



**NEWS
RELEASE**

Xcel Energy Media Relations
600 S. Tyler St.
Amarillo, TX 79101
(806) 679-7773
www.xcelenergy.com

June 1, 2015

Xcel Energy hits major milestone in N.M. grid project

Eddy County's new high-voltage lines and substations benefit regional economy

CARLSBAD, N.M. – Xcel Energy has invested an estimated \$28 million in high-voltage transmission and distribution infrastructure in Eddy County, N.M., as part of its Power for the Plains capital investment initiative, delivering greater reliability and capacity to one of New Mexico's fastest-growing economies.

The new North Loving and China Draw substations are now in service, along with a new, 18-mile 115-kilovolt line connecting the two stations. North Loving is located eight miles southeast of Carlsbad, and China Draw is located 22 miles south of Carlsbad. Also, a new 9-mile 115 kilovolt line is now in service between the existing Hopi Substation five miles southwest of Carlsbad to the new North Loving Substation.

“These projects have come in on time and in line with the budgeted cost, and they are bringing an additional 25,000 horsepower for the region's growing industrial base,” said Shannon Close, Xcel Energy project manager. “We're pleased to be able to play this important role in our region's development.”

Horsepower is a standard measurement of power needed to run industrial equipment such as oil pumpjacks, and one horsepower is equivalent to 746 watts of power.

The project is one of 44 critical new transmission projects valued at \$557 million approved by the Southwest Power Pool in April 2014. All but one of these 44 projects that Xcel Energy agreed to build are in eastern and southeastern New Mexico.

“We're investing hundreds of millions of dollars in the regional transmission and distribution networks to improve the reliability and capacity of our power delivery systems,” said David Hudson, president of Southwestern Public Service Company, an Xcel Energy company. “This is especially important in light of the phenomenal growth in the energy and mining industries that support the southeastern New Mexico economy.”

Xcel Energy is still connecting new wells that were drilled before oil prices fell in 2014, and though new drilling has slowed, it has not stopped, Hudson pointed out. And communities in the area continue to expand, demanding more power for a growing residential and commercial customer base, he said.

Xcel Energy is investing \$3 billion in new and improved power lines, substations and power generating equipment across its Texas-New Mexico service area between now and 2020, Hudson said. The impact of the capital spending generates an additional \$2 billion in value to the local economies and positions the region for future growth.

“A robust power grid that delivers reasonably priced power in a safe, reliable and environmental conscious way is invaluable to the future success of this region,” Hudson said.

In addition to the Hopi-North Loving-China Draw project, Xcel Energy is constructing an estimated \$85 million in additional high-voltage delivery systems in 2015 across both southern Eddy and neighboring southern Lea County, N.M. – portions of which had little to no high-voltage service before. Those projects include:

- Potash Junction-to-Roadrunner 230-kilovolt transmission line project, which involves 42 miles of new line between the new Roadrunner Substation and the existing Potash Junction Substation. Roadrunner is under construction about 45 miles southeast of Carlsbad. Potash Junction is located approximately 15 miles northeast of Carlsbad.
- The new Quahada Switching Station in Lea County, N.M.
- The new Battle Axe Substation located about 38 miles southeast of Carlsbad, along with a new, 19-mile 115-kilovolt transmission connection to the new Roadrunner Substation.

Information on these and other Texas-New Mexico transmission enhancement initiatives can be found at www.powerfortheplains.com.

Xcel Energy (NYSE: XEL) is a major U.S. electricity and natural gas company with regulated operations in eight Western and Midwestern states. Xcel Energy provides a comprehensive portfolio of energy-related products and services to 3.5 million electricity customers and 2 million natural gas customers through its regulated operating companies. Company headquarters are located in Minneapolis. More information is available at www.xcelenergy.com.

###