

authorizes SPS to construct and operate a 345 kilovolt ("kV") transmission line and associated facilities in Eddy and Lea Counties, New Mexico; (B) approving the location of the 345 kV transmission line; (C) making a determination that the proposed 150-foot right-of-way width for the transmission lines is appropriate; (D) authorizing SPS to accrue an allowance for funds used during the construction of the proposed transmission line and associated facilities; and (E) granting all other approvals and authorizations that the Commission determines necessary for SPS to implement and effectuate the relief granted in the final order in this case.

2. SPS proposes to construct and operate the 345 kV transmission line and associated substation facilities in Eddy and Lea Counties, New Mexico (the "Proposed Project"), that connects the Potash Junction Substation to the proposed Roadrunner Substation in order to provide increased reliability for southeastern New Mexico. SPS's Application states that the Proposed Project is needed for reliability purposes for retail service in New Mexico and the in-service date required for the project is on or before October 31, 2015.

3. The Commission has assigned Case No. 14-_____-UT to this Application, and all correspondence, pleadings, comments, and other communications shall refer to that case number.

4. The procedural schedule established in this case is as follows:

(A) Any interested person may intervene in this case by filing a motion for leave to intervene pursuant to 17.1.2.26.1 and 17.1.2.26.2 NMAC on or before _____, 2014;

(B) The Utility Division Staff and any Intervenors shall file direct testimony on or before _____, 2014;

(C) Any rebuttal testimony shall be filed on or before _____, 2014; and

(D) A public hearing will be held on _____, at _____ m. at the Commission's offices in the P.E.R.A. Building, 1120 Paseo de Peralta, Santa Fe, New Mexico, to hear and receive evidence, arguments, and any other appropriate matters pertaining to the case.

5. In accordance with NMSA 1978, Sections 62-9-1(C) and 62-9-3(K), the Commission may approve SPS's request for a CCN and its related request for location approval without formal hearing if no protest is filed within sixty (60) days after SPS's publication of notice regarding the filing of the application in the case. However, if a protest is filed in the case, SPS requests expedited action by the Commission in order to satisfy the reliability and other public interest needs in New Mexico for the proposed transmission line and associated facilities.

6. The Application, together with supporting pre-filed direct testimony and any attachments and related papers, may be examined by any interested person at the Xcel Energy's *Power for the Plains* website (<http://www.powerfortheplains.com/>), or the

Commission's website (<http://www.nmprc.state.nm.us/general-counsel/caselookup.html>),
or the offices of SPS and the Commission at the following addresses:

Southwestern Public Service Company
525 E. Bender
Hobbs, NM 88241
Attn: Ben Jaime

Southwestern Public Service Company
600 S. Tyler, Suite 2400
Post Office Box 1261
Amarillo, TX 79105
Attn: James Bagley

New Mexico Public Regulation Commission
P.E.R.A. Building
1120. Paseo de Peralta
Santa Fe, NM 87504

7. Pursuant to 17.9.592.13 NMAC, the Application, supporting pre-filed
direct testimony and attachments may also be examined by any interested person at:

Lovington Public Library
115 South Main Street
Lovington, NM 88260

or

Carlsbad Public Library
101 S. Halgueno St.
Carlsbad, NM 88220

8. Any interested person may appear at the time and place of hearing and
make a written or oral comment, pursuant to 17.1.2.26.6 NMAC without becoming an
intervenor. Such comments will not be considered as evidence in this case.

9. The procedural dates and requirements provided herein are as provided in the Procedural Order issued in this case, and are subject to further order of the Commission or Hearing Examiner. Any interested person should contact the Commission for confirmation of the hearing date, time and place since hearings are occasionally rescheduled.

10. Anyone filing pleadings, documents, or testimony shall serve copies thereof on all parties of record and the Utility Division Staff and the Hearing Examiner by (a) first class mail or hand-delivery and (b) by e-mail as provided by the Procedural Order. Copies served on the Hearing Examiner shall include an electronic version of the filing in Word format. All filings shall be e-mailed on the date they are filed with the Commission. Any person whose testimony has been pre-filed will attend the hearing and submit to examination under oath.

11. The Commission's Rules of Procedure (1.2.2 NMAC) shall apply to this case except as modified by Order of the Commission or Hearing Examiner. A copy of the rules may be obtained from the Offices of the Commission or at www.nmprc.state.nm.us/nmcc/.

12. All documents mailed to the Commission and its personnel shall be mailed to: New Mexico Public Regulation Commission, P.E.R.A. Building, P.O. Box 1269, Santa Fe, New Mexico 87504-1269. The following physical address of the Commission shall be used only for special or hand-deliveries: 1120 Paseo de Peralta, Santa Fe, New Mexico 87501.

13. ANY PERSON WITH A DISABILITY REQUIRING SPECIAL ASSISTANCE IN ORDER TO PARTICIPATE IN THIS CASE SHOULD CONTACT THE COMMISSION AT LEAST 24 HOURS PRIOR TO THE COMMENCEMENT OF THE HEARING.

ISSUED at Santa Fe, New Mexico, this _____ day of _____, 2014.

NEW MEXICO PUBLIC REGULATION COMMISSION

Hearing Examiner

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF SOUTHWESTERN)
PUBLIC SERVICE COMPANY'S)
APPLICATION FOR EXPEDITED: (1))
ISSUANCE OF A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY)
AUTHORIZING CONSTRUCTION AND)
OPERATION OF A 345 KV TRANSMISSION)
LINE AND ASSOCIATED FACILITIES IN)
EDDY AND LEA COUNTIES, NEW MEXICO;)
(2) APPROVAL OF THE LOCATION OF THE)
345 KV TRANSMISSION LINE; (3))
DETERMINATION OF RIGHT OF WAY)
WIDTH AND (4) AUTHORIZING ACCRUAL)
OF AN ALLOWANCE FOR FUNDS USED)
DURING CONSTRUCTION FOR THE)
TRANSMISSION LINE AND ASSOCIATED)
FACILITIES,)
SOUTHWESTERN PUBLIC SERVICE)
COMPANY,)
APPLICANT.)

CASE NO. 14-____-UT

APPLICATION

Pursuant to Sections 62-9-1, 62-9-3, 62-9-3.2 and 62-9-6 of the New Mexico Public Utility Act (NMSA 1978, §§ 62-3-1 *et seq.*, "PUA"), and New Mexico Public Regulation Commission ("Commission") Rules 17.1.2.9 NMAC and 17.9.592 NMAC ("Rule 592"), Southwestern Public Service Company ("SPS") applies to the Commission for an order granting the following expedited relief: (1) issuance of a certificate of public convenience and necessity ("CCN") authorizing SPS to construct and operate the proposed 345 kilovolt ("kV") transmission

line and associated facilities in Eddy and Lea Counties, New Mexico; (2) approving the location of the proposed 345 kV transmission line; (3) making a determination that the proposed 150-foot right-of-way ("ROW") width is appropriate; and (4) authorizing SPS to accrue an allowance for funds used during construction ("AFUDC") of the transmission line and associated facilities. These approvals and authorizations are described in this Application and SPS's supporting pre-filed direct testimony concurrently filed with the Application.

In support of this Application, SPS states the following:

I. INTRODUCTION

1. SPS is a New Mexico corporation, that owns, operates and controls electric generation, transmission, and distribution plant, property, and facilities that provide retail and wholesale electric capacity and energy to portions of New Mexico and Texas. With respect to its provision of retail electric service in New Mexico, SPS is a public utility in New Mexico as defined in Section 62-3-3 of the PUA, and is subject to the jurisdiction and authority of this Commission.

2. A certified copy of SPS's articles of incorporation is on file with the Commission.

3. SPS's principal office in New Mexico is located at 111 East Fifth Street, Roswell, New Mexico 88201, and its principal corporate office is located at 600 S. Tyler Street, Amarillo, Texas 79101.

4. SPS's corporate representatives and attorneys who should receive all notices, pleadings, discovery requests and responses, and other documents related to this case are:

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II. STATEMENT OF FACTS

5. SPS proposes to construct and operate a 345 kV transmission line and associated facilities in Eddy and Lea Counties, New Mexico (the "Proposed Project"). The 345 kV transmission line will connect SPS's proposed Roadrunner Substation, located northwest of Jal, New Mexico, to a connection point south of the Potash Junction Substation, located northeast of Carlsbad, New Mexico.

6. SPS will initially operate the proposed transmission line at 230 kV because there will not be a 345 kV source at the Potash Substation until 2018. The Proposed Project will

provide increased reliability for southeastern New Mexico and will reduce overloads and low voltage conditions.

7. The Proposed Project is necessary to serve SPS's New Mexico customers based on SPS's current analysis of loads and resources and it will mitigate overloads that could occur from several contingencies in southeastern New Mexico.

8. The location of the proposed transmission line will not unduly impair any important environmental values in the project area and the proposed transmission line will comport with and satisfy all applicable land use requirements.

9. Because the proposed transmission line will require a ROW width of 150 feet or 75 feet on either side of the centerline, SPS is requesting that the Commission determine that the proposed ROW width is appropriate in accordance with Seciton 62-9-3.2 of the PUA.

10. Based on SPS's current load and resources forecasts, the construction of the proposed transmission line and associated facilities will be needed on or before October 31, 2015.

11. The estimated cost of the proposed transmission line and associated facilities is approximately \$54 million, which includes AFUDC.

12. SPS is in the process of obtaining state and federal permits that authorize SPS to construct and maintain the proposed transmission facilities on state and federal lands (*i.e.*, lands owned by the New Mexico State Lands Office ("NMSLO") and United States Bureau of Land Management ("BLM")). In this regard, SPS has been advised that these agencies expect to issue

their permits for the Proposed Project during the pendency of this case, which will be prior to the Commission's entry of a final order in this case. In light of the need for the project to be operational by October 31, 2015, SPS is requesting that the Commission's Utility Division Staff and any intervenor(s) begin their review of the project upon receipt of SPS's filing of the Application and supporting pre-filed direct testimony. SPS will supplement its filing as soon as the permits from the State of New Mexico and the Bureau of Land Management are received.

13. In accordance with Sections 62-9-1(C) and 62-9-3(K) of the PUA, the Commission may approve SPS's request for a CCN and its related request for location approval without formal hearing if no protest is filed within sixty (60) days after SPS's publication of notice regarding the filing of the application in this case. However, if a protest is filed in the case, SPS requests expedited action on the Application by the Commission to facilitate SPS's construction of the Proposed Project by October 31, 2015, in order to satisfy the reliability and other public interest needs in New Mexico for the proposed transmission line and associated facilities.

14. In accordance with Rule 592.10(J), SPS will serve a copy of this Application and supporting direct testimony on the Office of the New Mexico Attorney General, the Commission's Utility Division Staff, the New Mexico Environment Department, the New Mexico State Engineer and local authorities in each county and township in which the transmission line will be located. Additionally, SPS will publish notice of the filing of the

Application in accordance with 17.1.2.9(D) NMAC. SPS's proposed form of Notice is attached to the Application as Exhibit A.

15. In support of its Application, SPS is concurrently filing the direct testimony of the following witnesses:

(a) Roland C. Azcarraga, SPS's Senior Engineer in Transmission Planning whose testimony: (i) provides an overview of SPS's transmission system and operations; (ii) explains the need for the project; (iii) describes the proposed transmission project and explains why the project is being constructed at 345 kV; (iv) how the Proposed Project satisfies the requirements for Commission approval of a CCN; and (v) the estimated cost of the Proposed Project.

(b) Jason F. Brunner, SPS's engineering consultant employed by HDR Engineering Inc., whose testimony: (i) provides a general description of the Proposed Project; (ii) discusses the need for the 150-foot ROW width for the proposed transmission line and the associated determination by the Commission; and (iii) explains the circuit design and construction of the Proposed Project;

(c) Scott G. Morris, SPS's Senior Siting and Land Rights Agent, whose testimony: (i) discusses SPS's request for location approval of the proposed transmission line and route selection process; (ii) explains the Proposed Project's compliance with the Commission's filing requirements under Rule 592 and approval of the location of the transmission line; and (iii) provides a schematic diagram showing the proposed transmission line and its interconnection to grid; and

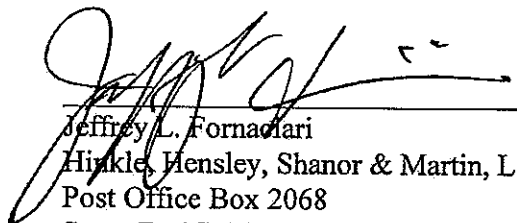
(d) Howard C. Higgins, SPS's environmental consultant, employed by TRC Environmental Corporation, whose testimony: (i) evaluates the potential environmental impacts of the Proposed Project; (ii) describes the process for filing and obtaining approval for the required permits from the NMSLO and the BLM; and (iii) presents the Environmental Assessment Report, which concludes that the Proposed Project does not unduly impair any important environmental values in the project area.

WHEREFORE, SPS respectfully requests that the Commission enter a final order that grants the following expedited relief:

- A. Declaring that the public convenience and necessity requires or will require SPS to construct and operate the proposed 345 kV transmission line and associated facilities on or before October 31, 2015, and, therefore, granting to SPS a CCN for the proposed transmission line and associated facilities;
- B. Granting to SPS approval for the location of the a 345 kV transmission line as proposed by SPS;
- C. Determining that SPS's proposed 150-foot ROW width for the transmission line is appropriate;
- D. Authorizing SPS to accrue AFUDC for the proposed transmission line and substation facility; and

E. Granting to SPS such other approvals, authorizations and relief as the Commission deems necessary and proper in order to allow SPS to implement and effectuate the relief in the final order issued in this case.

Respectfully submitted,



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