



**NEWS
RELEASE**

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**Xcel Energy unveils new Utility Innovations initiatives at
DistribuTECH 2006**

Innovative partnership captures Project of the Year Award

MINNEAPOLIS— Xcel Energy (NYSE: XEL) revealed its most recent Utility Innovations (UI) projects today at DistribuTECH 2006 in Tampa, Fla. The company also received the T&D Automation Project of the Year award from conference host Pennwell Corporation's Utility Automation & Engineering T&D magazine for one of the most innovative electric power transmission and distribution technology implementations in 2005.

The latest UI prototypes align information technology investments with targeted business improvement objectives in the areas of renewable energy, predictive maintenance, communications and automated design:

- A Web portal for builders and developers that reduces project design time from 20 weeks to two weeks;
- A predictive maintenance program for power plants that uses analytics to predict incidents before they occur;
- A partnership with the National Renewable Energy Laboratory that provides more effective placements of solar power to have a more significant impact on a given service territory;
- A communications architecture model that supports Advanced Meter Management and evaluates technologies such as WiFi, WiMax and BPL.

“Utility Innovations is proving that truly successful innovation can be achieved through collaboration in a utility environment,” said Xcel Energy Vice President and Chief Information Officer Ray Gogel. “The evolution of the partnership has given Utility Innovations the flexibility to seamlessly continue with initiatives that meet changing business goals. The program is putting research and development into the business model of the utility industry. And that is creating opportunities for improved reliability, customer satisfaction and other value propositions for our customers.”

In 2004, Xcel Energy brought together leading technology companies to leverage the creativity, knowledge and skills of each firm to develop innovations that

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improve customer service and operational efficiency. Since that time, the Utility Innovations program has evolved as new partners joined Xcel Energy to work on a new series of initiatives.

Joining Xcel Energy in 2005 and 2006 are:

- **IBM (NYSE: IBM)**, the provider of deep industry expertise, broad-base technology and software solutions, as well as project management and systems integration;
- **Indus (NASDAQ: IINT)**, the provider of Indus Asset Suite, the company's work management and supply chain system, and also Indus Service Suite, which provides resource optimization, scheduling and mobility solutions;
- **Itron (NASDAQ: ITRI)**, the provider of meters and meter reading automation in Xcel Energy, Colorado, as well as the provider of software applications in meter data management, billing and asset management areas;
- **Lennar Homes (NYSE: LEN)** is the provider of residential development land design and C.A.D. drawings, and through Nolte Engineering, provides civil engineering services for integration of technology and management systems;
- **Meridium** provides asset performance management software solutions to the process and power industries for increasing equipment reliability and improving the performance of production assets;
- **SmartSignal** is the leader in equipment-performance-improvement solutions providing real-time insights into equipment health at Xcel Energy;
- **The U.S. National Renewable Energy Laboratory (NREL)** is the nation's primary laboratory for renewable energy and energy efficiency research and development.

"Xcel Energy already has realized \$2.25 million in savings through the implementation of a UI workforce optimization initiative," said Utility Innovations Executive Director Corey Hessen, P.E. "It's the strength of these kind of results that has lead to the creation of Utility Innovations as an Xcel Energy program that seeks new solutions for higher operational performance."

"Xcel Energy continues to pursue achieving the maximum value from its technology investments, and has gained the attention of other utilities attempting to extend the value of advanced metering beyond billing and customer service," said Patti Harper-Slaboszewicz, Director AMR and Demand Response of UtiliPoint International, a market research and consulting company. "Utility Innovations is one very good example of a utility pushing the energy market to reach the level of sophistication seen in other industries and this is at the heart of the smart metering provisions in the Energy Policy Act of 2005. What is interesting is that competitors who would normally directly face off in responding to utility RFP's are instead working together to forge a new approach, and doing it successfully. At this point in the market development for advanced metering, vendors have much to gain from working together to continue to expand their market."

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For more information about Utility Innovations and the partners, please visit www.xcelenergy.com and click on the Utility Innovations link, located in Newsroom.

“Utility Innovations is a key component of Xcel Energy’s plans to meet the growing needs of our customers ” said Xcel Energy Chairman and CEO Richard Kelly. “The program’s success is a testament to our partners’ expertise, and willingness to work outside the bounds of conventional thinking.”

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Xcel Energy is a major U.S. electricity and natural gas company, with operations in 10 Western and Midwestern states. Xcel Energy provides a comprehensive portfolio of energy-related products and services to 3.3 million electricity customers and 1.8 million natural gas customers through its regulated operating companies. In terms of customers, it is the fourth-largest combination natural gas and electricity company in the nation. Company headquarters are located in Minneapolis. More information is available at www.xcelenergy.com

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