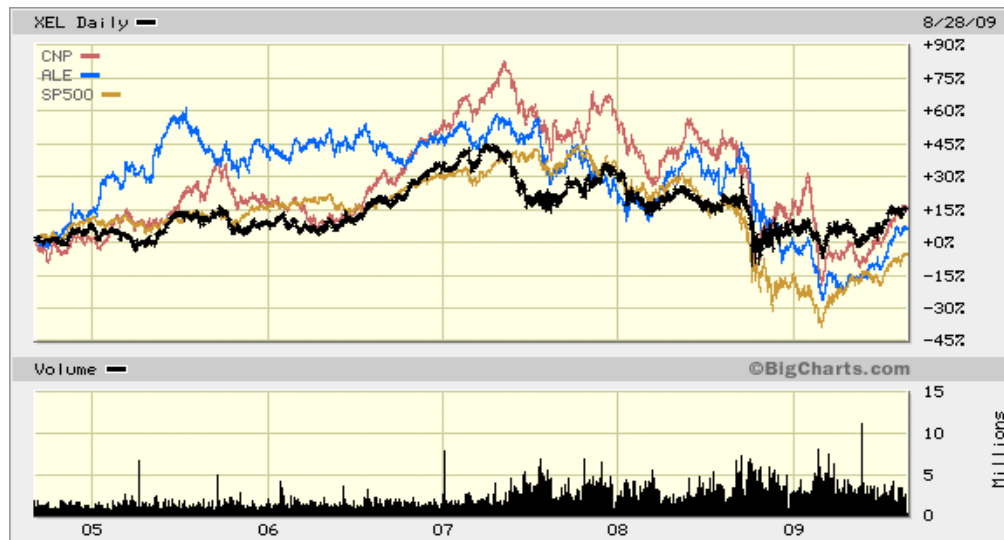


Xcel Energy Inc. (XEL) (BTI) 8/28/09

Xcel Energy, together with its subsidiaries, operates in the generation, purchase, transmission, distribution, and sale of electricity to residential, commercial, and industrial customers in the US. The company generates energy by means of coal, nuclear, hydro, wind, and solar energy. Xcel serves approximately 3 million electricity customers and 2 million natural gas customers. Xcel was founded in 1909 and headquartered in Minneapolis, Minnesota.

| | |
|--------------------------|---------|
| Current Price | \$19.89 |
| 52 Week High | \$22.39 |
| 52 Week Low | \$15.32 |
| One Yr Target | \$21.00 |
| Market Cap (in billions) | \$9.06 |
| P/E (Trailing) | 13.21 |
| P/E(1 Yr Forward) | 12.27 |
| P/E/G | 1.97 |
| ROA | 2.79% |
| ROE | 10.04% |
| EPS | \$1.51 |
| Beta | 0.54 |
| Annualized Dividend | \$0.98 |
| Dividend Yield | 4.93% |
| Analyst Consensus | 2.10 |



Annual EPS

| | | |
|-------|--------|--------|
| 2005 | \$1.20 | |
| 2006 | \$1.35 | 12.50% |
| 2007 | \$1.34 | -0.74% |
| 2008 | \$1.46 | 8.96% |
| 2009E | \$1.51 | 3.13% |

Annual Revenue (in millions)

| | | |
|------|-------------|--------|
| 2005 | \$9,625.48 | |
| 2006 | \$9,840.30 | 2.23% |
| 2007 | \$10,034.17 | 1.97% |
| 2008 | \$11,203.16 | 11.65% |

Annual Net Income (in millions)

| | | |
|------|----------|--------|
| 2005 | \$512.97 | |
| 2006 | \$571.75 | 11.46% |
| 2007 | \$577.35 | 0.98% |
| 2008 | \$645.55 | 11.81% |

Required Rate of Return

7.51%

Dividend Growth Model

| | |
|---------------------------------|---------|
| Present Value of 2013 Price | \$24.28 |
| Holding Period Return (5 years) | 16.54% |

Expected Annualized Return Model

| | |
|---------------------------------|---------|
| Present Value of 2013 Price | \$12.89 |
| Holding Period Return (5 years) | -9.51% |

Residual Income Model

| | |
|-----------------------|---------|
| Intrinsic Stock Price | \$28.59 |
|-----------------------|---------|

Analysis

Positives

Beta < 1, decent P/E ratio, and good dividend yield are signs of a valuable stock

Nice ability by company to increase Revenue and Net Income over a span of several years

Undervalued according to the RI and DG valuation models

Negatives

Overvalued according to the EAR valuation model

Financial Statements

Balance Sheet numbers are good but the current ratio over the past several years is a concern

Income Statement is good with Revenue, Net Income, and EPS all increasing over several years

Cash Flows look good, somewhat volatile but mostly in the black

Industry Analysis

Larger company in the industry

Financial ratios are a little better than industry average

Summary

XEL is a good company and one whose stock price seems fairly valued. All financial ratios look good but nothing outstanding. All revenue streams are upward trending. The valuation models are split on the true value of the stock price. XEL is a good company but not a great buy and therefore earns a **hold** rating.