

XCEL ENERGY INC
Form 10-Q
August 03, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2012
or

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

Commission File Number: 001-3034

Xcel Energy Inc.
(Exact name of registrant as specified in its charter)

Minnesota
(State or other jurisdiction of incorporation or organization)

41-0448030
(I.R.S. Employer Identification No.)

414 Nicollet Mall
Minneapolis, Minnesota
(Address of principal executive offices)

55401
(Zip Code)

(612) 330-5500
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 and Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

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Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if smaller reporting company) Smaller reporting company

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

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

Class	Outstanding at July 26, 2012
Common Stock, \$2.50 par value	487,553,810 shares

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This Form 10-Q is filed by Xcel Energy Inc. Xcel Energy Inc. wholly owns the following subsidiaries: Northern States Power Company, a Minnesota corporation (NSP-Minnesota); Northern States Power Company, a Wisconsin corporation (NSP-Wisconsin); Public Service Company of Colorado (PSCo); and Southwestern Public Service Company (SPS). Xcel Energy Inc. and its consolidated subsidiaries are also referred to herein as Xcel Energy. NSP-Minnesota, NSP-Wisconsin, PSCo and SPS are also referred to collectively as utility subsidiaries. Additional information on the wholly owned subsidiaries is available on various filings with the Securities and Exchange Commission (SEC).

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PART I — FINANCIAL INFORMATION

Item 1 — FINANCIAL STATEMENTS

XCEL ENERGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(amounts in thousands, except per share data)

	Three Months Ended June 30		Six Months Ended June 30	
	2012	2011	2012	2011
Operating revenues				
Electric	\$ 2,036,829	\$ 2,128,397	\$ 3,973,611	\$ 4,158,369
Natural gas	221,313	291,538	842,348	1,056,887
Other	16,526	18,287	36,788	39,506
Total operating revenues	2,274,668	2,438,222	4,852,747	5,254,762
Operating expenses				
Electric fuel and purchased power	854,373	989,413	1,718,353	1,921,241
Cost of natural gas sold and transported	89,759	163,056	507,705	706,432
Cost of sales — other	5,944	6,891	13,248	14,946
Operating and maintenance expenses	534,014	532,170	1,044,698	1,042,197
Conservation and demand side management program expenses	58,615	65,497	122,322	140,795
Depreciation and amortization	226,641	229,264	455,313	453,987
Taxes (other than income taxes)	99,632	92,489	205,256	189,059
Total operating expenses	1,868,978	2,078,780	4,066,895	4,468,657
Operating income	405,690	359,442	785,852	786,105
Other income, net	728	979	4,465	5,745
Equity earnings of unconsolidated subsidiaries	7,502	7,677	14,660	15,390
Allowance for funds used during construction — equity	15,194	13,606	28,644	26,850
Interest charges and financing costs				
Interest charges — includes other financing costs of \$6,036, \$6,185, \$12,116 and \$11,445, respectively	151,921	146,338	303,751	290,692
Allowance for funds used during construction — debt	(7,683)	(7,838)	(14,290)	(15,274)
Total interest charges and financing costs	144,238	138,500	289,461	275,418
Income from continuing operations before income taxes	284,876	243,204	544,160	558,672
Income taxes	101,801	84,533	177,316	196,534
Income from continuing operations	183,075	158,671	366,844	362,138
(Loss) income from discontinued operations, net of tax	(15)	91	109	193
Net income	183,060	158,762	366,953	362,331
Dividend requirements on preferred stock	-	1,060	-	2,120
Earnings available to common shareholders	\$ 183,060	\$ 157,702	\$ 366,953	\$ 360,211
Weighted average common shares outstanding:				
Basic	487,717	484,918	487,538	484,283

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Diluted	488,017	485,241	488,006	484,775
Earnings per average common share:				
Basic	\$ 0.38	\$ 0.33	\$ 0.75	\$ 0.74
Diluted	0.38	0.33	0.75	0.74
Cash dividends declared per common share	\$ 0.27	\$ 0.26	\$ 0.53	\$ 0.51

See Notes to Consolidated Financial Statements

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

	Three Months Ended June 30		Six Months Ended June 30	
	2012	2011	2012	2011
Net income	\$ 183,060	\$ 158,762	\$ 366,953	\$ 362,331
Other comprehensive (loss) income				
Pension and retiree medical benefits:				
Amortization of losses included in net periodic benefit cost, net of tax of \$647, \$525, \$1,269 and \$1,076, respectively	932	754	1,827	1,548
Derivative instruments:				
Net fair value (decrease) increase, net of tax of \$(23,164), \$(40), \$(6,673) and \$105, respectively	(35,727)	(38)	(10,335)	206
Reclassification of losses to net income, net of tax of \$158, \$140, \$314 and \$287, respectively	182	148	363	306
	(35,545)	110	(9,972)	512
Marketable securities:				
Net fair value increase, net of tax of \$83, \$0, \$119 and \$35, respectively	122	-	174	50
Other comprehensive (loss) income	(34,491)	864	(7,971)	2,110
Comprehensive income	\$ 148,569	\$ 159,626	\$ 358,982	\$ 364,441

See Notes to Consolidated Financial Statements

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

	Six Months Ended June 30	
	2012	2011
Operating activities		
Net income	\$ 366,953	\$ 362,331
Remove income from discontinued operations	(109)	(193)
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	464,117	463,013
Conservation and demand side management program amortization	3,765	6,078
Nuclear fuel amortization	49,765	43,732
Deferred income taxes	278,358	197,637
Amortization of investment tax credits	(3,104)	(3,160)
Allowance for equity funds used during construction	(28,644)	(26,850)
Equity earnings of unconsolidated subsidiaries	(14,660)	(15,390)
Dividends from unconsolidated subsidiaries	8,028	16,931
Share-based compensation expense	17,249	20,299
Net derivative losses	7,325	16,802
Changes in operating assets and liabilities:		
Accounts receivable	(928)	38,914
Accrued unbilled revenues	139,012	117,836
Inventories	145,095	76,028
Other current assets	(61,291)	52,397
Accounts payable	(177,076)	32,116
Net regulatory assets and liabilities	12,912	(41,888)
Other current liabilities	(117,653)	(78,110)
Pension and other employee benefit obligations	(168,898)	(131,892)
Change in other noncurrent assets		