

XCEL ENERGY INC
Form 11-K
June 27, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

ý ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the year ended Dec. 31, 2015

OR

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

For the transition period from to

Commission file number: 1-3034

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Xcel Energy
401(K) Savings Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

XCEL ENERGY INC.
414 NICOLLET MALL
MINNEAPOLIS, MINNESOTA 55401
(612) 330-5500

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Note: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To Xcel Energy Inc. and Participants of
Xcel Energy 401(k) Savings Plan
Minneapolis, Minnesota

We have audited the accompanying statements of net assets available for benefits of the Xcel Energy 401(k) Savings Plan (the "Plan") as of December 31, 2015 and 2014, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2015 and 2014, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The supplemental schedule of assets (held at end of year) as of December 31, 2015, has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental schedule is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental schedule reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including their form and content, is presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, such schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ DELOITTE & TOUCHE LLP

Minneapolis Minnesota
June 27, 2016

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Statement of Net Assets Available for Benefits

	Dec. 31, 2015	Dec. 31, 2014
Assets		
Investments at fair value:		
General investments (Note 6)	\$1,659,871,817	\$1,660,575,782
Investment in Master Trust (Note 4)	277,047,010	296,765,865
Total investments	1,936,918,827	1,957,341,647
Receivables:		
Xcel Energy contributions (Note 3)	22,487,680	21,375,208
Notes receivable from participants (Note 7)	16,944,120	16,396,682
Total receivables	39,431,800	37,771,890
Total assets	1,976,350,627	1,995,113,537
Liabilities:		
Refund of excess contributions (Note 3)	(53) (1,395
Total liabilities	(53) (1,395
Net assets available for benefits	\$1,976,350,574	\$1,995,112,142

The accompanying notes are an integral part of the financial statements

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XCEL ENERGY 401(K) SAVINGS PLAN

Statements of Changes in Net Assets Available for Benefits

	Year Ended Dec. 31	
	2015	2014
Contributions:		
Xcel Energy	\$22,487,680	\$21,373,853
Participants	94,157,733	89,240,903
Total contributions	116,645,413	110,614,756
Transfer of plan assets (Note 1)	126,046	107,544
Investment income:		
Plan interest in income from Master Trust (Note 4)	9,332,263	77,062,745
Interest and dividends	43,334,463	43,236,053
Net (depreciation) appreciation in fair value of:		
Interest in registered investment companies, VGI Brokerage Option and collective trusts (Note 6)	(48,079,850) 88,447,579
Total investment income	4,586,876	208,746,377
Interest on notes receivable from participants	704,327	693,454
Benefits paid to participants	(139,616,700) (143,317,111)
Administrative expenses	(1,207,530) (1,209,572)
Net (decrease) increase in net assets available for benefits	(18,761,568) 175,635,448
Net assets available for benefits at beginning of year	1,995,112,142	1,819,476,694
Net assets available for benefits at end of year	\$1,976,350,574	\$1,995,112,142

The accompanying notes are an integral part of the financial statements

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XCEL ENERGY 401(K) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF PLAN

The following includes a brief description of the Xcel Energy 401(K) Savings Plan (the Plan). Participants should refer to the Plan document or Summary Plan Description for more complete information.

General — The Plan is a defined contribution benefit plan which provides eligible employees of Xcel Energy and participating subsidiaries of Xcel Energy (collectively “the Companies”) the opportunity to contribute to a qualified retirement savings plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Plan and Trust Management — The plan administrator is appointed by the Xcel Energy Board of Directors and has authority to control and manage the operation and administration of the Plan. Plan assets are held by a trustee under a trust agreement as adopted or amended by Xcel Energy. The Plan's assets invested in Xcel Energy common stock are held in the Xcel Energy Stock Fund within the Master Trust. See Note 4 for further discussion. The Xcel Energy Stock Fund also holds an immaterial amount of cash equivalents for operational purposes. Individual participant accounts are valued daily based on the current market value of each type of asset. The Vanguard Group is the record keeper and Vanguard Fiduciary Trust Company (VFTC) serves as trustee for the Plan.

Transfer of Plan Assets — Asset transfers of \$126,046 and \$107,544 are reported on the Statements of Changes in Net Assets Available for Benefits for the year ended Dec. 31, 2015 and 2014, respectively. Assets are typically transferred amongst plans when a participant moves from one benefit plan to another within Xcel Energy. In 2015 and 2014, the Plan received transfers of participant assets of \$126,046 and \$107,544, respectively from the New Century Energies, Inc. Employee Investment Plan for Bargaining Unit Employees and Former Non-Bargaining Unit Employees (EIP).

Eligibility — All full-time, part-time and temporary employees of the Companies (with the exception of bargaining unit employees covered by a collective bargaining agreement that does not provide for participation in this Plan) are eligible to participate in the Plan as of their first day of employment.

Vesting — Employee contributions, matching contributions made by Xcel Energy and earnings are immediately vested.

Distributions — Benefits are distributed after termination of employment, disability or death (payable to the beneficiary) in the form of a single lump sum, direct rollover, partial lump sum or installments. Distributions from the Master Trust may be in the form of Xcel Energy common stock or cash based upon the election of the participant.

If the total amount of the participant's vested account balance exceeds \$1,000, the participant may defer distribution until age 70½, unless the participant consents in writing to an earlier date. If the total amount is less than \$1,000, the Plan Administrator may schedule a payment date and the amount will be distributed as soon as administratively possible. All vested account balances remaining in the Plan after the participant leaves the Companies will be invested in the funds in accordance with his/her election, with the ability to diversify at the discretion of the participant. The participant will continue to receive his/her share of investment earnings and dividend distributions until the account is completely distributed.

Participant Accounts — Each participant's account is credited with the participant's contribution, the Company's matching contribution, and allocations of Plan earnings or losses. Allocations are based on the number of participant shares that make up participant account balances.

Plan Termination — While Xcel Energy expects to continue the Plan, it reserves the right at its sole and absolute discretion to amend, modify, change or terminate the Plan or any other benefit plan Xcel Energy may currently provide, at any time, in whole or in part, for whatever reason it deems appropriate, subject to collective bargaining obligations. If Xcel Energy were to terminate the Plan, assets would be distributed in accordance with ERISA guidelines.

Administrative Expenses — Xcel Energy Inc. pays administrative expenses of the Plan. Certain investment advisory, trustee and recordkeeping fees are paid by the Plan or by the participant, as applicable. The Vanguard Brokerage Option annual account maintenance fee, participant loan set-up fee, annual loan maintenance fee, and annual fixed administration fee are paid by the participant.

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Dividends — Dividends paid on shares held in Xcel Energy common stock within the Master Trust are automatically reinvested in Xcel Energy common stock unless the participant elects to receive them as a taxable cash distribution.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The accompanying financial statements of the Plan have been prepared under the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties — The Plan provides for investment in a variety of investment funds. Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the financial statements.

Fair Value Measurements — The Plan presents money market funds and mutual funds (registered investment companies), the Xcel Energy Stock Fund held within the Master Trust, common collective trusts and VGI Brokerage Option investments at fair value in its financial statements.

The fair values of money market funds are based on quoted net asset value. The fair values of mutual funds and Xcel Energy common stock are based on quoted market prices.

The VGI Brokerage Option is a fund option that allows participants to self-direct investments in a wider variety of mutual funds, equity securities, and debt securities. Within the VGI Brokerage Option, the fair value of mutual funds and equity securities are based on quoted market prices, while the fair values of debt securities are based on market interest rate curves and recent trades of similarly rated securities.

Common collective trusts consist of investments in the retirement target date trusts, which have been assigned as Level 2, are valued at the underlying investments' net asset value at the close of the day multiplied by the number of shares in the fund. These assets did not have any unfunded commitments at Dec. 31, 2015 and 2014 and there are no restrictions on redemption.

Notes Receivable from Participants — Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are recorded as distributions based on the terms of the Plan document.

Investments — The Plan's net asset investments include money market funds, various mutual funds, collective trusts, the Master Trust, and VGI Brokerage Option. Each participant elects the percentage of his or her account balance to be invested in each investment option. Investment income includes interest and dividends. Realized gains and losses on the sale of investments and unrealized gains or losses in the fair value of investments are shown as net appreciation (depreciation) in the fair value of investments. Total investment income is allocated to each fund based on the number of units in each fund. Security transactions are recognized on the trade date (the date the order to buy or sell is executed).

Income Recognition — The difference between the fair value and the cost of investments, including realized and unrealized gains and losses, is reflected in the Statements of Changes in Net Assets Available for Benefits. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date.

Payment of Benefits — Benefit payments are recorded when paid.

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Recently Issued Accounting Pronouncements

Fair Value Measurement – In May 2015, the Financial Accounting Standards Board (FASB) issued Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent), Topic 820 (Accounting Standards Update (ASU) No. 2015-07), which eliminates the requirement to categorize within the fair value hierarchy the fair values for investments measured using a net asset value per share methodology. This guidance will be effective for fiscal years beginning after Dec. 15, 2015, and early adoption is permitted. Other than the reduced disclosure requirements, the Plan does not expect the implementation of ASU 2015-07 to have a material impact on the Plan's financial statements.

Plan Accounting – In July 2015, the FASB issued Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965), (ASU No. 2015-12), which among other changes in accounting and disclosure requirements, eliminates the requirement to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by investment type. The guidance also simplifies the disaggregation requirements for investments that are measured using fair value. This guidance will be effective for fiscal years beginning after Dec. 15, 2015, and early adoption is permitted. The Plan is currently evaluating the impact of adopting ASU 2015-12 on the Plan's financial statements.

Classification a