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VIA E-MAIL AND U.S. MAIL

Office of the Secretary
Securities and Exchange Commission
100 F. Street N.E.
Washington, DC 20549-1090

Re: File No. S7-18-08
Securities and Exchange Commission Release No. 33-8940

Ladies and Gentlemen:

Xcel Energy Inc. (“Xcel Energy”) appreciates the opportunity to offer comments on the proposed rule amendments of the Securities and Exchange Commission (the “Commission”) to the eligibility requirements for the use of Form S-3 under the Securities Act of 1933, as amended (the “Securities Act”). The Commission originally published the proposed rule changes at 73 Fed. Reg. 40106 on July 11, 2008. The Commission re-opened the comment period and requested further comment on the proposed rule at 74 Fed. Reg. 52374 on October 9, 2009.

Xcel Energy agrees with the assessment of the Edison Electric Institute (“EEI”) and others that the proposed change to the Form S-3 eligibility requirements will adversely impact a number of utility holding company systems. In fact, if the proposed rule becomes effective, two of Xcel Energy’s utility operating subsidiaries would immediately be ineligible to use Form S-3 for offerings of investment grade debt securities, and we believe that our other utility operating subsidiaries could be adversely impacted in the future. Xcel Energy believes that the proposed change to the Form S-3 eligibility requirements is not necessary in the context of traditional corporate debt offerings and that, if changes are made to the Form S-3 eligibility requirements, the proposed historical \$1 billion debt issuance test is not an appropriate standard for determining Form S-3 eligibility.

Xcel Energy (NYSE: XEL) is a well-known seasoned issuer (“WKSI”) with a market capitalization of over \$9.0 billion. Xcel Energy is the holding company parent of four regulated utility subsidiaries that deliver electricity and natural gas in eight Western and Midwestern states to 3.4 million electricity customers and 1.9 million natural gas customers. The assets and revenues from the four utility operating subsidiaries comprise nearly all of Xcel Energy’s assets and revenues, and the operations of the four utility operating subsidiaries are followed by the market. Each of Xcel Energy’s four utility operating subsidiaries are reporting companies and file reports with the Commission under the Securities Exchange Act of 1934, as amended (the

“Exchange Act”). Each of Xcel Energy’s four utility operating subsidiaries are also eligible to use Form S-3 under current General Instruction I.B.2 and maintain shelf registration statements on Form S-3 for the public offering of investment grade debt securities. These Form S-3 registration statements have afforded Xcel Energy and its utility operating subsidiaries significant flexibility in issuing debt securities over the past two years during extremely difficult capital market conditions.

In the proposing release, the Commission asked whether there were “any transactions that currently meet the requirements of current General Instruction I.B.2. that would not be eligible to use the form under the proposed revision?” For Xcel Energy and its utility operating subsidiaries, the answer is “Yes”, and we believe that other utility holding companies would also be adversely impacted.

If the proposed change to Form S-3 eligibility requirements is adopted, two of our utility operating subsidiaries, Southwestern Public Service Company (“SPS”) and Northern States Power Company, a Wisconsin corporation (“NSP-Wisconsin”), would immediately lose their ability to offer investment grade securities through Form S-3 registration statements. Those companies would instead be required to use the more extensive and less flexible Form S-1 registration statement or offer their corporate debt securities through non-registered offerings, such as Rule 144A offerings. Continually updating shelf registration statements on Form S-1 involves a large amount of time and expense and limits the ability to flexibly respond to market conditions. Because our utility operating subsidiaries need the ability to quickly access the capital markets and take advantage of favorable market conditions, it is likely that they would use non-registered offerings, which would in turn reduce their access to broad, public sources of liquidity. Reliance by our operating subsidiaries on non-registered offerings would also make it more difficult for them to ever meet the historical issuance test since only registered offerings would be counted toward the \$1 billion threshold. The costs of raising capital for our utility operating subsidiaries, whether in an offering registered on Form S-1 or in a non-registered offering, would increase as a result of the proposed change to the eligibility requirements, which over time would lead to higher incremental financing costs that our utility customers are required to bear. It should be noted that both companies were able to use Form S-3, relying on General Instruction I.B.2., to access the credit markets during recent, difficult capital market conditions. NSP-Wisconsin was able to access the capital markets in September 2008 for an offering of \$200 million of first mortgage bonds and SPS was able to offer \$250 million senior unsecured debt securities in November 2008.

Xcel Energy also believes that the proposed change to the eligibility requirements and reliance on a historical debt issuance test could negatively impact our other utility operating subsidiaries in the future because of the cyclical nature of their need to access the capital markets due to varying capital expenditure requirements and refinancings of outstanding indebtedness. For example, if the proposed rule had been in effect during the summer of 2009, another of our

utility operating subsidiaries, Public Service Company of Colorado (“PSCo”), which in 2008 had operating revenue of \$4.4 billion and net income of \$339.8 million and had total assets of \$9.8 billion at December 31, 2008, would not have met the proposed historical debt issuance test for its offering of \$400 million of first mortgage bonds in June 2009.

If the Commission decides to change the Form S-3 eligibility requirements, Xcel Energy agrees with EEI and others that the proposed historical \$1 billion issuance test is not an appropriate standard for determining Form S-3 eligibility for corporate debt issuers. The proposed change in eligibility requirements would effectively require that a utility operating subsidiary of Xcel Energy qualify as a WKSI in order to be eligible to use Form S-3. As noted above, even large utility operating subsidiaries such as PSCo could fall in and out of eligibility depending upon the timing of capital expenditures and refinancings, without regard to any change in their underlying business or the extent to which their operations are followed by the market. Xcel Energy believes that each of its four utility subsidiaries, which all file Exchange Act reports with the Commission, are well known and widely followed by the market as a component of Xcel Energy’s operations. Xcel Energy agrees with EEI and others that operating subsidiaries of WSIs should be eligible for use of Form S-3. To the extent that any changes to the eligibility requirements of Form S-3 are made, they should be limited to issuers of complex, asset-backed securities.

Xcel Energy appreciates the efforts of the Commission to improve the credit rating process, but we do not believe that any changes are necessary to the Form S-3 eligibility requirements for traditional corporate debt offerings. If the Commission determines to change the eligibility requirements, we believe that the historical \$1 billion issuance test is not the appropriate standard for determining Form S-3 eligibility and that any changes to the Form S-3 eligibility requirements should not adversely impact the ability of companies to efficiently access the public markets to issue traditional corporate debt securities. If the Commission has any questions regarding this letter, please contact Wendy Mahling at 612-215-4671.

Very truly yours,

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