

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

**IN THE MATTER OF SOUTHWESTERN PUBLIC )  
SERVICE COMPANY'S APPLICATION FOR )  
AUTHORITY TO: (1) ISSUE UP TO \$250 MILLION OF )  
FIRST MORTGAGE BONDS DURING 2022; (2) RECOVER )  
CERTAIN REFUNDING COSTS; (3) ENTER INTO )  
AGREEMENTS IN SUPPORT OF INTEREST RATE ) Case No. 22-00017-UT  
HEDGING INCLUDING INTEREST RATE LOCKS AND )  
SWAPS; AND (4) EXTEND AUTHORIZATION TO ISSUE )  
NOTES UNDER REVOLVING CREDIT AGREEMENT )  
FOR AN ADDITIONAL THREE YEARS. )  
)  
)  
**SOUTHWESTERN PUBLIC SERVICE COMPANY, )  
APPLICANT. )****

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**NOTICE**

**THIS MATTER** comes before Christopher P. Ryan, hearing examiner for the New Mexico Public Regulation Commission (Commission), from the application filed by Southwestern Public Service Company (SPS). The hearing examiner **FINDS AND CONCLUDES** as follows:

1. On January 25, 2022, SPS filed its application with the Commission requesting approvals and authorizations pertaining to securities. First, SPS requests approval and authorization to issue and sell up to \$250,000,000 first mortgage bonds (the FMBs) during 2022. According to the application, the aggregate net proceeds from the potential sale of the \$250,000,000 FMBs would be used by SPS for utility purposes permitted under NMSA 1978, § 62-6-6, including among others, for the repayment of short-term debt initially used to fund previous utility capital expenditures and the flexibility to call outstanding debt if deemed economical to the company and customers. SPS states that the requested authority would give it flexibility to enter the financial markets that are timely with SPS's capital needs.

2. SPS requests pre-approval of certain costs associated with refunding SPS higher coupon bonds if the redemption results in maintaining or lowering SPS's embedded cost of debt.

Such refunding costs would be amortized over the life of the new bonds and would include the redemption make whole premiums, unamortized underwriting costs, and expenses associated with any long-term debt that SPS refunds prior to maturity.

3. SPS requests authorization to enter into interest rate hedging agreements in support of interest rate locks and swaps in relation to the FMBs, which would allow SPS to reduce market risk exposure resulting from changes in interest rates that may occur during the time period between the authorization by this Commission to issue the FMBs and the completion of the transaction by SPS to issue the FMBs.

4. Finally, SPS requests authorization to issue notes under the credit agreements for an additional three years, from December 31, 2024, to December 31, 2027, which will provide SPS with additional financial flexibility to maintain access to short-term liquidity on favorable terms.

5. The Commission is required by law to act promptly on SPS's application.

6. The present schedule for this case is as follows:

- A. Any person who desires to become a party to this case must file a motion for leave to intervene, pursuant to 1.2.2.23(A) NMAC, on or before February 7, 2022.
- B. Staff shall, and any intervenors may, file direct testimony on or before February 7, 2022.
- C. Rebuttal testimony may be filed on or before February 9, 2022.
- D. A public hearing will be held on February 11, 2022, beginning at 9:00 a.m. The hearing will be conducted via Zoom (the web-based, video-conferencing platform) and will also be broadcast on the Commission's

YouTube channel, a link to which may be found on the Commission's website: [www.nm-prc.org](http://www.nm-prc.org). The hearing may be cancelled, as permitted by law, and SPS's application addressed at a Commission open meeting.

7. The procedural dates and requirements provided herein are subject to further order of the Commission or hearing examiner.

8. Interested persons should contact the Commission for confirmation of the hearing date, time, and place, since hearings are occasionally rescheduled.

9. The Commission's Procedures, 1.2.2 NMAC, shall apply to this case except as modified by order of the Commission or hearing examiner.

10. Any interested person may make written comments at any time during these proceedings without becoming an intervenor and may also do so orally at the outset of the hearing. 1.2.2.23(F) NMAC. Such comments will not be considered evidence. Any person wishing to make a comment, whether written or oral, should contact [ana.kippenbrock@state.nm.us](mailto:ana.kippenbrock@state.nm.us) and should reference the case number assigned to this proceeding, 22-00017-UT.

11. Any person with a disability requiring special assistance to participate in this proceeding should contact Ms. Kippenbrock at the e-mail address above at least 24 hours prior to the commencement of the hearing.

12. Persons interested in examining SPS's application, exhibits, or any related papers may inspect those at SPS's offices which are located at either 111 E. Fifth Street, Roswell, New Mexico or 790 S. Buchanan, Amarillo, Texas. Mike McLeod is the contact person at SPS's Roswell offices and may be reached at (575) 625-5499. Mario Contreras is the contact person at SPS's Amarillo offices and may be reached at (806) 378-2115. Documents associated with this case may also be found on SPS's website at


[https://www.xcelenergy.com/company/rates\\_and\\_regulations/filings](https://www.xcelenergy.com/company/rates_and_regulations/filings) (select NM on the dropdown menu). The documents are also posted on the Commission's website through the E-Docket filing system. The Commission's physical address is P.O. Box 1269, Santa Fe, NM 87504. The Commission's telephone number is 1-888-427-5772. Persons who contact the Commission must reference the case number assigned to this proceeding: 22-00017-UT.

13. Anyone filing pleadings, documents, or testimony in this case shall serve copies on all parties of record and the Commission Staff via e-mail as is set out set out in 1.2.2.10(B) NMAC. Any filings must also be sent to the hearing examiner at [Christopher.ryan@state.nm.us](mailto:Christopher.ryan@state.nm.us). Filings must be e-mailed to the parties of record and hearing examiner on the date they are filed with the Commission.

14. The Commission has assigned Case No. 22-00017-UT to this proceeding and all correspondence and other communications shall refer to this case number.

15. Any person who files testimony must attend the hearing and submit to examination under oath.

**ISSUED** at Santa Fe, New Mexico on January 27, 2022.  
**NEW MEXICO PUBLIC REGULATION COMMISSION**

  
[Electronically signed]

**Christopher P. Ryan**  
**Hearing Examiner**