakes Inc. (2005 to present). Previously Executive Vice President and Chief Operating Officer dairy foods division (1999 to 2005); Vice President, strategy and business development (1997 to 1999).

Other Directorships: Greater Twin Cities United Way (2005 to Present); U.S. Global Leadership Coalition (2008 to Present); Grocery Manufacturers Association (2005 to Present); National Council of Farmer Cooperatives (2005 to Present); National Milk Producers Federation (1999 to Present); University of Minnesota, Carlson School Board of Overseers (2009 to Present); Minnesota Orchestra Association (January 2011 to Present).

Mr. Policinski is President and CEO of Land O Lakes, Inc. Mr. Policinski has been President and CEO of Land O Lakes, Inc. since October 2005. Previously, he held senior leadership positions at Land O Lakes, Inc. and The Pillsbury Company. Land O Lakes, Inc., the third-largest cooperative in the United States, provides agricultural supplies and production and business services to member cooperatives and markets dairy-based food products for consumers, foodservice professionals and food manufacturers. Land O Lakes employs approximately 9,000 people and does business in more than 50 countries and is headquartered in Minneapolis, Minnesota. Mr. Policinski is a director of the Greater Twin Cities United Way, the Minnesota Orchestra Association and the Global Leadership Council. He was formerly a director of Twin Cities Public Television. In addition, Mr. Policinski is active as a board member on trade industry groups, including the Grocery Manufacturers Association, National Council of Farm Cooperatives and National Milk Producers Federation. He has been a director since 2009.

Mr. Policinski was selected to serve as a director and should continue to serve as a director based on his demonstrated leadership in business. Mr. Policinski's experience as President and CEO of a multinational corporation demonstrates judgment, business acumen, integrity and experience in a business of comparable size. Specifically, Mr. Policinski has experience with strategic, commercial, environmental and safety issues similar to those faced by the Company. His service as a director of non-profit institutions and trade industry groups provides additional relevant experience in management and governance. His service as a director of non-profit institutions also provides experience in the communities the Company serves. This experience provides value to the Company's shareholders.

Table of Contents**A. Patricia Sampson**

Age:	62
Director Since:	1985
Principal Occupation/ Experience:	CEO, President and Owner of The Sampson Group, Inc., a management development and strategic planning consulting business (1996 to present).

Other Directorships: Word Alive Ministries (1999 to present); Associate Minister Fellowship Missionary Baptist Church (1997 to present).

Ms. Sampson is the CEO, President and Owner of the Sampson Group, a management development and strategic planning business. The Sampson Group is headquartered in Minneapolis, Minnesota. Ms. Sampson is a director with Word Alive Ministries and the Fellowship Missionary Baptist Church, where she is Associate Minister. She formerly served as the CEO of the Minneapolis chapter of the American Red Cross. Ms. Sampson has been a director of the Company since 1985.

Ms. Sampson was selected to serve as a director and should continue to serve as a director based on her demonstrated leadership in business and public service. Ms. Sampson's experience as CEO and President of a consulting firm demonstrates judgment, business acumen and integrity. In addition, these attributes are also the result of her experience as CEO of a regional chapter of the American Red Cross. Ms. Sampson's experience in public service and in the ministry provides perspective on issues of importance to the Company's shareholders, including ethics and business conduct; talent acquisition, retention and development; diversity; and social responsibility. This experience provides value to the Company's shareholders. During her tenure as a director, the Board has performed well. She has developed familiarity with the Company and the utility industry. Ms. Sampson has extensive knowledge and experience of the Company's operations and management. She also has expertise in evaluating and guiding the Company in the execution of its corporate strategy.

James J. Sheppard

Age:	62
Director since:	2011
Principal Occupation/Experience	Former Senior Vice President and Chief Nuclear Officer at Southern California Edison (SCE), an electric utility (September 2010 to December 2010). Previously independent consultant (January 2010 to August 2010);

Chairman, President and CEO STP Nuclear Operating Company (2003 to 2009).

Other Directorships: None.

Mr. Sheppard is the former Senior Vice President and Chief Nuclear Officer of Southern California Edison, an electric utility. Prior to that position, Mr. Sheppard was an independent consultant from January 2010 to August 2010. From 1993 to 2009, Mr. Sheppard held several senior positions with the South Texas Project nuclear power plant, including Chairman, President and CEO from 2003 to 2009 of the STP Nuclear Operating Company, which operates the facility for its three owners.

Edgar Filing: XCEL ENERGY INC - Form PRE 14A

Mr. Sheppard was selected to serve as a director and should continue to serve as a director based on his demonstrated leadership and experience in the electric utility and, in particular, the nuclear generation industry. Mr. Sheppard's experience as President and CEO of a nuclear operating company demonstrates judgment, business acumen, integrity, and experience in a business with similar nuclear operations. Specifically, Mr. Sheppard's experience as a Chief Nuclear Officer demonstrates his ability to provide oversight, technical expertise and judgment in strategic matters involving nuclear power operations.

Table of Contents**David A. Westerlund**

Age: 60

Director Since: 2007

Principal Occupation/
Experience: Executive Vice President, Administration and Corporate Secretary of Ball Corporation, a supplier of metal packaging for beverage, food and household products, and of aerospace and other technologies and services (2006 to present).

Other Directorships: Westminster Legacy Foundation (2000 to Present).

Mr. Westerlund is the Executive Vice President, Administration, and Corporate Secretary of Ball Corporation, a supplier of metal packaging for beverage, food and household products, and of aerospace and other technologies and services. Mr. Westerlund has been Executive Vice President, Administration, and Corporate Secretary of Ball Corporation since 2006 and held a similar position from 2002 to 2006. Ball Corporation employs more than 14,500 people in more than 90 locations worldwide and is headquartered in Broomfield, Colorado.

Mr. Westerlund is a director of Westminster Legacy Foundation, a philanthropic organization providing grants for the benefit of the community of Westminster, Colorado. Mr. Westerlund has been a director of the Company since 2007.

Mr. Westerlund was selected to serve as a director and should continue to serve as a director based on his demonstrated leadership in business. Mr. Westerlund's experience as Vice President, Administration, and Corporate Secretary of a multinational corporation demonstrates judgment, business acumen, integrity and experience in a business of comparable size. As a Vice President, Administration, he is responsible for human resources, compensation and benefits at Ball Corporation, which provides important experience on the important issues of talent acquisition, retention and development. He is also responsible for environmental health and safety, corporate compliance, security and real estate activities at Ball Corporation. His service as a director of non-profit institutions provides additional relevant experience in management and governance. Mr. Westerlund has experience with strategic, commercial, compliance and corporate governance issues similar to those faced by the Company. In particular, he has extensive experience and knowledge of compliance and corporate governance issues, which is important given the regulatory framework in which the Company operates. This experience provides value to the Company's shareholders. During his tenure with the Board, the Board has performed well. Mr. Westerlund has developed familiarity with the Company and the utility industry, and expertise in evaluating and guiding the Company in the execution of its corporate strategy.

Table of Contents

Kim Williams

Age: 55

Director Since: 2009

Principal Occupation/
Experience: Retired partner at Wellington Management Company LLP (1995 to 2005).
Previously Senior Vice President, Partner, and Associate Director of Global
Industry Research.

Other Directorships: Weyerhaeuser Corporation (2006 to Present); E.W. Scripps Co. (2008 to Present); MicroVest (2008 to Present); YWCA Greater Newburyport, President (2009 to Present), Board member (2006 to Present); Concord Academy, trustee (2009 to Present); Anna Jaques Hospital, trustee, (2007 to Present).

Ms. Williams is a former partner at Wellington Management Company, LLP, headquartered in Boston, Massachusetts. Ms. Williams was a partner at Wellington Management Company, LLP. from 1995 until her retirement in 2005. Wellington Management manages investment of assets for institutional investors in over 40 countries, including public funds, central banks, insurance entities, endowments, foundations, mutual fund sponsors, retirement plan sponsors. Previously she held leadership positions at Loomis, Sayles & Co., Inc. and Imperial Chemical Industries (ICI) Pension Fund. She is a director of E.W. Scripps, a media company with interests in newspaper publishing, broadcast television stations, and licensing and syndication; and Weyerhaeuser Co., a forest products company. Ms. Williams serves on the Audit Committees at both E.W. Scripps and Weyerhaeuser Co. She is a director of MicroVest, an investment firm providing capital and management oversight to emerging market microfinance institutions; board president of the YWCA of Newburyport, Massachusetts; member of the Overseer Committee of Brigham and Women's Hospital; a director of the Anna Jaques Hospital; a member of the Trust Board, Overseer's Committee and Women's Leadership Council of Brigham and Women's Hospital; and a member of the leadership council for Oxfam America. She has been a director since 2009.

Ms. Williams was selected to serve as a director and should continue to serve as a director based on her demonstrated leadership in business and finance. Ms. Williams's experience as a partner with a large investment management firm demonstrates judgment, business and financial acumen, integrity and experience in evaluating businesses. Her service as a director and member of the Audit Committee of two other public companies provides additional relevant business experience, particularly with respect to evaluation of corporate strategy, financial experience and expertise and experience in corporate governance. In her role as a director of other public companies, Ms. Williams has experience with strategic, commercial, environmental and safety issues similar to those faced by the Company. Her service as a director of non-profit institutions provides additional relevant experience in management, governance, finance and an understanding of the importance of diversity. This experience provides value to the Company's shareholders.

Table of Contents

Timothy V. Wolf

Age: 57

Director Since: 2007

Principal Occupation/
Experience: President, Wolf Interests, Inc.; Chief Integration Officer,
MillerCoors Brewing Company LLC (June 2008 to June
2010). Previously Vice President and Global Chief
Financial Officer of Molson Coors Brewing Company

(2005 to June 2008); Vice President and Chief Financial Officer of Adolph Coors Company and Coors Brewing Company (1995 to 2005).

Other Directorships: Borders Group, Inc. (2009 to Present); E-Town, Boulder, Colorado (2009 to Present); Leeds School of Business Advisory Board, University of Colorado (2009 to Present); Denver Hospice (2007 to 2008).

Mr. Wolf was the Chief Integration Officer of MillerCoors Brewing Company LLC, having retired from that role on June 30, 2010. Prior to assuming the role of Chief Integration Officer in 2008, Mr. Wolf was Vice President and Global Chief Financial Officer of Molson Coors Brewing Company from 2005 to 2008. He held a similar position with Adolph Coors Company from 1995 to 2005. MillerCoors Brewing Company, headquartered in Chicago, Illinois, is a joint venture of SAB Miller and Molson Coors Brewing Company. Molson Coors Brewing Company is headquartered in Denver, Colorado, while SAB Miller is headquartered in London, England. Mr. Wolf is a resident of Boulder, Colorado. Mr. Wolf is a director of Borders Group, Inc.; E-Town, Boulder Colorado and is a member of the Advisory Board of the Leeds School of Business, University of Colorado. Mr. Wolf will be assisting, on a volunteer basis, newly elected Colorado Governor John Hickenlooper and his team with budget and change management issues. Mr. Wolf has been a director since 2007.

Mr. Wolf was selected to serve as a director and should continue to serve as a director based on his demonstrated leadership in business. Mr. Wolf's experience as a Vice President and CFO of a multinational corporation demonstrates judgment, business acumen, integrity and experience in a business of comparable size. Mr. Wolf has experience with strategic, commercial and financial issues similar to those faced by the Company. In particular, he has extensive experience and knowledge of financial markets, which is important given the Company's need to access these markets to support its corporate strategy. His service as a director of a non-profit institution, E-Town and, previously, the Denver Hospice, also provides relevant experience in management and governance. This experience provides value to the Company's shareholders. During his tenure with the Board, the Board has performed well. He has developed familiarity with the Company and the utility industry, and expertise in evaluating and guiding the Company in the execution of its corporate strategy.

Table of Contents

PROPOSAL NO. 2

APPROVAL OF AN AMENDMENT TO INCREASE THE NUMBER OF SHARES

UNDER THE XCEL ENERGY INC. NON-EMPLOYEE DIRECTOR STOCK EQUIVALENT PLAN, AS AMENDED AND RESTATED

Introduction

The Company's Board of Directors, upon recommendation of the Governance, Nominating and Compensation Committee of the Board, approved the amendment and restatement of the Stock Equivalent Plan for Non-Employee Directors of Xcel Energy Inc. (the "Plan") to be effective upon shareholder approval at the 2011 Annual Meeting. The amended Plan, among other things, increases the number of shares available for issuance from 750,000 shares to 2,750,000 shares. If this amendment is not approved, we estimate that we will exhaust the 750,000 original shares before the 2012 Annual Meeting. Given our current usage of shares under the Plan, if shareholders approve the amendment, we expect the additional 2,000,000 shares to be sufficient for awards for an additional ten to twelve years, although this estimate may vary depending on any changes to our stock price, board size, dividend policy and levels of director compensation.

The Board of Directors initially adopted a stock-equivalent plan for non-employee directors in 1996 and approved an amended and restated Stock Equivalent Plan for Non-Employee Directors of Xcel Energy (the "Original Plan"), which authorized the issuance of 750,000 shares of our common stock, was approved by shareholders at the 2004 Annual Meeting of Shareholders.

The summary below reflects the terms of the Plan as so amended. The proposed amendment to increase the number of shares under the Plan is reflected in the marked copy of the proposed Non-Employee Director Stock Equivalent Plan, as amended and restated and attached to this proxy statement as Exhibit A.

Purpose

The purposes of the Plan are:

To enable a portion of the compensation of each non-employee director to be tied to the performance of our common stock; and

To permit each director to defer receipt of all or a portion of his retainer, including retainers relating to committee or chair service.

Administration

The Plan is administered by the Governance, Compensation and Nominating Committee, which may delegate its authority to administer the plan to one or more persons who are either members of the Committee or executive officers of the Company. The Committee has authority to construe and interpret the terms of the Plan and to establish any rules and procedures as it deems necessary or advisable.

Awards under the Plan will be determined by the Board. The Board may amend or terminate the Plan, subject to the conditions discussed below.

Number of Shares

If the amendment to the Plan is approved by the shareholders, an additional 2,000,000 of stock equivalent units (or 2,000,000 shares of common stock) may be issued under the Plan, resulting in a total of 2,750,000 stock equivalent units that may be issued with respect to awards or deferrals made on or after January 1, 2004, and dividends credited on such awards and deferrals. Any such stock equivalent units that are settled for cash or are canceled or forfeited for any reason will not be counted

Table of Contents

in applying this limitation. If there is an equity restructuring that causes the per share value of our common stock to change, such as a stock dividend, stock split, spin off, or rights offering, the Board will adjust appropriately the number and kind of stock equivalents, shares or other securities which have been or may thereafter be awarded, credited or issued under the Plan.

Eligibility

All non-employee directors of the Company are eligible to participate in the Plan. The Board of Directors has discretion to determine which non-employee directors, if any, will receive discretionary awards (as described below) under the Plan. Any non-employee director may elect to defer director retainer fees, including annual retainers and retainer fees relating to committee and chair service or lead director service, into the Plan. While the persons who will participate in the Plan and receive awards under the Plan in future years and the amounts of such awards cannot be determined at this time, there are currently nine non-employee directors, and, under the current articles and bylaws, in any given year there could be up to 15 non-employee directors.

Awards

Discretionary Awards. Subject to the overall share limitation discussed above, the Board may make discretionary awards to participants from time to time in such amounts as the Board determines in its sole discretion. Each discretionary award may contain terms, restrictions and conditions as the Board may determine that are not inconsistent with the Plan. These discretionary awards may be made to participants' accounts in stock equivalent units or as a dollar amount, which will be converted into stock equivalent units equal to the number of shares of our common stock, to three decimal places, that could be purchased on such award date, at the fair market value of the stock for that date.

While, as noted above under *Eligibility*, the amount of future discretionary awards cannot be determined at this time, discretionary awards under the original plan have included each year a grant to each non-employee director of a specified number of stock equivalent units as determined by the Board for the year plus a grant of a 20% premium on the amount of director retainers, including payments for board, committee and committee chair, and lead director service, deferred into the original plan by the non-employee director for the year.

Deferral Awards. Subject to the overall share limitation discussed above, a director may elect to receive deferral awards in lieu of all or a portion of his or her director retainer or meeting fees. Deferral awards will be made to a participant's account as of the date such fees would have been paid, in a dollar amount equal to the amount of fees the director has elected to defer, and will be converted as of the award date into stock equivalent units in the same manner as discussed above under the caption *Discretionary Awards*. If a director wishes to defer any director retainer fees or meeting fees for a calendar year, he or she must make an election prior to the beginning of that calendar year. If an individual becomes a director after the first day of the calendar year, he or she must make a deferral election within 30 days after becoming a director. Once made, a deferral election will continue in effect until the director's termination of service or, if the director provides written notice of his or her intention to discontinue or change the deferral election, the end of the calendar year in which such written notice is received by the Company.

Crediting of Dividends and Stock Splits. Each participant's account under the Plan will be credited, subject to the overall share limitation discussed above, with additional stock equivalent units when we pay dividends in cash or property (other than a stock dividend) on our common stock. The amount of additional stock equivalent units credited will equal

the per share dollar amount of the fair market value of the cash or property so distributed multiplied by the number of stock equivalent units in the participant's account on the record date for such distribution, divided by

the fair market value of our common stock on such date.

Table of Contents

If we issue a stock dividend or engage in a stock split, each participant's account will be appropriately adjusted. If we are a party to a consolidation, merger or share exchange and, as a result, our common stock is converted into stock or other securities of the other entity, either each participant's stock equivalent units will be converted into the appropriate number of stock equivalent units of the other entity or the Board will terminate the Plan and the entire remaining balance in each participant's account will be paid in a single distribution, in stock, cash or a combination of both, within the time periods discussed below.

Form and Timing of Payment. Unless the committee determines to accelerate payment upon a participant's disability, payment of the awards will only be made following termination of service as a director. Awards will be payable only in whole shares of our common stock equal to the number of whole units of stock equivalents credited to a participant's account, plus cash for any fractional stock equivalent unit. For stock equivalent units attributable to awards made prior to December 31, 1997, awards will be payable, in a single distribution, to the participant or his or her beneficiary within 90 days after termination of service. For all other stock equivalent units, the participant may select the method of distribution (i.e., lump sum or installments). This distribution election must be made at the time provided for in the Plan and, once made, is irrevocable.

Shares of our common stock distributed under the Plan will be from authorized but unissued shares of our common stock or shares purchased on the open market, as determined by the Board, or for shares attributable to awards or deferrals made before January 1, 2004, from shares purchased on the open market. In no event may the number of authorized but unissued shares distributed under the Plan exceed 2,750,000 shares as such number may be adjusted in a manner similar to that described above under the caption "Number of Shares" to reflect corporate events.

Rights of Participants

The Plan is a non-qualified plan, and participants are unsecured creditors of the Company with respect to amounts owed to them by the Company under the Plan. Subject to the provisions of the applicable award, a participant does not have any rights as a shareholder with respect to any shares of our common stock to be distributed under the Plan until our stock is issued upon distribution. No person will have a claim or right to be granted an award, and the grant of an award will not be construed as giving a participant the right to be reelected or retained as a director of the Company.

Amendment

The Board of Directors generally may amend, suspend or terminate the Plan or any portion of the Plan at any time. However, no such amendment or modification may adversely affect any prior awards or rights of participants under the Plan, and no amendment may be made without shareholder approval, if such approval would be required under the rules of the stock exchange upon which our shares are listed. Currently, such stock exchange rules would require shareholder approval if the amendment would materially increase the maximum number of stock equivalent units that may be awarded (other than to reflect adjustments for corporate events as described above under the caption "Number of Shares"), expand the type of awards available or materially expand the class of persons eligible to participate in the Plan.

Federal Income Tax Consequences

The following discussion is intended only as a brief discussion of the federal income tax rules relevant to awards made under the Plan. The laws governing the tax aspects of awards are highly technical and such laws are subject to change. The following discussion does not describe state or local tax consequences of awards under the Plan.

Table of Contents

No income generally will be recognized for federal income tax purposes upon the crediting of either discretionary or deferral awards to participants under the Plan or stock equivalent units attributable to dividends or stock splits. Upon payment under the Plan following a participant's termination of service or otherwise, the recipient will be required to include as taxable ordinary income in the year of receipt an amount equal to the amount of cash received and the fair market value of our common stock received.

To the extent that a recipient recognizes ordinary income in the circumstances described above, we will be entitled in the year of payment to a deduction provided that, among other things, the income meets the tests of reasonableness, is an ordinary and necessary business expense and is not an excess parachute payment within the meaning of Section 280G of the Internal Revenue Code.

New Plan Benefits

It cannot be determined at this time what amounts, if any, will be received by or allocated to any persons or group of persons under the Plan if such Plan is approved. Such determinations are subject to the discretion of the Board.

Discretionary and deferral awards were made under the original plan for 2010. The value of such awards at March 17, 2011, based on a closing stock price of \$23.53 as well as the aggregate number of awards, which included a discretionary award of 5,747.126 stock equivalent units to each non-employee director, are set forth below. The tabular format below, which is specified by SEC rules, includes references to our executive officers and employees; however, no amounts are provided for executive officers or employees as they are not eligible to participate in the Plan.

Stock Equivalent Plan for Non-Employee Directors of Xcel Energy

Name and Position	Dollar Value (\$)	Number of Units
Richard C. Kelly, CEO	\$ N/A	N/A
Benjamin G.S. Fowke III, President and COO	\$ N/A	N/A
David M. Sparby, Vice President and CFO	\$ N/A	N/A
Michael C. Connelly, Vice President and General Counsel	\$ N/A	N/A
Marvin E. McDaniel Jr., Vice President and Chief Administrative Officer	\$ N/A	N/A
Executive Officers as a group (12 persons)	\$ N/A	N/A
Non-Employee Directors as a group (9 persons)	\$	308,342
Non-Executive Officer Employees as a group	\$ N/A	N/A

Vote Required

The affirmative vote of the holders of a majority of the total voting power present in person or by proxy and entitled to vote at the Annual Meeting will be required for approval of the amendment to the Stock Equivalent Plan.

The Board of Directors recommends a vote FOR the amendment of the Stock Equivalent Plan, as amended and restated. Proxies solicited by the Board of Directors will be voted FOR the approval of the amendment of the Stock Equivalent Plan, unless a different vote is specified.

Table of Contents

PROPOSAL NO. 3

APPROVAL OF AN AMENDMENT TO OUR RESTATED ARTICLES OF INCORPORATION TO ELIMINATE CUMULATIVE VOTING IN THE ELECTION OF DIRECTORS

The Board is seeking shareholder approval of an amendment to our Restated Articles of Incorporation that, if approved, will eliminate cumulative voting in the election of directors. The Board believes that cumulative voting is philosophically incompatible with the Company's existing majority-vote standard used in uncontested elections of directors because cumulative voting advantages shareholders with large holdings (in that it enables individual large shareholders or small groups of large shareholders with less than a majority of the shares to cumulate their votes to elect specific directors), while majority voting seeks to ensure that directors are supported by the majority of all shareholders, both large and small. This is especially true in a widely-held company like Xcel Energy where there is no controlling shareholder.

Under cumulative voting, a shareholder is entitled to cast a number of votes equal to the number of votes the shareholder would otherwise be entitled to cast, multiplied by the number of directors to be elected. The votes may be cast for the election of one nominee or may be distributed among as many nominees as desired. To illustrate, if a shareholder owns 100 shares of common stock and 10 directors are to be elected, then that shareholder can cast up to 1,000 votes and distribute those votes among one or more candidates. By aggregating votes and casting them for a single individual rather than casting a vote with respect to each nominee, shareholders holding substantially less than a majority of the voting shares may be able to elect one or more directors in a contested election.

The Board believes that amending our Restated Articles of Incorporation to eliminate cumulative voting is in our shareholders' long-term best interests because the Board believes that each director should represent the interests of all shareholders, rather than a minority shareholder or special constituency. We believe that the current majority-vote standard used in uncontested elections of directors and the elimination of cumulative voting for directors are consistent with the Company's desire to maintain a close alignment of shareholder interests and Board accountability.

Currently, Article V, Section 5.c. of our Restated Articles of Incorporation, states:

The holders of shares of stock of any class entitled to vote at a meeting for the election of directors shall have the right to cumulate their votes at such election in the manner provided by the Minnesota Business Corporation Act.

If this Proposal No. 3 is approved, then that section will read as follows:

No shareholder of the Corporation shall have any cumulative voting rights.

If this Proposal No. 3 is not approved, then the amendment reflected by this Proposal No. 3 will not be made and our Restated Articles of Incorporation will retain the current provisions governing cumulative voting in the election of directors, even if the restatement of our Restated Articles of Incorporation under Proposal No. 4 is approved.

Vote Required

The affirmative vote of a majority of the voting power of the shares present in person or by proxy and entitled to vote at the Annual Meeting of our common and preferred stock voting together as a single class, or common stock, voting separately, and each series of our preferred stock, voting separately, will be required for the adoption of the amendment to eliminate cumulative voting from our Restated Articles of Incorporation.

The Board of Directors recommends that shareholders vote FOR the amendment to our Restated Articles of Incorporation to eliminate cumulative voting in the election of directors. Proxies solicited by the Board of Directors will be voted FOR this amendment, unless a different vote is specified.

Table of Contents

PROPOSAL NO. 4

APPROVAL OF OTHER AMENDMENTS TO, AND THE RESTATEMENT OF, OUR RESTATED ARTICLES OF INCORPORATION

In addition to the proposed amendment to our Restated Articles of Incorporation described in Proposal No. 3, the Board recommends shareholder approval of certain other amendments to our Restated Articles of Incorporation and the restatement of our Restated Articles of Incorporation. The amendments requiring shareholder approval consist of the following:

Revising the range of the number of directors to between 7 and 15 so that our Restated Articles of Incorporation are consistent with our Restated Bylaws;

Authorizing the Board to take action by less than unanimous written consent of the directors in actions not needing approval by the shareholders;

Removing the names and residences of former directors from Article IV.1; and

Providing for certain stylistic, clarifying and conforming changes.

In addition, restating our Restated Articles of Incorporation will allow for the integration of all amendments approved by shareholders at the Annual Meeting into one document, including, if Proposal No. 3 is approved, the amendment to eliminate cumulative voting in the election of directors. The proposed amendments are reflected in the marked copy of the proposed form of our Restated Articles of Incorporation, as amended and restated if this Proposal No. 4 is approved, attached to this proxy statement as Exhibit B.

None of the proposed amendments in this Proposal No. 4 would change the Company's authorized capital stock, indemnification of officers and directors, or limitation-of-liability provisions, and none of the amendments in this Proposal No. 4 would adversely affect the rights or preferences of our shareholders.

If this Proposal No. 4 is not approved, then the amendments reflected by this Proposal will not be made and our Restated Articles of Incorporation will retain the current provisions governing the subject matter of those proposed amendments.

Vote Required

The affirmative vote of the holders of a majority of the voting power present in person or by proxy and entitled to vote at the Annual Meeting will be required for the adoption of these amendments to, and the restatement of, our Restated Articles of Incorporation.

The Board of Directors recommends that shareholders vote FOR the amendments included in this Proposal No. 4 and the restatement of our Restated Articles of Incorporation. Proxies solicited by the Board of Directors will be voted FOR these amendments to, and the restatement of, our Restated Articles of Incorporation, unless a different vote is specified.

Table of Contents

PROPOSAL NO. 5

ADVISORY VOTE ON FREQUENCY OF ADVISORY VOTE ON EXECUTIVE COMPENSATION

We are submitting a non-binding, advisory proposal to shareholders at least once every six years to determine whether advisory votes on executive compensation should be held every one, two or three years.

The optimal frequency of vote necessarily turns on a judgment about the relative benefits and burdens of each of the options. There have been diverging views expressed on this question, and while the Board believes there is a reasonable basis for each of the options, the Board believes that a frequency of every ONE year for the advisory vote on executive compensation is the best approach for Xcel Energy and its shareholders.

Our Board believes that an annual vote will allow our shareholders to provide timely, direct input on the Company's executive compensation philosophy, policies and practices as disclosed in our proxy statement each year. The Governance, Compensation and Nominating Committee, which administers the Company's executive compensation program, values the opinions expressed by shareholders in these votes. The Board believes that an annual vote is therefore consistent with the Company's efforts to engage in an ongoing dialogue with our shareholders on executive compensation and corporate governance matters.

In voting on this proposal, you should mark your proxy for ONE, TWO or THREE based on your preference as to the frequency with which an advisory vote on executive compensation should be held. If you have no preference you may abstain. Shareholders will not be voting to approve or disapprove the Board's recommendation. Although this advisory vote on the frequency of the "say on pay" vote is nonbinding, the Board and the Governance, Compensation and Nominating Committee will take into account the outcome of the vote when considering the frequency of future advisory votes on executive compensation.

Vote Required

The Board will consider shareholders to have selected the frequency option receiving the most votes among the choices. Abstentions and broker non-votes will have no effect on this matter.

Recommendation of the Board

The Board of Directors recommends that shareholders vote on Proposal No. 6 to hold say-on-pay votes every ONE year (as opposed to every two or every three years). Proxies solicited by the Board of Directors will be voted for ONE year, unless a different vote is specified.

Table of Contents

PROPOSAL NO. 6

ADVISORY VOTE ON EXECUTIVE COMPENSATION

We are seeking advisory shareholder approval of the compensation of named executive officers as disclosed in the section of this proxy statement titled Executive Compensation. Shareholders are being asked to vote on the following advisory resolution:

RESOLVED, that the compensation paid to the Company's named executive officers, as disclosed in the Company's 2011 proxy statement, including the Compensation Discussion and Analysis, compensation tables and narrative discussion is hereby APPROVED.

The Company's goal for its executive compensation program is to align and motivate executive leadership's interests with those of our shareholders, customers and employees. The Company believes that its executive compensation program satisfies this goal and is strongly aligned with the long-term interests of its shareholders. The Company's total annual shareholder return over the prior one- and three-year periods was 16.1% and 6.4%, respectively, which are above the industry medians, and we achieved 8% growth in our earnings per share from continuing operations, diluted (EPS), from 2009 to 2010. In addition, our one- and three-year annual dividend growth rate was 3.1% and 3.2%, respectively, while the one- and three-year annual growth in our stock price was 11.0% and 1.4%, respectively.

The Compensation Discussion and Analysis, beginning on page 49 of this proxy statement, describes the Company's executive compensation program and the decisions made by the Governance, Compensation and Nominating Committee in 2010 in more detail. Highlights of the program include the following:

In designing our executive compensation program, we look to the utility industry 50th percentile for all elements of compensation.

Executive compensation is focused on performance. The executive compensation mix is designed so that annual and long-term incentives are entirely based on our performance and are designed to comprise more than 50% of the named executive officers' targeted compensation.

Annual and long-term incentives are based on strategic, operating, and financial results, and include measures such as earnings per share growth, dividend rate, environmental and safety goals, and total shareholder return. Results from 2010 on these measures include:

We achieved 8% growth in our EPS from 2009 to 2010, increased our annual dividend and our credit ratings were upgraded.

We enhanced our environmental leadership position by adding 201 megawatts of renewable energy generation, retiring 73 megawatts of coal generation, increasing our efficiency by 696 gigawatts and through implementing technology efficiency projects.

Our employee safety results improved in 2010 compared to 2009 by reducing the number and severity of employee injuries.

We have stock ownership guidelines, which encourage executive leadership to have significant ownership in the Company and maintain a focus on the long-term value proposition of our Company.

We have no employment agreements with our executive officers.

We provide limited perquisites to our executive officers.

Table of Contents

Our long-term incentive agreements have a clawback provision that allows the Company to recover cash incentive compensation and equity awards from any employee receiving a long-term incentive award in the event of fraud or misconduct resulting in a restatement of the Company's financial statements or, for more recent awards, in the event the employee is terminated for fraud or misconduct. As an advisory vote, this proposal is not binding upon the Company. However, the Governance, Compensation and Nominating Committee, which is responsible for designing and administering the Company's executive compensation program, values the opinions expressed by shareholders in their vote on this proposal and will continue to consider the outcome of the vote when making future compensation decisions for named executive officers.

Vote Required

The Board of Directors will consider shareholders to have approved our executive compensation if the shares voted **FOR** the proposal exceed the shares voted **AGAINST**. Abstentions and broker non-votes will have no effect on this matter.

The Board of Directors recommends a vote **FOR the approval of Proposal No. 6. Proxies solicited by the Board of Directors will be voted **FOR** Proposal No. 6, unless a different vote is specified.**

Table of Contents

PROPOSAL NO. 7

RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP AS

XCEL ENERGY INC. S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2011

The Audit Committee of our Board of Directors has selected Deloitte & Touche LLP as our independent registered public accounting firm to audit the accounts of the Company for the fiscal year ending December 31, 2011. Deloitte & Touche LLP was originally selected by the Board, upon the recommendation of the Audit Committee, as independent registered public accounting firm effective March 27, 2002.

While the Audit Committee is responsible for the appointment, retention, termination and oversight of the Company's principal independent accountants, the Audit Committee and the Board are requesting, as a matter of policy, that shareholders ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm. The Audit Committee is not required to take any action as a result of the outcome of the vote on this proposal. However, if the shareholders do not ratify the appointment, the Audit Committee may investigate the reasons for the shareholders' rejection and may consider whether to retain Deloitte & Touche LLP or to appoint another auditor. Furthermore, even if the appointment is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and its shareholders.

Representatives of Deloitte & Touche LLP will be present at the Annual Meeting and will have an opportunity to make a statement if they so desire. Such representatives will be available to respond to appropriate questions from shareholders at the Annual Meeting.

Vote Required

The affirmative vote of the holders of a majority of the total voting power present in person or by proxy and entitled to vote at the Annual Meeting will be required for the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2011.

The Board of Directors, upon recommendation of the Audit Committee, recommends a vote FOR the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm. Proxies solicited by the Board of Directors will be voted FOR the ratification of the appointment, unless a different vote is specified.

Table of Contents

PROPOSAL NO. 8

SHAREHOLDER PROPOSAL

We expect the following shareholder proposal (Item 8 on the proxy card) to be presented at the Annual Meeting. The text of the proposal and supporting statement appear in the exact form as we received them. All statements contained in the proposal and supporting statement are the sole responsibility of the proponent. We will provide shareholders with the names and addresses of the proponent, along with information about stock ownership, promptly following receipt of an oral or written request to our Corporate Secretary.

The Board of Directors has carefully considered the following shareholder proposal and has concluded its adoption would not be in the best interests of the Company or its shareholders. For the reasons stated after the proposal and its supporting statement, the Board recommends a vote AGAINST this proposal.

Proposal:

Financial Risks of Continued Reliance on Coal

Whereas:

Electric utility companies that rely on coal face numerous challenges and uncertainty regarding environmental compliance costs, coal price-volatility, and the cost of carbon capture and storage for coal plants. Industry analysts (Bernstein Research, Jeffries & Company, Standard & Poor's, Wood Mackenzie) have concluded that the cost of additional environmental control equipment for nitrous oxides (NO_x), particulates and mercury may make it uneconomic to retrofit small, older coal plants. This unprecedented combination of forces has led Xcel and other utility companies such as Progress, Duke and others to announce retirements of over 30 coal plants by 2019.

Xcel plans to replace four coal-burning plants in Colorado with natural gas. It will be more cost-effective to get off coal and turn toward natural gas than it is to retrofit a lot of these facilities, according to Xcel's vice president for environmental policy. (The New York Times, 29 November 2010, <http://www.nytimes.com/2010/11/30/business/energy-environment/30utilities.html?r=1&scp=1&sq=utilities%20shift%20to%20gas&st=cse>)

However, our company, which is the leading producer of wind power in the U.S. and fifth in solar energy production, still depends on coal for 50% of its electricity generation. Twelve of Xcel's 14 coal plants were built prior to 1980.

Coal combustion for electricity is a major contributor to air pollution, accounting for one third of the NO_x, 50% of the mercury, a hazardous air pollutant, and over 36% of the carbon dioxide (CO₂) emitted in the U.S. Older coal plants emit substantially more of these pollutants per Megawatt hour (MWh) than newer plants.

EPA is moving, in some cases pursuant to court order, to tighten regulation of the air, water and waste impacts of coal plants. EPA must issue new rules by 2014 governing wastewater from power plants, which are responsible for a significant amount of toxic pollutants such as mercury and arsenic discharged to surface waters. EPA's pending regulations on storage and disposal of coal combustion wastes will likely increase operating costs for coal plants.

EPA is also developing regulations for CO₂ and other greenhouse gas emissions. However, the lack of national climate policy to reduce CO₂ emissions further adds to economic uncertainty for coal plants. Commercial deployment of carbon capture and storage technology for coal plants, is 10 to 15 years away and would increase electricity costs by about 30 to 80 percent, the U.S. Government Accountability Office reports.

Table of Contents

Declining reserves of high quality central Appalachian coal, unprecedented price increases and coal price-volatility, versus abundant supplies and record low-prices for cleaner burning natural gas, and declining costs for wind and solar energy, make continued reliance on coal increasingly problematic.

Resolved:

Shareowners request that Xcel Energy's Board of Directors, at reasonable cost and omitting proprietary information, issue a report by November 2011 on the financial risks of continued reliance on coal contrasted with increased investments in efficiency and cleaner energy, including assessment of the cumulative costs of environmental compliance for coal plants compared to alternative generating sources.

RECOMMENDATION OF YOUR BOARD OF DIRECTORS AGAINST THIS PROPOSAL

The Board of Directors has carefully considered the shareholder proposal regarding the issuance of a report on the financial risks of continued reliance on coal contrasted with increased investments in efficiency and cleaner energy and recommends that you vote **AGAINST** the proposal. The Board believes that its adoption is not necessary or cost-effective and that it would not be in the best interests of Xcel Energy or our shareholders to divert resources, both in terms of dollars and manpower, from the initiatives enumerated below in order to issue the report requested by the proposal.

Xcel Energy's proactive environmental initiatives form one of its three key strategic objectives. We believe that our environmental leadership initiatives have been successful in meeting customer and policy maker environmental expectations, while appropriately managing customer costs and hedging future environmental risk. Xcel Energy continually evaluates the risks of our continued reliance on coal, especially through our resource plans, which are our proposals on how we intend to reliably and safely meet customer energy needs in a cost effective and environmentally responsible way for the covered periods. Through our financial reporting and other channels, we provide our shareholders and other stakeholders with a comprehensive disclosure of our environmental strategies and the financial and environmental risk of our operations.

As a portfolio of regulated utilities, Xcel Energy has an obligation to serve its customers by providing them with reasonably priced, reliable electric and gas services. In order to be well positioned to meet our customers' future energy needs and adapt to emerging issues in the economy and the utility industry, in our resource plans we generally propose a balanced, diverse portfolio of electric generation fuel sources, including coal, natural gas, nuclear, wind, solar and other renewable energy sources, which will allow us to be flexible in our decisions to add or defer future resources depending on their cost, increasing environmental regulations or changes in energy demand. These resource plans are filed with Xcel Energy's state regulators every few years and copies are available on our website at www.xcelenergy.com under "investor information", then click "regulatory filings and rates" and "resource plans". In addition, our utility companies operating in Minnesota, Colorado and New Mexico use a carbon proxy cost, which is designed to quantify the future risks of carbon regulation in our decision making process of acquiring future energy resources. These resource plans reflect what we believe to be the least cost alternatives and are designed to give Xcel Energy the flexibility to adapt to changes in electric generation fuel source costs, environmental regulations or energy demand, while at the same time significantly reducing greenhouse gas emissions. Prior to their approval, Xcel Energy's resource plans, including the carbon proxy costs contained therein, are thoroughly vetted by the applicable state's public utility regulatory commission and afford third parties, including government agencies and environmental groups, the opportunity to raise concerns and challenge the proposed resource plans.

In 2010, PSCo filed a comprehensive plan with the Colorado Public Utility Commission, as required by the Clean Air-Clean Jobs Act, and NSPM filed its 2011-2025 resource plan with the

Table of Contents

Minnesota Public Utility Commission. Both plans and information on other regulatory filings are available on our website as described above and propose significant new clean energy resources, including:

Retiring approximately 596 megawatts (MW) of coal at power plants in Colorado by the end of 2017 and repowering 569 MW of coal with natural gas generation;

Fuel-switching 704 MW of coal to natural gas fired generation in Colorado by the end of 2017;

Retrofitting approximately 950 MW of coal-fired generation in Colorado with modern emission control technology;

Increasing system wind capacity, so that we will have approximately 6,000 MW by 2020 across all Xcel Energy operating companies;

Continuing the expansion of our customer energy efficiency and conservation programs;

Retiring 253 MW of coal-fired generating capacity in Minnesota and replacing it with approximately 700 MW of natural gas generation; and

Upgrading the capacity of existing nuclear facilities at NSPM.

Xcel Energy has been recognized by third parties as a leader for the quality and comprehensiveness of our carbon disclosure and for managing to benefit from climate-change related opportunities, while mitigating risks associated with climate change. We discuss in detail in our financial reports and other documents the various risks and potential costs of complying with current, pending and proposed legislation, regulations and initiatives related to coal combustion. For example:

We provide a comprehensive discussion of climate change and environmental, greenhouse gas and other regulations and financial risks, including the risks relating to coal supplies and price fluctuations in our fuel supplies, in our Annual Report on Form 10-K.

Our Corporate Responsibility Report provides an in depth discussion of our SO₂, NO_x and CO₂ emissions reductions, resource planning and environmental management and oversight, including extensive discussion of regulations directed at coal-fired generation and our strategy and the steps that we are taking to address these environmental risks and challenges.

We participate in the Carbon Disclosure Project and have responded to their survey for the past five years. The detailed survey asks us to describe our process for identifying risks and potential financial implications from climate change, including the way those risks could impact our business, and you can find these surveys and our responses at:

<https://www.cdproject.net/en-US/Pages/HomePage.aspx>. In addition, for the past three years Xcel Energy has been named on the Carbon Disclosure Project's Leadership Index for the quality and comprehensiveness of our carbon disclosure. We have also been named the Carbon Disclosure Project's newly formed Carbon Performance Index in recognition for our strategy, governance, stakeholder communications and achievements related to climate change initiatives.

Xcel Energy has been a member of the Dow Jones Sustainability Index for four years.

Edgar Filing: XCEL ENERGY INC - Form PRE 14A

Xcel Energy has been named to the Bloomberg/Maplecroft Climate Innovation Leaders Index, which recognizes companies that are managing and innovating to benefit from climate-change related opportunities, while mitigating risks associated with climate change. Xcel Energy already gives significant attention to our resource planning and the reporting of our environmental leadership initiatives and strategy through our financial reporting and other channels. The Board does not believe that issuing an additional report would be of any added value to Xcel Energy's shareholders and believes that our shareholders' interests are better served by implementing the initiatives laid out above.

Table of Contents

Vote Required

The affirmative vote of a majority of the voting power of the shares present or by proxy and entitled to vote at the Annual Meeting will be required for the approval of this proposal.

The Board of Directors recommends a vote AGAINST the shareholder proposal to require the issuance of a report on the financial risks of continued reliance on coal. Proxies solicited by the Board of Directors will be voted AGAINST the proposal unless a different vote is specified.

Table of Contents**BENEFICIAL OWNERSHIP OF CERTAIN SHAREHOLDERS****Share Ownership of Directors and Officers**

The following table sets forth information concerning beneficial ownership of our common stock as of March 17, 2011 for: (a) each director and nominee for director; (b) the executive officers set forth in the Summary Compensation Table; and (c) the directors and current executive officers as a group. Unless otherwise indicated, each person has sole investment and voting power (or shares such powers with his or her spouse) with respect to the shares set forth in the following table. None of the individual directors or officers or the nominees for director listed in the Beneficial Ownership Table below beneficially owned more than 1% of Xcel Energy's common stock. The directors and executive officers as a group beneficially owned less than 1% of our common stock on March 17, 2011. None of these individuals owns any shares of Xcel Energy's preferred stock.

Beneficial Ownership Table

Name and Principal Position of Beneficial Owner	Common Stock(1)	Options Exercisable Within 60 Days	Restricted Stock	Total Shares Beneficially Owned	Stock Equivalents(2)
Richard C. Kelly(3) Chairman and CEO	567,127			567,127	18,889
Fredric W. Corrigan Director	20,000			20,000	23,587
Richard K. Davis Director	7,697			7,697	23,587
Albert F. Moreno Director	2,325			2,325	95,898
Christopher J. Policinski Director	2,000			2,000	12,490
A. Patricia Sampson Director	1,950			1,950	78,757
James J. Sheppard Director					1,103
David A. Westerlund Director	6,000			6,000	41,028
Kim Williams Director	1,046			1,046	12,795
Timothy V. Wolf Director	300			300	20,200
Benjamin G.S. Fowke III Director, President and COO	100,217	29,200	19,334	148,752	6,488
David M. Sparby Vice President and CFO	76,592		2,792	79,384	
Michael C. Connelly Vice President and General Counsel	79,147	16,000	12,716	107,863	1,587
Marvin E. McDaniel Jr. Vice President and Chief Administrative Officer	33,321	4,700		38,021	619
Directors and Executive Officers as a group (21 persons)	1,192,520	75,000	45,460	1,312,980	349,573

(1) At March 17, 2011, the closing price of Xcel Energy common stock on the New York Stock Exchange was \$23.53.

Table of Contents

- (2) Common stock equivalents represent (i) the share equivalents of Xcel Energy common stock held under Xcel Energy's deferred compensation plan as of March 17, 2011, and (ii) stock equivalent units held under the directors' stock equivalent plan.
- (3) Mr. Kelly's wife owns 408 of these shares and 4,497 of these shares are held in a trust for which Mr. Kelly serves as trustee. Mr. Kelly disclaims beneficial ownership of these shares.

Largest Owners of Xcel Energy's Shares

The table below sets forth certain information as to each person or entity known to us to be the beneficial owner of more than 5% of any class of our voting securities:

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Percent of Class
Common Stock		
Franklin Resources, Inc	25,809,874(1)	5.6%
Charles B. Johnson		
Rupert H. Johnson, Jr.		
Franklin Advisers, Inc.		
One Franklin Parkway		
San Mateo, CA 94403-1906		
Preferred Stock		
Wells Fargo & Company	55,720(2)	31.84%
420 Montgomery Street	55,720(3)	31.84%
San Francisco, California 94104	30,255(4)	30.26%
	17,550(5)	11.70%

- (1) Represents shares of our common stock. The information contained in the table and these footnotes with respect to Franklin Resources, Inc. is based solely on a Schedule 13G/A filed by each of the listed persons with the Securities and Exchange Commission on February 9, 2011. The filing indicates that (a) the shares are held by investment companies and institutional accounts that are advised by subsidiaries of Franklin Resources pursuant to advisory contracts which grant to such subsidiaries all investment and voting power over the shares, (b) Charles B. Johnson and Rupert H. Johnson, Jr. are the principal stockholders of Franklin Resources and (c) Franklin Advisers, Inc., one of the subsidiaries of Franklin Resources, had sole voting power for 25,014,781 shares of common stock and sole dispositive power for 25,314,781 shares of common stock.
- (2) Represents shares of our cumulative preferred stock, \$4.10. Wells Fargo & Company (Wells Fargo) reported its beneficial ownership on a Schedule 13G/A filed on January 20, 2011, on behalf of itself and Wells Fargo Funds Management, LLC. The filing indicates that as of December 31, 2010, Wells Fargo had sole voting for 55,720 shares of our cumulative preferred stock, \$4.10 and sole dispositive power for 3,400 shares and that Wells Fargo Funds had sole voting power for 52,420 shares of our preferred stock, \$4.10. Each share of our cumulative preferred stock, \$4.10 is entitled to one vote per share.
- (3) Represents shares of our cumulative preferred stock, \$4.56. Wells Fargo reported its beneficial ownership on a Schedule 13G/A filed on January 20, 2011, on behalf of itself and Wells Fargo Funds. The filing indicates that as of December 31, 2010, Wells Fargo had sole voting power for 55,720 shares of our cumulative preferred stock, \$4.56 and dispositive power for 3,400 shares and Wells Fargo Funds had sole voting power for 52,420 shares of our cumulative preferred stock, \$4.56, and shared voting and dispositive power for no shares.

Each share of our cumulative preferred stock, \$4.56 is entitled to one vote per share.

Table of Contents

- (4) Represents shares of our cumulative preferred stock, \$4.16. Wells Fargo reported its beneficial ownership on a Schedule 13G/A filed on January 20, 2011, on behalf of itself and Wells Fargo Funds. The filing indicates that as of December 31, 2010, Wells Fargo had sole voting power for 30,255 shares of our cumulative preferred stock, \$4.16, and dispositive power for 225 shares. Wells Fargo Funds had sole voting power for 30,030 shares of our cumulative preferred stock, \$4.16, and shared voting and dispositive power for 0 shares. Each share of our cumulative preferred stock, \$4.16 is entitled to one vote per share.
- (5) Represents shares of our cumulative preferred stock, \$4.08. Wells Fargo reported its beneficial ownership on a Schedule 13G/A filed on January 20, 2011, on behalf of itself and Wells Capital Management Incorporated. The filing indicates that as of December 31, 2010, Wells Fargo had sole voting and dispositive power for 17,550 shares of our cumulative preferred stock, \$4.08, and Wells Capital Management Incorporated had sole voting for 17,350 and dispositive power for 17,550 shares of our cumulative preferred stock, \$4.08, and shared voting for 0 shares. Each share of our cumulative preferred stock, \$4.08 is entitled to one vote per share.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the 1934 Act requires our directors and officers to file with the Securities and Exchange Commission reports regarding their ownership and changes in ownership of our stock. We are required to disclose whether we have knowledge that any person required to file such a report may have failed to do so in a timely manner. We believe that during 2010, all of our officers and our directors subject to such reporting obligations have satisfied all Section 16(a) filing requirements. In making this statement, we have relied upon examinations of the copies of Forms 3, 4 and 5 and the written representations of our directors and executive officers.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

Xcel Energy Inc. is a holding company with subsidiaries engaged primarily in the utility business. In 2010, Xcel Energy's continuing operations included the activity of our four (4) wholly owned utility subsidiaries that serve electric and natural gas customers in eight (8) states. These subsidiaries are:

Northern States Power Company, a Minnesota corporation;

Northern States Power Company, a Wisconsin corporation;

Public Service Company of Colorado; and

Southwestern Public Service Company.

These utilities serve customers in portions of Colorado, Michigan, Minnesota, New Mexico, North Dakota, South Dakota, Texas and Wisconsin. Along with WYCO Development LLC, a joint venture formed with Colorado Interstate Gas Company to develop and lease natural gas pipeline, storage, and compression facilities, and WestGas InterState Inc., an interstate natural gas pipeline company, these companies comprise our continuing regulated utility operations.

Our strategic plan is focused on providing electric and gas service through our utility operations. This includes our goal of building the core of our utility operations so that we may serve our customers with reasonably priced electric and gas services while maintaining safe, clean, and reliable electric and gas systems. We promote advancements in technology that will lower operational and financial risks while enhancing our stature as the environmental leader amongst utilities. In concert with that, environmental leadership is a strategic priority for Xcel Energy. Our industry leading environmental leadership strategy is designed to meet environmental regulatory requirements, meet customer expectations around utility service value and simultaneously create shareholder value. We have established a highly effective environmental compliance program and record. Through our market leading environmental leadership strategy, we are well positioned to meet the challenges of potential future climate change regulation and comply with the renewable energy mandates.

Even though Xcel Energy ultimately manages its business based on revenue streams provided by electric and natural gas, our strategy and our operations are customized by jurisdiction. By taking a jurisdictional focus, we operate each state and region as its own company to ensure that we meet the varying stakeholder interests that are unique to each of our jurisdictions. This has allowed us to customize our capital and investment strategy and take advantage of the clean energy and renewable energy incentives created by policy makers in the states in which we operate. By executing our business strategy and investing in our core utility businesses, we optimize our earnings portfolio and the ability to earn a reasonable return in each individual jurisdiction.

Our consolidated financial goals are to deliver long-term earnings per share growth of 5 to 7 percent, maintain annual dividend increases from 2 to 4 percent, and protect and enhance our credit ratings in the BBB+ to A range.

How did Xcel Energy perform in 2010?

Xcel Energy had a very successful year in 2010 and performed strongly against both financial and operational goals. We achieved EPS growth of 8% from 2009 to 2010, increased the annual dividend 3.1% and our credit ratings were upgraded. We enhanced our environmental leadership position by adding 201 megawatts of renewable energy sources of generation, retiring 73 megawatts of coal generation, increasing energy efficiency by 696 gigawatts, and implementing 10 technology efficiency projects. In December 2010, Xcel Energy was recognized as Power Company of the Year by Platts for our environmental leadership and commitment to renewable energy. Lastly, we improved our

Table of Contents

employee safety results by reducing the number and severity of employee injuries in 2010 compared to 2009.

The Company's total annual shareholder return over the prior one-year period and three-year periods was 16.1% and 6.4%, respectively, placing it among the top performing companies within the utility industry. The Company has also consistently delivered against earning projections for six consecutive years. The following table shows our 2009 and 2010 earnings projections from continuing operations and compares the actual earnings per share from continuing operations, diluted, (EPS) growth from 2009 to 2010.

Year	Guidance	EPS Actual	% EPS Growth
2009	\$ 1.45 - \$1.65	\$ 1.49	8%
2010	\$ 1.55 - \$1.65	\$ 1.61	

What is Xcel Energy's compensation philosophy?

Xcel Energy's executive compensation philosophy is to align and motivate executive leadership's interests with those of our shareholders, customers and employees. This philosophy has four core principles:

Executive compensation levels must be competitive. To attract and retain talented leaders, we look primarily to the utility industry 50th percentile for all elements of compensation;

Executive compensation is focused on performance. We structure a compensation mix in which annual and long-term incentives are entirely based on our performance and are designed to comprise more than 50% of the Named Executive Officers (NEOs) (defined below) targeted total direct compensation;

Annual and long-term incentives should be based on strategic, operating, and financial results. These results are intended to deliver rewards for the achievement of key corporate goals that support our strategy and reinforce management's link to shareholders, customers and employees; and

Equity incentives are a significant basis of compensation. Equity-based incentives, coupled with our stock ownership guidelines, encourage executive leadership to have significant ownership in the Company and maintain a focus on the long-term value proposition of our Company.

Executive officers are rewarded at levels that reflect their direct individual responsibilities and contributions to the Company. The executive compensation program is internally consistent and equitable to align the interests of all our executive officers to achieve our strategy. Accordingly, significant emphasis is placed on both pay for performance and internal equity to ensure that executive compensation is tiered within the Company based upon scope of responsibilities, experience, and contributions to Company results.

The executive compensation program at Xcel Energy is:

Market based, market competitive, and market tested. All programs are founded on widely used and endorsed market compensation principles, are comparative to similar utilities or companies in the marketplace, and have proven to be excellent instruments to directly reward performance.

Results oriented with a direct correlation to the operating and financial goals of the Company.

Edgar Filing: XCEL ENERGY INC - Form PRE 14A

Designed as a long-term, low risk approach to compensation that we believe does not encourage or support undue risk taking by our executive officers.

Table of Contents

We believe our philosophy and programs, which ensure we are competitive in the market, correlate pay to performance and adhere to sound governance principles.

The executive officer compensation program remained substantially the same in 2010 as compared to 2009. We made one change to the program by eliminating the executive perquisite allowance effective January 1, 2010. In December 2010, the Committee approved an annual physical examination benefit for executive officers beginning in 2011.

How does the Committee establish compensation levels for executive officers?

The Committee believes that an effective executive compensation program is critical to the success of the Company, and understands that it is very important to our shareholders. The Committee regularly reviews best practices in executive compensation in order to determine how our program compares with similar utilities. The Committee retains an external compensation consultant to ensure that executive compensation programs are reasonable for our industry. The individual who serves as the lead consultant reports directly to the Committee and that individual provides no other consulting services for Xcel Energy.

The Committee considers several factors, including, but not limited to, market comparative studies, company and individual performance, operating and financial results, internal equity and except with respect to the CEO's compensation, the recommendation of the CEO approving compensation levels for each other executive officer. Through a detailed and comprehensive review of these factors, the Committee approves appropriate levels of compensation for executive officers that support reasonable, competitive rewards that align with shareholder, customer and employee interests. This process ensures the attraction and retention of key executives who are responsible for the creation and execution of the company's strategy which promotes financial and operational excellence.

In December 2009, as the compensation consultant for the Committee, Towers Perrin (which became Towers Watson as of January 1, 2010) prepared an analysis and evaluation of our executive compensation levels relative to survey data. This analysis included an evaluation of the executive officer positions in aggregate, including each NEO. A similar analysis has been completed annually for several years. The Committee does not use the analysis to benchmark compensation; rather it uses the compensation data to obtain a general understanding of current marketplace compensation practices.

The compensation consultant's analysis is based on competitive compensation data collected in two surveys that include data related to approximately 55 investor-owned utility companies, as well as compensation data related to approximately 450 general industry companies. The utility survey is focused on major electric and natural gas companies that are similar to our Company. The data is size adjusted to correlate with the scope and size of each business.

In order to provide a broad perspective of the competitive market for comparative purposes, the compensation consultant analyzed data for various market rates, including: utility industry at the 50th and 75th percentiles, general industry at the 50th percentile and blended industry (a blend of utility and general industry data) at the 50th percentile, where available. We do not benchmark against such data but utilize these survey data to better understand and compare components of compensation. Compensation that is within 15% (above or below) of the median is considered at market.

In addition to reviewing this survey information to gain a general understanding of current compensation practices within the marketplace, the Committee considers several subjective and objective factors, including individual performance, experience, financial results and internal equity. Following consideration of these factors, the Committee exercises its discretion to set specific compensation levels for the CEO and approve the specific compensation levels recommended by the CEO for each executive officer, which may vary within the competitive range. In evaluating our

Table of Contents

executive compensation program against survey data, the Committee considers only the aggregated survey data. The identities of the companies comprising the survey data is not disclosed to, or considered by, the Committee in its decision-making process.

In 2010, we paid Towers Watson \$44,000 for executive officer and director compensation consulting services. In addition, we paid Towers Watson \$6.4 million for actuarial, health and welfare and retirement consulting services.

To ensure the independent judgment of the executive compensation consultant to the Committee, there are several internal controls in place.

The executive consultant reports directly to the Committee and not to Company management;

The executive consultant may request the opportunity to participate in an executive session without members of management present;

Xcel Energy management requests for non-executive compensation consulting services are made with other consultants in the consulting firm, not with the executive compensation consultant; and

The Committee has the exclusive authority to hire, retain, and set the compensation for the consultant. In addition to the Company's safeguards, the compensation consulting firm is expected to have internal controls in place as well.

The individual serving as the lead consultant to the Committee does not provide other services to the Company;

The executive compensation consultant participates in no client development activities related to other services; and

No part of the executive compensation consultant's pay is directly impacted by growth in the consulting firm's fees from the Company. The Committee hired the consulting firm Pay Governance LLC as its executive compensation consultant beginning in October 2010. Pay Governance LLC is an independent consulting firm focused on delivering advisory services to compensation committees and does not perform any assignments that are not in support of the committee's charter. We paid Pay Governance LLC \$58,000 for executive officer and director compensation consulting services during 2010.

How does the Committee ensure that executive incentive programs do not encourage unnecessary risk-taking?

We understand that compensation and incentives based on specific measures of performance could encourage undue risk-taking by executive officers, managers or employees at all levels of the Company. As part of the annual compensation review, the Committee considers the risk profile of the Company's compensation programs to ensure that the compensation program does not create material risk. The Committee reviews several factors in establishing executive compensation programs, setting compensation levels and selecting target measures for variable compensation programs.

Performance metrics are clear, easily identifiable and are based on variables that are generally accepted in the market, such as earnings per share and total shareholder return;

Long-term incentives have multi-year vesting periods to encourage long-term decision making and value creation;

Table of Contents

Programs are designed to align shareholder, customer and employee interests. Our stock ownership policy requires executive officers to hold a minimum level of shares to ensure each executive's interests are aligned to the success of the company; and

Clawback provisions exist to recoup unwarranted rewards paid to individuals who are later found to have committed fraud or misconduct.

What is the mix of compensation elements within executive compensation?

For 2010, the Xcel Energy executive compensation program had the following elements:

Base Salary	
Annual Incentives	
Long-Term Incentives	Total Direct Compensation
Minimal Perquisites	
Post-Retirement or Other Post-Employment Benefits	Other Compensation

We balance the mix of direct compensation by targeting 50% in the form of base salary and annual (short-term) incentives, with the other 50% comprising long-term incentives for the NEOs in the aggregate. This design achieves an equitable and low-risk balance among the mix of compensation elements. Through this design, the compensation opportunity aligns the NEO's interests with the long-term performance of the Company and encourages long-range thinking and value creation by our executives. This is consistent with the long-term nature of utility operations and the capital investment necessary for such operations.

The charts below illustrate the mix of direct compensation for the CEO and other NEO's (assuming target incentive award payments) for 2010. Please note that target amounts will not correlate with the amounts reported in the compensation tables.

How do you maintain compensation consistency among executive officers?

We recognize it is critical to be internally consistent and equitable in order to create the balance necessary to achieve corporate goals and objectives. The total compensation of each officer is evaluated and compared to all other executive officers. This evaluation includes comparing the overall

Table of Contents

scope and responsibilities of each officer to maintain compensation levels that are internally consistent within each tier of management. These management tiers are:

Senior corporate officers;

Major utility operating officers; and

Other officers.

These three tiers provide a basis for separation in internal pay equity related to officer responsibilities, individual performance and criticality of role. Within each tier, additional evaluation is conducted to ensure intra-tier equity between similarly situated executives based upon overall scope, responsibilities, experience, and performance.

What is the purpose of the various elements of executive compensation?

The following table summarizes the compensation elements of our NEOs with additional detail following the summary.

Component	Element	Purpose
Annual Compensation	Base Salary	Provides a competitive level of pay that recognizes an individual's role and responsibilities.
Short-Term, Performance-based Incentive	Annual Incentive Program	Designed to reward the achievement of annual corporate financial and operational goals.
	Discretionary Annual Award Plan	Designed to reward exceptional individual performance.
Long-Term, Performance-based Incentive	Performance-based Restricted Stock Units and Performance Shares	Designed to reward achievement of EPS growth goals, environmental leadership and total shareholder return relative to peers and to align management's interests with the Company's long-term strategy, and with the interests of our shareholders and our customers. Serves as a tool to retain top talent.
Post-Retirement or Post-Employment	Pension and other Retirement plans	Provides retirement income and retention.
	Deferred Compensation	Allows executives to defer part of their compensation to make up for retirement benefits that cannot be paid under the Company's qualified plans due to IRS Code limitations and other pension plan exclusions.

Encourages executive retention in light of a potential transaction. Allows executives to focus on the interests of Xcel Energy by providing a benefit which helps to manage any potential risks and changes.

Severance and Change in Control Policy

Perquisites

Various

Various minimal perquisites are provided to promote efficiency and productivity. These are outlined on pages 67-68.

Table of Contents

Base Salary

Base salary provides a base or foundational level of regular income that is competitive in the utility industry. As stated earlier, the Company's executive compensation strategy is to compare to the utility industry 50th percentile, with the flexibility to review other data points as appropriate.

Annual Incentives

Annual incentives reward achievement of corporate goals that are designed to benefit our shareholders, customers and employees. Compensation eligibility under the Xcel Energy Inc. Executive Annual Incentive Award Plan begins at the threshold level and provides an opportunity to earn 50% of the target award; targeted compensation is designed to achieve an opportunity to earn 100% of the target award; and exceptional performance provides an opportunity to earn up to 148.4% of the target award. In 2010, Xcel Energy management recommended financial and operational goals to the Committee based on an evaluation of previous performance and available objective metrics. These metrics align with the strategic objectives of the Company for Environmental Leadership, Safety, and Financial Results.

In December 2009, the Committee set target annual incentive awards for 2010, expressed as a percentage of base salary, for all Xcel Energy officers, including the NEOs as shown in the following table. The Committee believes these rates are appropriate and competitive for the utility industry.

Position	Payout (as a percent of base salary) if Threshold is not Achieved	Payout (as a percent of base salary) if Threshold is Achieved	Payout (as a percent of base salary) if Target is Achieved	Payout (as a percent of base salary) if Maximum or Above is Achieved
Chairman and CEO	0%	50.0%	100%	148.4%
President and COO	0%	35.0%	70%	103.8%
Vice President and CFO	0%	32.5%	65%	96.4%
Vice President and General Counsel	0%	30.0%	60%	89.0%
Vice President and Chief Administrative Officer	0%	27.5%	55%	81.6%

In 2010, annual incentive objectives for the NEOs and all other executive officers were based entirely on attainment of corporate goals, which included targeted earnings per share, an environmental metric based upon achievement of goals related to emission reductions and a metric based upon improving employee safety. These objectives are critical to our performance and align with our long-term strategy as an environmental leader. Furthermore, these goals do not encourage short-term thinking or behavior that could threaten the value of the Company or the investment of its shareholders.

Table of Contents

The specific corporate performance measures and results for the 2010 annual incentive awards were:

2010 Corporate Goal	% Weight	Key Performance Indicator	Threshold Performance	Target Performance	Maximum Performance	Actual 2010 Performance	% Payout
Enhance Environmental Performance	10%	Renewable Energy	150 MW available for commercial operation by Dec. 31, 2010	200 MW available for commercial operation by Dec. 31, 2010	Target plus the sale of 1.27 million RECs by Dec. 31, 2010	201 MW available for commercial operation on Dec. 31, 2010, plus 3.4 million RECs sold	150%
	10%	Emissions Reduction	NA no payout below 100% - target must be achieved	Retire 73 MW	Target plus achieve additional emissions reduction or offset projects resulting in 500,000 CO ₂ equivalent lifetime tons reduction	73 MW Retired plus 488,931 tons CO ₂ equivalent lifetime reduction	148.9%
	10%	Energy Efficiency Technology	555 GWh	617 GWh	740 GWh	696 GWh	132.1%
	3.33%		Complete ICT Project (Cameo CSP) or complete 8 of 10 Company Efficiency Projects	Complete ICT			