XCEL ENERGY INC
Form 424B5
November 07, 2018
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Registration Number 333-224333

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are part of an effective registration statement filed with the Securities and Exchange Commission. This preliminary prospectus supplement and the accompanying prospectus are not offers to sell nor solicitations of offers to buy these securities in any jurisdiction where such offer or sale is not permitted.

Subject to Completion, dated November 7, 2018

PRELIMINARY PROSPECTUS SUPPLEMENT

(To prospectus dated April 18, 2018)

Xcel Energy Inc.

$400,000,000

Common Stock

The forward seller referred to below is offering $400,000,000 of shares of our common stock, par value $2.50 per share. We expect to enter into a forward sale agreement with Morgan Stanley & Co. LLC, whom we refer to in such capacity as the forward purchaser, with respect to $400,000,000 of shares of our common stock. In connection with this forward sale agreement, the forward purchaser or its affiliate and/or agent, whom we refer to in such capacity as the forward seller, at our request, is borrowing from third parties and selling to the underwriters $400,000,000 of shares of our common stock. If in the good faith, commercially reasonable judgment of the forward purchaser, it or its affiliate is unable to borrow and deliver for sale on the anticipated closing date a number of shares of our common stock underlying the forward sale agreement, or it or its affiliate would be unable to borrow, at a stock loan rate not greater than a specified rate, and deliver for sale on the anticipated closing date such number of shares of our common stock, or if certain other conditions to the forward seller s obligations have not been satisfied, then we will issue and sell directly to the underwriters a number of shares of our common stock equal to the number of shares that the forward seller does not borrow and deliver.

We will not initially receive any proceeds from the sale of our common stock sold by the forward seller to the underwriters, except in certain circumstances described in this prospectus supplement, including the last sentence of the previous paragraph. The forward sale agreement provides for settlement on a settlement date or dates to be specified at our discretion on or prior to February , 2020. If we elect to cash settle all or a portion of the forward sale agreement, we may not receive any proceeds from such election, and we may owe cash to the forward purchaser. If we elect to net share settle all or a portion of the forward sale agreement, we will not receive any cash proceeds from such election, and we may owe shares of our common stock to the forward purchaser. See Underwriting (Conflicts of Interest) Forward Sale Agreement for a description of the forward sale agreement.

Our common stock is listed on the Nasdaq Stock Market LLC (the Nasdaq) under the symbol XEL. The last reported sale price of our common stock on the Nasdaq on November 6, 2018 was $49.14 per share.

Investing in our common stock involves risks. See Risk Factors on page S-8 of this prospectus supplement to read important factors you should consider before investing in our common stock.

The underwriters propose to offer shares of our common stock from time to time for sale in one or more transactions on the Nasdaq, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices, subject to receipt and acceptance by the underwriters and subject to their right to reject any order in whole or in part. In connection with the sale of shares of our common stock, the underwriters may be deemed to have received compensation in the form of underwriting discounts. The underwriters may effect such transactions by selling shares of our common stock to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or purchasers of shares of our common stock for whom they may act as an agent or to whom they may sell as principal. The difference between the price at which the underwriters purchase shares of our common stock and the price at which the underwriters resell such shares may be deemed underwriting compensation.

The underwriters have agreed to purchase shares of our common stock from the forward seller at a price of $ per share. We expect to receive estimated net proceeds from the sale of shares of our common stock, before expenses, of $ ($ if the underwriters option to purchase additional shares of our common stock is exercised in full, as described in detail below) upon full physical settlement of the forward sale agreement, which we expect to occur on or prior to February , 2020. For the purpose of calculating the estimated net proceeds to us, we have assumed that the forward sale agreement is fully physically settled based on the initial forward sale price of $ per share. The forward sale price is subject to adjustment pursuant to the forward sale agreement, and the actual proceeds, if any, will be calculated as described in this prospectus supplement.

Although we expect to settle the forward sale agreement entirely by the full physical delivery of shares of our common stock to the forward purchaser in exchange for cash proceeds, we may elect cash settlement or net share settlement for all or a portion of our obligations under the forward sale agreement. See Underwriting (Conflicts of Interest) Forward Sale Agreement for a description of the forward sale agreement.

We have granted the underwriters an option for a period of 30 days from the date of this prospectus supplement to purchase up to an additional $60,000,000 of shares of our common stock at a price of $ per share. If such option is exercised, we may, in our sole discretion, enter into an additional forward sale agreement with the forward purchaser in respect of the number of shares of our common stock that are subject to the exercise of such option. Unless the context requires otherwise, the term forward sale agreement as used in this prospectus supplement includes any additional forward sale agreement that we may enter into with the forward purchaser in connection with the exercise by the underwriters of their option. If such option is exercised and we elect not to enter into an additional forward sale agreement, we have agreed to issue and sell directly to the underwriters the number of shares of our common stock that are subject to the exercise of such option. If we enter into an additional forward sale agreement, and if in the good faith, commercially reasonable judgment of the forward purchaser, it or its affiliate is unable to borrow, or is unable to borrow at a stock loan rate no greater than a specified rate, and deliver for sale on the anticipated closing date for the exercise of such option a number of shares of our common stock underlying such additional forward sale agreement, or if certain other conditions to the forward seller s obligations have not been satisfied, then we will issue and sell directly to the underwriters a number of shares of our common stock equal to the number of shares of our common stock that the forward seller does not borrow and deliver.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect that the shares of our common stock will be delivered against payment on or about , 2018.

Joint Book-Running Managers

Morgan Stanley **Wells Fargo Securities**

Prospectus Supplement dated November , 2018

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This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the offering. The second part, the base shelf prospectus, gives more general information, some of which may not apply to this offering. The accompanying base shelf prospectus dated April 18, 2018 is referred to as the accompanying prospectus in this prospectus supplement.

This prospectus supplement, the accompanying prospectus and any free writing prospectus that we prepare or authorize contain and incorporate by reference information that you should consider when making your investment decision. We have not, and the underwriters, the forward purchaser and the forward seller have not, authorized anyone to provide you with different information and, if given, you should not rely on it. We are not, and the underwriters, the forward purchaser and the forward seller are not, making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference herein or therein is accurate as of any date other than the date on the front of those documents.

If this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on the information in this prospectus supplement.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus, and the documents they incorporate by reference contain statements that are not historical fact and constitute forward-looking statements. When we use words like anticipate, believe, could, estimate, expect, intend, may, objective, outlook, plan, project, possible, pote and similar expressions, or when we discuss our strategy or plans, we are making forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Our future results may differ materially from those expressed in these forward-looking statements. These statements are necessarily based upon various assumptions involving judgments with respect to the future and other risks, including, among others:

economic conditions, including inflation rates, monetary fluctuations and their impact on capital expenditures;

the risk of a significant slowdown in growth or decline in the U.S. economy, the risk of delay in growth recovery in the U.S. economy or the risk of increased cost for insurance premiums, security and other items as a consequence of past or future terrorist attacks;