

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)	CASE NO. 22- ____-UT
SUPPORT OF INTEREST RATE 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.

**SOUTHWESTERN PUBLIC SERVICE COMPANY’S
APPLICATION FOR AUTHORITY TO ISSUE SECURITIES**

In accordance with Sections 62-6-6 through 62-6-11 of the New Mexico Public Utility Act (Articles 1 through 6 and 8 through 13 of Chapter 62 NMSA 1978, “PUA”) and New Mexico Public Regulation Commission Rule 17.1.2.8 NMAC, Applicant Southwestern Public Service Company (“SPS”) requests that the New Mexico Public Regulation Commission (“Commission”) enter an order granting the approvals and authorizations for the securities issuance and other relief described in this Application.

I. Jurisdiction and Affected Parties

1. SPS is a public utility as defined in PUA Section 62-3-3(G). The Commission has jurisdiction over this application under PUA Sections 62-6-6 through 62-6-11 and Commission Rule 17.1.2.8 NMAC.

2. SPS, a New Mexico corporation and fully integrated generation, transmission, and distribution utility, serves retail customers in a 52,000 square-mile area that encompasses the eastern and southeastern portions of New Mexico, as well as the Panhandle and South Plains areas of Texas. SPS serves wholesale electric customers as well. This Commission regulates SPS's New Mexico retail service and rates. The Public Utility Commission of Texas regulates SPS's Texas retail rates and operations. The Federal Energy Regulatory Commission regulates SPS's wholesale power sales and transmission of electricity in interstate commerce.

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 790 S. Buchanan Street, Amarillo, Texas 79101.

4. SPS is a wholly owned subsidiary of Xcel Energy Inc. ("Xcel Energy"), which is a holding company under Federal Energy Regulatory Commission ("FERC") regulations adopted under the Public Utility Holding Company Act of 2005.¹ In addition to SPS, Xcel Energy is the parent company of three other rate-regulated utility operating

¹ 18 C.F.R. Part 366.

companies,² a regulated natural gas pipeline company, three transmission-only companies regulated by FERC, and a non-profit service company that was established under the authority of the Securities and Exchange Commission, but which is now under the supervision of the FERC,³ and other legal entities.

5. This application affects SPS and all of its customers, including New Mexico retail customers.

II. Authorized Representatives and Service of Documents

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

Mario A. Contreras
Manager, Rate Cases
SOUTHWESTERN PUBLIC SERVICE COMPANY
790 S. Buchanan St.
Amarillo, TX 79101
mario.a.contreras@xcelenergy.com
806.378.2115 office

Kaydra Kirtz
Corporate Finance Manager
414 Nicollet Mall, 401-4
Minneapolis, MN 55401
kaydra.a.kirtz@xcelenergy.com
612.215.4637

Zoe E. Lees, Esq
XCEL ENERGY SERVICES INC.
119 East Marcy Street, Suite 202
Santa Fe, New Mexico
Zoe.E.Lees@xcelenergy.com
505.948.8660

Cindy Baeza
Regulatory Administrator
790 S. Buchanan St.
Amarillo, TX 79101
cindy.baeza@xcelenergy.com
806.378.2464

² Xcel Energy is the parent company of the following four wholly-owned electric and gas utility operating companies: Northern States Power Company, a Minnesota corporation; Northern States Power Company, a Wisconsin corporation; Public Service Company of Colorado, a Colorado corporation; and SPS. Xcel Energy's natural gas pipeline subsidiary is WestGas Interstate, Inc. Through a subsidiary company, Xcel Energy Transmission Holding Company, LLC, Xcel Energy also owns three transmission-only operating companies: Xcel Energy Southwest Transmission Company, LLC; Xcel Energy Transmission Development Company, LLC; and Xcel Energy West Transmission Company, LLC, all of which are either currently regulated by the FERC or expected to be regulated by FERC.

³ Xcel Energy Services Inc.

Dana S. Hardy
HINKLE SHANOR LLP
Post Office Box 2068
Santa Fe, NM 87504-2068
505.982.4554
dhardy@hinklelawfirm.com

III. Notice

7. As required by Commission Rule 17.1.2.8.B(4)(e) NMAC, SPS is providing a copy of this Application to the New Mexico Attorney General at the time it files this application with the Commission, as set forth in the attached certificate of service.

8. As required by Commission Rule 17.1.2.8.D(1) NMAC, SPS will publish notice of this filing in a newspaper of general circulation in Chaves County (the location of SPS's principal New Mexico office). The notice will contain the information set out in Commission Rule 17.1.2.8.D(2) NMAC. A copy of the proposed notice, except for the case number and the date, time, and place of hearing or open meeting, is attached to this application as Exhibit 1 (*see* Commission Rule 17.1.2.8.D(3) NMAC).

IV. Approvals and Authorizations Requested in this Application

A. Authority to Issue Up to \$250 Million First Mortgage Bonds during 2022

9. This Application seeks the Commission's approval and authorization for SPS to issue and sell up to \$250,000,000 first mortgage bonds (the "FMBs") during 2022. Such authority would provide SPS with flexibility to enter the financial markets when SPS has capital needs and would provide adequate size flexibility if the projected capital expenditure timing changes. This request to issue debt will not impact SPS's capital structure. The aggregate net proceeds from the sale of the FMBs will be used by SPS for

utility purposes permitted under section 62-6-6 NMSA 1978, including the repayment of short-term debt initially used to fund previous utility capital expenditures.

10. SPS may issue and sell the FMBs in a public offering, registered with the United States Securities and Exchange Commission (the “SEC”) under Rule 415 of the Securities Act of 1933, 15 U.S.C. § 77a *et seq.*, as amended. The registration statement was filed with the SEC and includes forms of the Supplemental Indenture and the Underwriting Agreement to be used in such offerings. Forms of the Supplemental Indenture and the Underwriting Agreement, which are substantially similar to the forms included in the registration statement, as well as a form of Preliminary Prospectus and Private Placement Memorandum, are attached to this application as Exhibit 2. Alternatively, SPS may re-open an existing bond series as permitted under the Supplemental Indentures, where the coupon is known and the price at the time of issuance will reflect the yield required by investors. SPS would re-open a bond instead of issuing and selling a new FMB only if market conditions and pricing support a re-opening.

11. The FMBs will be issued under the Indenture of Trust, dated August 1, 2011 by and between SPS and U.S. Bank National Association as supplemented by Supplemental Indenture No. 1, and one or more supplemental indentures for the securities to be issued.

12. The maximum interest rate of the FMBs shall not exceed interest rates that are generally obtainable at the time of pricing the FMBs for securities having the same or reasonably similar maturity, terms, conditions, and features issued by utility companies of the same or reasonably comparable credit quality, as determined by observable pricing on

similar transactions and the competitive capital markets. The FMBs will mature on a date or dates not to exceed 30 years, and may have other terms and provisions (including sinking fund, redemption, non-refunding, delayed draw and non-callable provisions) as SPS's Board of Directors determines.

13. The underwriting fee and other expenses of the proposed issuance and sale are anticipated to be less than 2% of the principal amount of the securities.

14. SPS may sell the FMBs in any of the following ways: (a) through underwriters or dealers; (b) directly to one or more purchasers; or (c) through agents. Any sale of the FMBs would be through underwriting, purchase, placement, or similar agreements that provide for their sale from time to time.

15. Subject to the limitations set out in this subsection IV.A, SPS's determination as to the structure, timing, amount, pricing, and any other terms and conditions to be imposed on the FMBs will be made by its Board of Directors based on existing market conditions and requirements at that time.

16. SPS's annual informational financing filing with the Commission dated April 29, 2021 included the projected 2022 issuance of long term debt in the amount of up to \$250,000,000.

B. Authority to Recover Certain Refunding Costs

17. SPS also 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. These 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 it refunds prior

to maturity. SPS has not identified any such refunding candidate but requests such authorization if market conditions make a refunding economic for SPS's customers.

C. Authority to Enter into Agreements in Support of Interest Rate Hedging Including Interest Rate Locks and Swaps

18. SPS requests authorization to enter into interest rate hedging agreements in support of interest rate locks and swaps, 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 FMB issuance by SPS. SPS will not enter into a hedging agreement if it issues FMBs through a re-opening of an existing bond where the coupon is known.

19. The Commission previously has authorized SPS to enter into interest rate hedging agreements. (*See* Case Nos. 3635, 03-00287-UT, 06-00157-UT, 08-00299-UT, 10-00317-UT, 11-00222-UT, 12-00076-UT, 12-00342-UT, 14-00018-UT, 15-00150-UT, 16-00125-UT, 17-00100-UT, 18-00232-UT, 19-00038-UT, 20-00052-UT, and 20-00236-UT.)

D. Request to Extend the Current Authorization to Issue Notes under SPS's Revolving Credit Agreements from December 31, 2024 to December 31, 2027.

20. This application seeks the Commission's approval and authorization to extend SPS's notes under revolving credit agreements ("credit agreements") by three years, from December 31, 2024 to December 31, 2027. The Commission previously has granted SPS the authority to enter into credit agreements and issue associated short-term or long-term notes, or a combination of short-term and long-term notes, in an amount not to exceed \$400,000,000 outstanding at any one time through December 31, 2012 in Case

No. 07-00369-UT, Final Order dated December 20, 2007, and through December 31, 2019 in Case No. 12-00168-UT, Final Order Adopting Recommended Decision dated June 26, 2012, and an amount not to exceed \$500,000,000 outstanding at any one time through December 31, 2021 in Case No. 014-00178-UT dated July 24, 2014. The most recent Commission Order authorized SPS to enter into credit agreements and issue associated short-term or long-term notes, or a combination of short-term and long-term notes, in an amount not to exceed \$600,000,000 outstanding at any one time through December 31, 2024 in Case No. 018-00232-UT dated September 5, 2018. SPS uses its credit agreements for back up liquidity to its commercial paper program or for short-term direct bank borrowings. Although the credit agreement is used for short term liquidity purposes, the notes issued under a multi-year agreement are considered long-term and, thus, require Commission authorization. In this application, SPS requests a 3-year extension in the authorization period to December 31, 2027.

21. SPS is requesting authority to amend and extend its existing credit agreement and secure longer term access to liquidity. The additional three years of authority, through December 31, 2027, will provide SPS with additional financial flexibility to maintain access to short-term liquidity on favorable terms. In addition, rating agencies view an extension of the credit facility favorably when conducting their financial assessment and liquidity analysis of SPS.

22. Under a credit agreement, the lenders commit to make funds available in an amount not to exceed the size of the credit agreement and not to extend beyond the stated maturity date (364-day or multi-year). In return, SPS issues notes to the various lenders in the credit agreement identifying the terms and conditions for repayment of any

direct loans issued under the notes. The notes are one of the components in a credit agreement transaction. The note maturity date will be the same as the credit agreement termination date. Although the notes mature with the termination of the credit agreement, direct loans or cash advances made to SPS by the credit agreement lenders may be repaid in a substantially shorter time.

23. Any net proceeds from loans or direct borrowings under the sale of the notes will be used by SPS for the utility purposes specified in NMSA 1978, § 62-6-6.

24. In SPS's short-term debt filing dated April 29, 2021 filed under 17.1.2.8(E) NMAC, SPS stated that it expected to issue, assume, or guarantee during the 12-month period ending April 30, 2022 notes payable at periods of not more than 18 months in a principal amount of up to \$600,000,000. SPS also stated that should the Company require increased liquidity, SPS would file an application requesting authorization for the increased limit. It is SPS's intention that borrowings made under any type of credit agreement (whether 364-day or multi-year), borrowings made under the Xcel Energy Utility Money Pool approved September 7, 2004 under Case No. 04-00060-UT, or any other short-term borrowings will be counted under the \$600,000,000 short-term debt limit once approved and these borrowings may be borrowed, repaid, and borrowed again. Consequently, SPS will report any multi-year credit agreement entered into under its annual financial informational filing made in accordance with 17.1.2.8.A(6) or 17.1.2.8.E NMAC, or both, and will file any multi-year credit agreement within 60 days of execution.

E. Representations and Supporting Testimony

25. There are no unusual features of the long term debt transactions that may have a significant adverse effect on SPS's ratepayers or on the Commission's ability to regulate SPS.

26. The aggregate amount of securities that SPS has outstanding and that it proposes to be outstanding based on the issuance of the FMBs or Securities requested in this Application will not exceed the fair market value of SPS's properties and business.

27. The issuance of the FMBs is consistent with the public interest.

28. Along with this application, SPS is filing the Direct Testimony of Kaydra A. Kirtz, which explains SPS's proposal to: (1) issue and sell up to \$250 million aggregate in FMBs between the period when approval is granted and December 31, 2022; (2) gain pre-approval of refunding costs associated with early redemption of higher coupon debt if applicable; (3) gain authorization to enter into interest rate hedging agreements; and (4) extend the credit facility renewal and short term borrowing limit authorization period through December 31, 2027.

V. Conclusion and Prayer for Relief

For the reasons set out in this application and the accompanying testimony, SPS requests that the Commission:

- (a) set this matter for hearing at the head of its docket;
- (b) approve this application and:
 - i. authorize SPS to issue up to \$250 million in FMBs during 2022;
 - ii. pre-approve amortization treatment and recovery of refunding costs on higher coupon debt provided the execution of such

redemption results in SPS maintaining or lowering its cost of long term debt;

iii. authorize hedging for the bonds to be issued through the period ending December 31, 2022; and

iv. extend SPS's authority, granted in the Final Order in Case No. 018-00232-UT, to issue notes under credit agreements by three years, from December 31, 2024 to December 31, 2027.

(c) grant SPS such other and further relief that may be necessary and appropriate for SPS to implement the approvals and authorizations requested in this application, and to which SPS has shown itself to be entitled.

Respectfully submitted,

/s/ Dana S. Hardy
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And

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ATTORNEYS FOR SOUTHWESTERN PUBLIC SERVICE COMPANY

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF SOUTHWESTERN)	
PUBLIC SERVICE COMPANY'S)	
APPLICATION FOR AUTHORITY TO:)	
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AUTHORIZATION TO ISSUE NOTES)	
UNDER REVOLVING CREDIT AGREEMENT)	
FOR AN ADDITIONAL THREE YEARS.)	
)	
)	

SOUTHWESTERN PUBLIC SERVICE
COMPANY,
APPLICANT.

NOTICE

THIS MATTER comes before _____, Hearing Examiner for the New Mexico Public Regulation Commission ("Commission"), pursuant to the Application filed by Southwestern Public Service Company ("SPS"). The Hearing Examiner **FINDS AND CONCLUDES:**

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, before the commencement of the public hearing.
- B. Staff shall, and any intervenors may, file direct testimony on or before _____.
- C. Rebuttal testimony may be filed on or before_____.

D. A public hearing will be held beginning at _____, The hearing may be held in person or via videoconferencing, depending on pandemic restrictions in effect at the time.

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 Utility Division 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 appear at the time and place of hearing and make written or oral comment pursuant to 1.2.2.23(F) NMAC without becoming an intervenor. Such comments will not be considered as evidence in this case.

11. Any person with a disability requiring special assistance in order to participate in this proceeding should contact the Commission at least 24 hours prior to the commencement of the hearing.

12. Any interested person may examine SPS's Application, exhibits and related papers filed in this case by contacting SPS's offices: Mike McLeod, 111 E. Fifth Street, Roswell, New Mexico, 575-625-5499 or Mario Contreras, 790 S. Buchanan, Amarillo, Texas, 806-378-2115; or the Commission's offices, 1120 Paseo de Peralta, Santa Fe, New Mexico, 1-888-427-5772.

13. Anyone filing pleadings, documents or testimony in this case shall serve copies thereof on all parties of record and the Commission Staff via e-mail and first class U.S. mail. Any such filings shall also be sent to the Hearing Examiner via e-mail. Any such filings shall be e-mailed on the date they are filed with the Commission.

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

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

ISSUED at Santa Fe, New Mexico on _____.

NEW MEXICO PUBLIC REGULATION COMMISSION

Hearing Examiner

**SUPPLEMENTAL INDENTURE
(First Mortgage Bonds)**

SOUTHWESTERN PUBLIC SERVICE COMPANY

TO

U.S. BANK NATIONAL ASSOCIATION,

as Trustee

This Instrument Grants A Security Interest By A Utility.

This Instrument Contains After-Acquired Property Provisions.

The following addresses for the parties to this Supplemental Indenture No. are set out in Section 108 of the Indenture hereinafter referred to:

Trustee:

U.S. Bank National Association
U.S. Bank Corporate Trust Services
60 Livingston Avenue, EP-MN-WS3C
St. Paul, MN 55107-2292
Facsimile No. 651-495-8097
Attention: Joshua A. Hahn

Company:

Southwestern Public Service Company
790 South Buchanan
Amarillo, Texas 79101

Supplemental Indenture No.

Dated as of

Supplemental to the Indenture
dated as of

Establishing the Securities of Series No. ,
Designated % First Mortgage Bonds, Series No. due 20

SUPPLEMENTAL INDENTURE NO. , dated as of between **SOUTHWESTERN PUBLIC SERVICE COMPANY**, a corporation duly organized and existing under the laws of the State of New Mexico (hereinafter sometimes called the “**Company**”), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association, as trustee (hereinafter sometimes called the “**Trustee**”) under the Indenture, dated as of , 20 (hereinafter called the “**Original Indenture**”), as previously supplemented and further supplemented by this Supplemental Indenture No. . The Original Indenture and any and all indentures and all other instruments supplemental thereto are hereinafter sometimes collectively called the “**Indenture.**”

Recitals of the Company

The Original Indenture was authorized, executed and delivered by the Company to provide for the issuance from time to time of its Securities (such term and all other capitalized terms used herein without definition having the meanings assigned to them in the Original Indenture), to be issued in one or more series as contemplated therein, and to provide security for the payment of the principal of and premium, if any, and interest, if any, on the Securities. The Original Indenture has been filed in the office of the Secretary of State of the State of New Mexico and in the office of the Secretary of State of the State of Texas, and notices with respect to such filings have been recorded in each county in New Mexico and each county in Texas in which the Company owns real property that is used or intended to be used in or in connection with the Electric Utility Business, as more fully set forth in Schedule A hereto.

The Company has heretofore executed and delivered to the Trustee the Supplemental Indentures referred to in Schedule B for the purpose of establishing a series of securities.

The Company desires to establish a new series of Securities to be designated “ % First Mortgage Bonds, Series No. due 20 ,” such series of Securities to be hereinafter sometimes called “**Series No. .**”

The Company has duly authorized the execution and delivery of this Supplemental Indenture No. to establish the Securities of Series No. and has duly authorized the issuance of such Securities; and all acts necessary to make this Supplemental Indenture No. a valid agreement of the Company, and to make the Securities of Series No. valid obligations of the Company, have been performed.

Granting Clauses

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE NO. WITNESSETH, that, in consideration of the premises and of the purchase of the Securities by the Holders thereof, and in order to secure the payment of the principal of and premium, if any, and interest, if any, on all Securities from time to time Outstanding and the performance of the covenants contained therein and in the Indenture and to declare the terms and conditions on which such Securities are secured, the Company hereby grants, bargains, sells, releases, conveys, assigns, transfers, mortgages, pledges, sets over and confirms to the Trustee, and grants to the Trustee a security interest in and lien on, the following:

Granting Clause First

All right, title and interest of the Company, as of the date of the execution and delivery of this Supplemental Indenture No. , in and to all property (other than Excepted Property), real, personal and mixed, located in the State of Texas or in the State of New Mexico and used or intended to be used in or in connection with the Electric Utility Business (whether or not such use is the sole use of such property), including all right, title and interest of the Company in and to the following property (other than Excepted Property) so located and so used or intended to be so used: (a) all real property owned in fee, easements, servitudes, rights of way and other rights and interests in or relating to real property used or intended to be used in or in connection with the Electric Utility Business or relating to the occupancy or use of such real property, including but not limited to that described in Schedule C hereto, as well as all right, title and interest of the Company in goods, equipment, fixtures or improvements located on those lands, if any, described or referred to in Schedule D hereto, provided that the Lien hereof shall not extend to or encumber the fee owner's interest in any land or interest in land in which the Company holds only a leasehold interest; (b) all plants, generators, turbines, engines, boilers, fuel handling and transportation facilities, air and water pollution control and sewage and solid waste disposal facilities, whether or not control or disposal of such substances is the exclusive function or purpose of such facilities, and other machinery and facilities for the generation of electric energy; (c) all switchyards, lines, towers, substations, transformers and other machinery and facilities for the transmission of electric energy; (d) all lines, poles, conduits, conductors, meters, regulators and other machinery and facilities for the distribution of electric energy; (e) all buildings, offices, warehouses and other structures used or intended to be used in or in connection with the Electric Utility Business; (f) all pipes, cables, insulators, ducts, tools, computers and other data processing and/or storage equipment and other equipment, apparatus and facilities used or intended to be used in or in connection with the Electric Utility Business; (g) any or all of the foregoing properties in the process of construction; and (h) all other property, of whatever kind and nature, ancillary to or otherwise used or intended to be used in conjunction with any or all of the foregoing or otherwise, directly or indirectly, in furtherance of the Electric Utility Business;

Granting Clause Second

Subject to the applicable exceptions permitted by Section 709(d), Section 1203 and Section 1205 of the Original Indenture, all right, title and interest of the Company in and to all property (other than Excepted Property) of the kind and nature described in Granting Clause First which may be hereafter acquired by the Company, it being the intention of the Company that all such property acquired by the Company after the date of the execution and delivery of this Supplemental Indenture No. shall be as fully embraced within and subjected to the Lien hereof as if such property were owned by the Company as of the date of the execution and delivery of this Supplemental Indenture No. ;

Granting Clause Third

All other property of whatever kind and nature subjected or required to be subjected to the Lien of the Indenture by any of the provisions thereof;

Excepted Property

Expressly excepting and excluding, however, from the Lien and operation of the Indenture all Excepted Property of the Company, whether now owned or hereafter acquired;

TO HAVE AND TO HOLD all such property, real, personal and mixed, unto the Trustee, its successors in trust and their assigns forever;

SUBJECT, HOWEVER, to (a) Existing Liens, (b) Acquisition Liens, (c) Retained Interests and (d) any other Permitted Liens;

IN TRUST, NEVERTHELESS, for the equal and ratable benefit and security of the Holders from time to time of all Outstanding Securities without any priority of any such Security over any other such Security;

PROVIDED, HOWEVER, that the right, title and interest of the Trustee in and to the Mortgaged Property shall cease, terminate and become void in accordance with, and subject to the conditions set forth in, Article Eight of the Original Indenture; otherwise the Indenture, and the estate and rights thereby granted shall be and remain in full force and effect; and

THE PARTIES HEREBY FURTHER COVENANT AND AGREE as follows:

ARTICLE ONE

Securities of Series No.

There are hereby established the Securities of Series No. , which shall have the terms and characteristics set forth below (the lettered subdivisions set forth below corresponding to the lettered subdivisions of Section 301 of the Original Indenture):

(a) the title of the Securities of Series No. shall be “ % First Mortgage Bonds, Series No. due 20 ”;

(b) [the Securities of Series No. shall initially be authenticated and delivered in the aggregate principal amount of \$. The Securities of Series No. may be reopened and additional Securities of Series No. may be issued in excess of the amount initially authenticated and delivered, provided that such additional Securities of Series No. will contain the same terms (including the Stated Maturity and interest payment terms), except for the public offering price, the issue date and, if applicable, the first interest accrual and payment dates, as the other Securities of Series No. . Any such additional Securities of Series No. , together with the Securities of Series No. initially authenticated, shall constitute a single series for purposes of

the Indenture and shall be limited to an aggregate principal amount of \$ _____] [the Securities of Series No. _____ shall be limited to the aggregate principal amount of \$ _____] ;

(c) interest on the Securities of Series No. _____ shall be payable to the Persons in whose names such Securities (or one or more Predecessor Securities) are registered at the close of business on the Regular Record Date for such interest, except as otherwise expressly provided in the form of such Securities attached as Exhibit A hereto;

(d) the principal of the Securities of Series No. _____ shall be payable on _____, the Stated Maturity for Series No. _____ ;

(e) the Securities of Series No. _____ shall bear interest at a rate of _____ % per annum; interest shall accrue on the Securities of Series No. _____ from _____ or the most recent date to which interest has been paid or duly provided for; the Interest Payment Dates for such Securities shall be _____ and _____ in each year, commencing _____ and the Regular Record Dates with respect to the Interest Payment Dates for such Securities shall be _____ and _____ in each year, respectively (whether or not a Business Day);

(f) the Corporate Trust Office of U.S. Bank National Association in New York, New York shall be the place at which (i) the principal of, premium, if any, and interest, if any, on the Securities of Series No. _____ shall be payable, (ii) registration of transfer of such Securities may be effected, (iii) exchanges of such Securities may be effected and (iv) notices and demands to or upon the Company in respect of such Securities and the Indenture may be served; and U.S. Bank National Association shall be the Security Registrar for such Securities; provided, however, that the Company reserves the right to change, by one or more Officer's Certificates, any such place or the Security Registrar; and provided, further, that the Company reserves the right to designate, by one or more Officer's Certificates, its office in Minneapolis, Minnesota as any such place or itself as the Security Registrar;

(g) the Securities of Series No. _____ shall be redeemable at the option of the Company at any time prior to their maturity at the redemption prices specified in the form of such Securities attached as Exhibit A hereto;

(h) not applicable;

(i) the Securities of Series No. _____ shall be issuable in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof;

(j) not applicable;

(k) not applicable;

(l) not applicable;

(m) not applicable;

(n) not applicable;

(o) not applicable;

(p) not applicable;

(q) the Securities of Series No. are to be initially registered in the name of Cede & Co., as nominee for The Depository Trust Company (the “**Depository**”). Such Securities shall not be transferable or exchangeable, nor shall any purported transfer be registered, except as follows:

(i) such Securities may be transferred in whole, and appropriate registration of transfer effected, if such transfer is by such nominee to the Depository, or by the Depository to another nominee thereof, or by any nominee of the Depository to any other nominee thereof, or by the Depository or any nominee thereof to any successor securities depository or any nominee thereof; and

(ii) such Securities may be exchanged for definitive Securities registered in the respective names of the beneficial holders thereof, and thereafter shall be transferable without restriction, if:

(A) the Depository, or any successor securities depository, shall have notified the Company and the Trustee that it is unwilling or unable to continue to act as securities depository with respect to such Securities or the Depository has ceased to be a clearing agency registered under the Securities Exchange Act of 1934, as amended, and the Trustee shall not have been notified by the Company within ninety (90) days of the identity of a successor securities depository with respect to such Securities; or

(B) the Company shall have delivered to the Trustee a Company Order to the effect that such Securities shall be so exchangeable on and after a date specified therein; or

(C) (1) an Event of Default shall have occurred and be continuing, (2) the Trustee shall have given notice of such Event of Default pursuant to Section 1002 of the Original Indenture and (3) there shall have been delivered to the Company and the Trustee an Opinion of Counsel to the effect that the interests of the beneficial owners of such Securities in respect thereof will be materially impaired unless such owners become Holders of definitive Securities;

(r) not applicable;

(s) no service charge shall be made for the registration of transfer or exchange of the Securities of Series No. ; provided, however, that the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the exchange or transfer;

- (t) not applicable; and
- (u) (i) If the Company shall have caused the Company's indebtedness in respect of any Securities of Series No. to have been satisfied and discharged prior to the Maturity of such Securities, as provided in Section 801 of the Original Indenture, the Company shall, promptly after the date of such satisfaction and discharge, give a notice to each Person who was a Holder of any of such Securities on such date stating (A)(1) the aggregate principal amount of such Securities and (2) the aggregate amount of any money (other than amounts, if any, deposited in respect of accrued interest on such Securities) and the aggregate principal amount of, the rate or rates of interest on, and the aggregate fair market value of, any Eligible Obligations deposited pursuant to Section 801 of the Original Indenture with respect to such Securities and (B) that the Company will provide (and the Company shall promptly so provide) to such Person, or any beneficial owner of such Securities holding through such Person (upon written request to the Company sent to an address specified in such notice), such other information as such Person or beneficial owner, as the case may be, reasonably may request in order to enable it to determine the federal income tax consequences to it resulting from the satisfaction and discharge of the Company's indebtedness in respect of such Securities. Thereafter, the Company shall, within forty-five (45) days after the end of each calendar year, give to each Person who at any time during such calendar year was a Holder of such Securities a notice containing (X) such information as may be necessary to enable such Person to report its income, gain or loss for federal income tax purposes with respect to such Securities or the assets held on deposit in respect thereof during such calendar year or the portion thereof during which such Person was a Holder of such Securities, as the case may be (such information to be set forth for such calendar year as a whole and for each month during such year) and (Y) a statement to the effect that the Company will provide (and the Company shall promptly so provide) to such Person, or any beneficial owner of such Securities holding through such Person (upon written request to the Company sent to an address specified in such notice), such other information as such Person or beneficial owner, as the case may be, reasonably may request in order to enable it to determine its income, gain or loss for federal income tax purposes with respect to such Securities or such assets for such year or portion thereof, as the case may be. The obligation of the Company to provide or cause to be provided information for purposes of income tax reporting by any Person as described in the first two sentences of this paragraph shall be deemed to have been satisfied to the extent that the Company has provided or caused to be provided substantially comparable information pursuant to any requirements of the Internal Revenue Code of 1986, as amended from time to time (the "**Code**") and United States Treasury regulations thereunder.
- (ii) Notwithstanding the provisions of subparagraph (i) above, the Company shall not be required to give any notice specified in such subparagraph or to otherwise furnish any of the information contemplated therein if the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders of such Securities will not recognize income, gain or loss for federal income tax purposes as a result of the

satisfaction and discharge of the Company's indebtedness in respect of such Securities and such Holders will be subject to federal income taxation on the same amounts and in the same manner and at the same times as if such satisfaction and discharge had not occurred.

- (iii) Anything in this clause (u) to the contrary notwithstanding, the Company shall not be required to give any notice specified in subparagraph (i) or to otherwise furnish the information contemplated therein or to deliver any Opinion of Counsel contemplated by subparagraph (ii) if the Company shall have caused Securities of Series No. to be deemed to have been paid for purposes of the Indenture, as provided in Section 801 of the Original Indenture, but shall not have effected the satisfaction and discharge of its indebtedness in respect of such Securities pursuant to such Section.

The Securities of Series No. shall be substantially in the form attached hereto as Exhibit A and shall have such further terms as are set forth in such form.

ARTICLE TWO

Miscellaneous Provisions

This Supplemental Indenture No. is a supplement to the Original Indenture. As [previously supplemented and further] supplemented by this Supplemental Indenture No. , the Original Indenture is in all respects ratified, approved and confirmed, and the Original Indenture, all previous supplements thereto and this Supplemental Indenture No. shall together constitute one and the same instrument.

If any provision of this Supplemental Indenture No. limits, qualifies or conflicts with the duties imposed by any of Sections 310 to 317, inclusive, of the Trust Indenture Act through operation of Section 318(c), such imposed duties shall control.

U.S. BANK NATIONAL ASSOCIATION,
Trustee

By: _____
Name: [_____]
Its: [_____]

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on the ____ day of _____, 20____, by [_____] ,
the [_____] of U.S. Bank National Association, a national banking association, on
behalf of said national banking association.

Notary Public, State of _____
My commission expires: _____

(Seal, if any)

EXHIBIT A

FORM OF SECURITY

(See legend at the end of this Security for
restrictions on transfer)

SOUTHWESTERN PUBLIC SERVICE COMPANY
% First Mortgage Bond, Series No. due 20

Original Interest Accrual Date:
Interest Rate: % per annum
Stated Maturity:
Interest Payment Dates:
Regular Record Dates:
CUSIP No.:

This Security is not a Discount Security
within the meaning of the within-mentioned Indenture

Principal Amount

Registered No.

\$

SOUTHWESTERN PUBLIC SERVICE COMPANY, a corporation duly organized and existing under the laws of the State of New Mexico (herein called the "Company," which term includes any successor corporation under the Indenture referred to below), for value received, hereby promises to pay to

, or registered assigns, the principal sum of

Dollars on the Stated Maturity specified above, and to pay interest thereon from the Original Interest Accrual Date specified above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually in arrears on the Interest Payment Dates specified above in each year, commencing , 20 and at Maturity, at the Interest Rate per annum specified above, until the principal hereof is paid or duly provided for. The interest so payable, and paid or duly provided for, on any Interest Payment Date shall, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date specified above (whether or not a Business Day) next preceding such Interest Payment Date. Notwithstanding the foregoing, interest payable at Maturity shall be paid to the Person to whom principal shall be paid. Except as otherwise provided in said Indenture, any such interest not so paid or duly provided for shall forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice of which shall be given to Holders of

Securities of this series not less than 15 days prior to such Special Record Date, or be paid in such other manner as permitted by the Indenture.

Payment of the principal of this Security and interest hereon at Maturity shall be made upon presentation of this Security at the Corporate Trust Office of U.S. Bank National Association in New York, New York, or at such other office or agency as may be designated for such purpose by the Company from time to time. Payment of interest on this Security (other than interest at Maturity) shall be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register, except that if such Person shall be a securities depositary, such payment may be made by such other means in lieu of check as shall be agreed upon by the Company, the Trustee and such Person. Payment of the principal of and interest on this Security, as aforesaid, shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and issuable in one or more series under and equally secured by an Indenture, dated as of _____, 20____ (such Indenture as originally executed and delivered and as supplemented or amended from time to time thereafter, together with any constituent instruments establishing the terms of particular Securities, being herein called the "Indenture"), between the Company and U.S. Bank National Association as trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the property mortgaged, pledged and held in trust, the nature and extent of the security and the respective rights, limitations of rights, duties and immunities of the Company, the Trustee and the Holders of the Securities thereunder and of the terms and conditions upon which the Securities are, and are to be, authenticated and delivered and secured. The acceptance of this Security shall be deemed to constitute the consent and agreement by the Holder hereof to all of the terms and provisions of the Indenture. This Security is one of the series designated above.

If any Interest Payment Date, any Redemption Date or the Stated Maturity shall not be a Business Day (as hereinafter defined), payment of the amounts due on this Security on such date may be made on the next succeeding Business Day; and, if such payment is made or duly provided for on such Business Day, no interest shall accrue on such amounts for the period from and after such Interest Payment Date, such Redemption Date or Stated Maturity, as the case may be, to such Business Day.

This Security shall be redeemable at the option of the Company, in whole or in part, at any time prior to _____, 20____ (the "Par Call Date"), at a "make whole" redemption price equal to the greater of (1) 100% of the principal amount of this Security being redeemed and (2) the sum of the present values of the remaining scheduled payments of principal and interest on this Security, or portion hereof, being redeemed that would be due if this Security matured on the Par Call Date (excluding the portion of any such interest accrued to but excluding the Redemption Date), discounted to but excluding the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus ____ basis points plus, in each case, accrued and unpaid interest thereon to but excluding the Redemption Date. This Security

shall be redeemable at the option of the Company at any time on or after the Par Call Date, in whole or in part, at 100% of the principal amount of this Security being redeemed plus accrued and unpaid interest thereon to but excluding the Redemption Date.

“Comparable Treasury Issue” means the U.S. Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of this Security (assuming, for this purpose, that this Security matured on the Par Call Date) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to such remaining term of this Security.

“Comparable Treasury Price” means with respect to any Redemption Date (1) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest Reference Treasury Dealer Quotations for the Redemption Date, or (2) if the Independent Investment Banker obtains fewer than four Reference Treasury Dealer Quotations, the average of all of such Reference Treasury Dealer Quotations.

“Independent Investment Banker” means one of the Reference Treasury Dealers appointed by the Trustee after consultation with the Company.

“Primary Treasury Dealer” means any primary U.S. Government securities dealer in the United States.

“Reference Treasury Dealer” means (1) [] and any other Primary Treasury Dealer designated by, and not affiliated with [] or its respective successors, provided, however, that if [] or any of its respective designees ceases to be a Primary Treasury Dealer, the Company will appoint another Primary Treasury Dealer as a substitute and (2) any other Primary Treasury Dealer selected by the Company after consultation with an Independent Investment Banker.

“Reference Treasury Dealer Quotations” means, for any Reference Treasury Dealer and any Redemption Date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by the Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding the Redemption Date.

“Treasury Rate” means, with respect to any Redemption Date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for such Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date. The Treasury Rate will be calculated on the third Business Day preceding the Redemption Date.

If an Event of Default shall occur and be continuing, the principal of this Security may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the Trustee to enter into one or more supplemental indentures for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, the Indenture with the consent of the Holders of not less than a majority in aggregate principal amount of the Securities of all series then Outstanding under the Indenture, considered as one class; provided, however, that if there shall be Securities of more than one series Outstanding under the Indenture and if a proposed supplemental indenture shall directly affect the rights of the Holders of Securities of one or more, but less than all, of such series, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Securities of all series so directly affected, considered as one class, shall be required; and provided, further, that if the Securities of any series shall have been issued in more than one Tranche and if the proposed supplemental indenture shall directly affect the rights of the Holders of Securities of one or more, but less than all, of such Tranches, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Securities of all Tranches so directly affected, considered as one class, shall be required; and provided, further, that the Indenture permits the Trustee to enter into one or more supplemental indentures for limited purposes without the consent of any Holders of Securities. The Indenture also contains provisions permitting the Holders of a majority in principal amount of the Securities then Outstanding, on behalf of the Holders of all Securities, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange therefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in the Indenture and subject to certain limitations therein set forth, this Security or any portion of the principal amount hereof will be deemed to have been paid for all purposes of the Indenture and to be no longer Outstanding thereunder, and, at the election of the Company, the Company's entire indebtedness in respect thereof will be satisfied and discharged, if there has been irrevocably deposited with the Trustee or any Paying Agent (other than the Company), in trust, money in an amount which will be sufficient and/or Eligible Obligations, the principal of and interest on which when due, without regard to any reinvestment thereof, will provide moneys which, together with moneys so deposited, will be sufficient to pay when due the principal of and interest on this Security when due.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the corporate office of U.S. Bank National Association in New York, New York, or such other office or agency as may be designated by the Company from time to time, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series of authorized denominations and of like tenor and aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only as registered Securities, without coupons, and in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of the same series, of any authorized denominations, as requested by the Holder surrendering the same, and of like tenor upon surrender of the Security or Securities to be exchanged at the office of U.S. Bank National Association in New York, New York, or such other office or agency as may be designated by the Company from time to time.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the absolute owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture and the Securities shall be governed by and construed in accordance with the laws of the State of New York (including without limitation Section 5-1401 of the New York General Obligations Law or any successor to such statute), except to the extent that the Trust Indenture Act of 1939, as then in effect or any successor statute shall be applicable and except to the extent that the law of any jurisdiction wherein any portion of the property mortgaged pursuant to the Indenture or any indenture supplemental thereto is located shall mandatorily govern the attachment, perfection, priority or enforcement of the lien of the Indenture and all indentures supplemental thereto with respect to such portion of the mortgaged property.

As used herein, "Business Day" means any day, other than a Saturday or Sunday, that is not a day on which the offices of the Trustee in The City of New York, New York, or other city in which is located any office or agency maintained for the payment of principal or interest on this Security, are generally authorized or required by law or executive order to remain closed. All other terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

As provided in the Indenture, no recourse shall be had for the payment of the principal of or premium, if any, or interest on any Securities, or any part thereof, or for any claim based thereon or otherwise in respect thereof, or of the indebtedness represented thereby, or upon any obligation, covenant or agreement under the Indenture, against, and no personal liability whatsoever shall attach to, or be incurred by, any incorporator, shareholder, officer or director, as such, past, present or future of the Company or of any predecessor or successor corporation (either directly or through the Company or a predecessor or successor corporation), whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that the Indenture and all the Securities are solely corporate obligations and that any such personal liability is

hereby expressly waived and released as a condition of, and as part of the consideration for, the execution of the Indenture and the issuance of the Securities.

Unless the certificate of authentication hereon has been executed by the Trustee or an Authenticating Agent by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

SOUTHWESTERN PUBLIC SERVICE
COMPANY

By: _____
Name: _____
Its: _____

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: _____

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Officer

By _____
as Authenticating Agent

By _____
Authorized Officer

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York Corporation ("DTC"), to the Company or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

This Security may not be transferred or exchanged, nor may any purported transfer be registered, except (i) this Security may be transferred in whole, and appropriate registration of transfer effected, if such transfer is by Cede & Co., as nominee for DTC (the "Depository"), to the Depository, or by the Depository to another nominee thereof, or by

any nominee of the Depositary to any other nominee thereof, or by the Depositary or any nominee thereof to any successor securities depositary or any nominee thereof; and (ii) this Security may be exchanged for definitive Securities registered in the respective names of the beneficial holders hereof, and thereafter shall be transferable without restrictions if: (A) the Depositary, or any successor securities depositary, shall have notified the Company and the Trustee that it is unwilling or unable to continue to act as securities depositary with respect to the Securities and the Trustee shall not have been notified by the Company within ninety (90) days of the identity of a successor securities depositary with respect to the Securities; or (B) the Company shall have delivered to the Trustee a Company Order to the effect that the Securities shall be so exchangeable on and after a date specified therein or (C) (1) an Event of Default shall have occurred and be continuing, (2) the Trustee shall have given notice of such Event of Default pursuant to Section 1002 of the Original Indenture and (3) there shall have been delivered to the Company and the Trustee an Opinion of Counsel to the effect that the interests of the beneficial owners of such Securities in respect thereof will be materially impaired unless such owners become Holders of definitive Securities.

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

[please insert social security or other identifying number of assignee]

[please print or typewrite name and address of assignee]

the within Security of SOUTHWESTERN PUBLIC SERVICE COMPANY and does hereby irrevocably constitute and appoint _____, Attorney, to transfer said Security on the books of the within-mentioned Company, with full power of substitution in the premises.

Dated: _____

Notice: The signature to this assignment must correspond with the name as written upon the face of the Security in every particular without alteration or enlargement or any change whatsoever.

SCHEDULE A

The Indenture dated as of _____, 20____, granted by Southwestern Public Service Company to U.S. Bank National Association, Trustee, was filed with the Secretary of State of the State of Texas on _____, 20____ as Utility Security Instrument No. _____.

In accordance with Texas Business and Commerce Code Section 261.011, a Notice of Utility Security Instrument Affecting Real Property was thereafter recorded in each Texas county in which any of the Mortgaged Property consisting of real property was located as of the Effective Date of such Indenture. The following table sets forth recording information relating to the recordation, in each of the specified Texas counties, of such Notice of Utility Security Instrument Affecting Real Property:

<u>COUNTY</u>	<u>DATE</u>	<u>RECEPTION NUMBER</u>	<u>BOOK/FILM</u>	<u>PAGE</u>
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The Indenture dated as of _____, 20____, granted by Southwestern Public Service Company to U.S. Bank National Association, Trustee, was filed with the Secretary of State of the State of New Mexico on _____, 20____ under the Public Utility Act, receiving Public Utility Filing No. _____. Concurrently with such filing, a Uniform Commercial Code financing statement, to which a copy of such Indenture was appended as an exhibit, was filed in the Uniform Commercial Code records of the Secretary of State of the State of New Mexico on _____, 20____ as UCC Filing No. _____.

In accordance with New Mexico Statutes Annotated, 1978, Section 62-13-11, a Notice of Filing of Indenture with New Mexico Secretary of State, to which a copy of such Indenture was appended as an exhibit, was thereafter recorded in each New Mexico county in which any of the Mortgaged Property consisting of real property was located as of the Effective Date of such Indenture. The following table sets forth recording information relating to the recordation, in each of the specified New Mexico counties, of such Notice of Filing of Indenture with New Mexico Secretary of State:

<u>COUNTY</u>	<u>DATE</u>	<u>RECEPTION NUMBER</u>	<u>BOOK/FILM</u>	<u>PAGE</u>
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SCHEDULE B

<u>Date of Supplemental Indenture</u>	<u>Series of Bonds</u>	<u>Principal Amount Issued</u>	<u>Principal Amount Outstanding</u>
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SCHEDULE C

DESCRIPTION OF PROPERTY

The property referred to in Granting Clause Second of the Indenture includes, without limitation, the Company's right, title and interest in and to the Lands and Water Rights in the State of Texas and the State of New Mexico described below, together with all property related, used or appurtenant thereto of the kind and nature described in Granting Clause First (other than Excepted Property).

SOUTHWESTERN PUBLIC SERVICE COMPANY
(a New Mexico corporation)

FORM OF UNDERWRITING AGREEMENT
(First Mortgage Bonds)

_____, 20__

[Names and Addresses of Representatives]

As Representatives of the Underwriters named in Schedule I hereto

Ladies and Gentlemen:

Southwestern Public Service Company, a New Mexico corporation (the “Company”), proposes to sell to the underwriters named in Schedule I hereto (the “Underwriters”), for whom you are acting as representatives (the “Representatives”) an aggregate of \$ _____ principal amount of the Company’s ___% First Mortgage Bonds, Series No. ___ due _____, 20__ (the “Bonds”) to be issued under its Indenture, dated as of August 1, 2011, from the Company to U.S. Bank National Association, as trustee (the “Trustee”), as previously amended and supplemented by a supplemental indenture relating to the Bonds (such Indenture as so amended and supplemented being hereinafter referred to as the “Indenture”).

1. *Representations and Warranties by the Company.* The Company represents and warrants to, and agrees with, each Underwriter that:

(a) The Company meets the requirements for use of Form S-3 under the Securities Act of 1933, as amended (the “Act”), and has filed with the Securities and Exchange Commission (the “Commission”) an “automatic shelf registration statement” as defined under Rule 405 under the Act, including a prospectus, for the registration under the Act of the Bonds, which registration statement initially became effective not earlier than three years prior to the date hereof. Such registration statement (File No. _____) and prospectus may have been amended or supplemented from time to time prior to the date of this underwriting agreement (this “Agreement”). Any such amendment or supplement was filed with the Commission and any such amendment has become effective. As used in this Agreement:

(i) “Applicable Time” means ___:___ [a.m.][p.m.], New York City time, on the date of this Agreement;

(ii) “Effective Date” means any date as of which any part of such registration statement relating to the Bonds became, or is deemed to have become, effective under the Act in accordance with the rules and regulations thereunder;

(iii) “Final Term Sheet” means the final term sheet relating to the Bonds and prepared and filed pursuant to Section 4(a) hereof;

(iv) “Issuer Free Writing Prospectus” means each “free writing prospectus” (as defined in Rule 405 under the Act), including the Final Term Sheet, prepared by or on behalf of the Company or used or referred to by the Company in connection with the offering of the Bonds;

(v) “Preliminary Prospectus” means any preliminary form of prospectus supplement relating to the Bonds (together with the base prospectus of the Company in the form in which it appears in the Registration Statement) which has heretofore been or is required to be filed by the Company pursuant to Rule 424 under the Act and used prior to the filing of the Prospectus;

(vi) “Pricing Disclosure Package” means, as of the Applicable Time, the most recent Preliminary Prospectus, together with each Issuer Free Writing Prospectus filed or used by the Company on or before the Applicable Time, plus the pricing terms of the offering of the Bonds and the terms and conditions of the Bonds specified in the Final Term Sheet;

(vii) “Prospectus” means the base prospectus of the Company in the form in which it appears in the Registration Statement together with the final prospectus supplement relating to the Bonds, in the form in which it shall be filed by the Company with the Commission pursuant to Rule 424 under the Act (including the base prospectus as so supplemented); and

(viii) “Registration Statement” means, collectively, the various parts of such registration statement of the Company, each as amended as of the Effective Date for such part, including any Preliminary Prospectus or Prospectus, any prospectus supplement relating to the Bonds that is filed with the Commission and deemed by virtue of Rule 430B to be part of such registration statement, and all exhibits to such registration statement.

Any reference herein to the Registration Statement, the Pricing Disclosure Package, the Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated or deemed incorporated by reference therein pursuant to Item 12 of Form S-3 which were filed under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), on or before the date of this Agreement and, if the Company files any documents pursuant to the Exchange Act after the date of this Agreement and prior to the termination of the offering of the Bonds by the Underwriters, which documents are deemed to be incorporated by reference into the Prospectus, such filing shall constitute an amendment or supplement to the Prospectus and the term “Prospectus” shall refer also to said Prospectus as supplemented by the documents so filed from and after the time said documents are filed with the Commission. Any reference to the “most recent Preliminary Prospectus” shall be deemed to refer to the latest Preliminary Prospectus included in the Registration Statement or filed pursuant to Rule 424(b) under the Act prior to or on the date hereof (including for purposes hereof, any documents incorporated by reference therein prior to or on the date hereof).

(b) As of the determination date applicable to the Registration Statement (and any amendment thereof) and the offering contemplated hereby, the Company is a “well-known seasoned issuer” (as defined in Rule 405 under the Act) eligible to use Form S-3 for the offering of the Bonds, including not having been an “ineligible issuer” (as defined in Rule 405) at any such time or date.

(c) No order preventing or suspending the use of any Preliminary Prospectus, any Issuer Free Writing Prospectus, the Prospectus or the Registration Statement has been issued by the Commission and no proceeding for that purpose has been initiated or threatened by the Commission; and no notice of

objection of the Commission to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Act has been received by the Company.

(d) The Registration Statement, on the Effective Date, complied in all material respects with the requirements of the Act, the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”), and the respective rules and regulations of the Commission thereunder and did not and will not, as of the Effective Date, contain any untrue statement of a material fact or omit any material fact required to be stated therein or necessary in order to make the statements therein not misleading; and, as of the date of the Prospectus and as of the Closing Date (as hereinafter defined), the Prospectus will comply in all material respects with the Act and the rules and regulations of the Commission thereunder and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided that the Company makes no representations or warranties as to (i) that part of the Registration Statement which shall constitute the Statement of Eligibility (Form T-1) under the Trust Indenture Act of the Trustee or (ii) the information contained in or omitted from the Registration Statement or the Prospectus in reliance upon and in conformity with information furnished in writing to the Company by or on behalf of any Underwriter through the Representatives specifically for use in the Registration Statement or Prospectus, it being understood and agreed that the only such information so furnished consists of the information described in Section 10(g) hereof. Each Preliminary Prospectus and the prospectus filed as part of the Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 of the Act, complied when so filed in all material respects with the rules under the Act, and each Preliminary Prospectus and the Prospectus delivered to the Underwriters for use in connection with this offering was identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T under the Act.

(e) The documents incorporated by reference in the Registration Statement, the Pricing Disclosure Package or the Prospectus, when they were filed with the Commission, conformed in all material respects to the requirements of the Act or the Exchange Act and the rules and regulations of the Commission thereunder, and any documents so filed and incorporated by reference subsequent to the date of this Agreement or any further amendment or supplement to the Prospectus will, when they are filed with the Commission, conform in all material respects to the requirements of the Act or the Exchange Act and the rules and regulations of the Commission thereunder; and none of such documents include or will include any untrue statement of a material fact or omit or will omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) The Pricing Disclosure Package, as of the Applicable Time did not, and as of the Closing Date will not, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; *provided* that the Company makes no representations or warranties as to (i) that part of the Registration Statement which shall constitute the Statement of Eligibility (Form T-1) under the Trust Indenture Act of the Trustee or (ii) the information contained in or omitted from the Pricing Disclosure Package in reliance upon and in conformity with information furnished in writing to the Company by or on behalf of any Underwriter through the Representatives specifically for use in the Pricing Disclosure Package, it being understood and agreed that the only such information so furnished consists of the information described in Section 10(g) hereof.

(g) Prior to the execution of this Agreement, the Company has not made and will not make (other than the Final Term Sheet) any offer relating to the Bonds that would constitute an Issuer Free Writing Prospectus without the prior consent of the Representatives; the Final Term Sheet and any such Issuer Free Writing Prospectus, the use of which have been consented to by the Company and the Representatives, are listed on Schedule II hereto; the Company has complied and will comply with the requirements of Rule 433 under the Act with respect to any such Issuer Free Writing Prospectus; any such Issuer Free Writing Prospectus will not, as of its issue date and through the time the Bonds are delivered pursuant to Section 3 hereof, include any information that conflicts with the information contained in the Registration Statement and the Prospectus; and any such Issuer Free Writing Prospectus, when taken together with the information contained in the Registration Statement, any Preliminary Prospectus and the Prospectus, did not, when issued or filed pursuant to Rule 433, and does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; *provided* that this representation and warranty shall not apply to statements or omissions made therein in reliance upon and in conformity with the information furnished to the Company by or on behalf of any Underwriter through the Representatives expressly for use therein, it being understood and agreed that the only such information so furnished consists of the information described in Section 10(g) hereof.

(h) The financial statements of the Company filed as a part of or incorporated by reference in the Registration Statement, the most recent Preliminary Prospectus or the Prospectus comply in all material respects with the applicable requirements of the Act and the Exchange Act, as applicable, and fairly present the financial position of the Company as of the dates indicated and the results of its operations and changes in financial position for the periods specified, and have been prepared in conformity with generally accepted accounting principles applied on a consistent basis throughout the periods involved, except as disclosed in such financial statements.

(i) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of New Mexico; and the Company is qualified to do business as a foreign corporation and is in good standing under the laws of each jurisdiction in which its ownership or lease of property or the conduct of its business requires such qualification and the failure to so qualify might permanently impair the title to property material to its operations or its right to enforce a material contract against others or expose it to substantial liability, except where the failure to be so qualified would not have a material adverse effect on the condition (financial or otherwise) of the Company (a “Material Adverse Effect”).

(j) The Company has no subsidiaries that would be deemed “significant subsidiaries” under Regulation S-X under the Exchange Act.

(k) Since the most recent dates as of which information is given in the Pricing Disclosure Package and the Prospectus there has been no material adverse change in the condition of the Company, financial or otherwise, whether or not arising in the ordinary course of business, otherwise than as set forth or contemplated in the Pricing Disclosure Package and the Prospectus.

(l) The execution and delivery of this Agreement and the Indenture, the issuance and delivery of the Bonds, the consummation of the transactions herein contemplated and the fulfillment of

the terms hereof, and compliance with the terms and provisions of this Agreement, the Bonds and the Indenture did not and will not (i) conflict with, or result in the breach of, any of the terms, provisions or conditions of the Amended and Restated Articles of Incorporation or By-Laws of the Company, or (ii) conflict with, or result in the breach or violation of any of the terms or provisions of, or constitute a default under or result in the creation or imposition of any lien, charge or encumbrance (other than the lien of the Indenture) upon any property or assets of the Company pursuant to, any indenture, mortgage, deed of trust, loan agreement or other contract, agreement or instrument to which the Company is a party or by which the Company is bound or to which its properties are subject or (iii) result in the violation of any law, statute, order, rule or regulation applicable to the Company of any court or of any federal or state regulatory body or administrative agency or other governmental body having jurisdiction over the Company or over its properties except, in the case of clauses (ii) or (iii), any such conflict, breach or violation which, if it did exist, would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(m) The Bonds have been duly authorized for issuance and sale pursuant to this Agreement and, when executed and authenticated in accordance with the Indenture and delivered and paid for as provided herein, will be duly issued and will constitute valid and binding obligations of the Company enforceable in accordance with their terms, except as limited by bankruptcy, insolvency and other laws affecting enforcement of creditors' rights and general equitable principles, and will be entitled to the benefits of the Indenture.

(n) The Indenture has been duly authorized by the Company and has been duly qualified under the Trust Indenture Act and, when duly executed and delivered by the Company, assuming due authorization, execution and delivery thereof by the Trustee, will constitute a valid and binding obligation of the Company, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights and general equitable principles.

(o) This Agreement has been duly authorized, executed and delivered by the Company.

(p) The issuance and sale of the Bonds have been approved by an order of the New Mexico Public Regulation Commission (the "NMPRC") and such order is final and in full force and effect on the date hereof; no other approval of, or any consent, authorization or order of, or filing or registration with, any regulatory public body, state or federal, or any court having jurisdiction over the Company, is, or will be at the Closing Date, necessary in connection with the issuance and sale of the Bonds pursuant to this Agreement or the execution, delivery and performance of this Agreement and the Indenture, other than such approvals that have been obtained under the Act and the Trust Indenture Act and approvals that may be required under state securities laws or regulations of the Financial Industry Regulatory Authority, Inc. ("FINRA").

(q) To the extent it is not Excepted Property (as defined in the Indenture), the Company has good title to all real and fixed property it owns and title to all personal property owned by it (except, in each case, such properties as have been released from the lien thereof in accordance with the terms thereof), subject only to Permitted Liens (as defined in the Indenture), the lien of the Indenture as to parts of the Company's property, certain easements, conditions, restrictions, leases, and similar encumbrances which do not affect the Company's use of such property in the usual course of its business, certain minor

defects in titles which are not material, and defects in titles to certain properties which are not essential to the Company's business or which will not have a Material Adverse Effect on the Company.

(r) Other than as set forth or contemplated in the most recent Preliminary Prospectus, there are no legal or governmental proceedings pending to which the Company is a party which would reasonably be expected to have a Material Adverse Effect; and, to the best of the Company's knowledge, there are no proceedings that are threatened or contemplated by governmental authorities or threatened by others that are required to be described in the most recent Preliminary Prospectus which are not described as required.

2. *Purchase and Sale.* Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Company agrees to sell to the Representatives and the other Underwriter, and the Representatives and each of the other Underwriters agree, severally and not jointly, to purchase from the Company, at the purchase price of _____% of the principal amount thereof, plus accrued interest, from _____ to the Closing Date hereunder (if the Closing Date is _____, accrued interest shall be \$ _____), the principal amount of the Bonds set forth opposite the name of such Underwriter in Schedule I hereto.

The Company acknowledges and agrees that the Underwriters are acting solely in the capacity of an arm's length contractual counterparty to the Company with respect to the offering of the Bonds contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or a fiduciary to, or an agent of, the Company or any other person. Additionally, neither any Representative nor any other Underwriter is advising the Company or any other person as to any legal, tax, accounting or regulatory matters in any jurisdiction. The Company shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and the Underwriters shall have no responsibility or liability to the Company with respect thereto. Any review by the Underwriters of the Company, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Underwriters and shall not be on behalf of the Company.

3. *Delivery and Payment.* Delivery of and payment for the Bonds shall be made at __: __ [a.m.][p.m.], New York City time, on _____, at the offices of _____ (the "Closing Location"), which date and time may be postponed by agreement between the Representatives and the Company (such date and time being herein called the "Closing Date"). Delivery of the Bonds shall be made to the Representatives for the respective accounts of the several Underwriters against payment by the several Underwriters through the Representatives of the purchase price thereof to or upon the order of the Company in federal (same day) funds to the account specified by the Company to the Representatives by causing The Depository Trust Company ("DTC") to credit the Bonds to the account of the Representatives at DTC. The Bonds will be delivered in definitive registered form except that, if for any reason the Company is unable to deliver the Bonds in definitive form, the Company reserves the right, as provided in the Indenture, to make delivery in temporary form. Any Bonds delivered in temporary form will be exchangeable without charge for Bonds in definitive form. The Bonds will be registered in the name of Cede & Co., as nominee of DTC and will be made available to the Representatives for checking in New York, New York, not later than __: __ [a.m.][p.m.], New York City time, on the business day preceding the Closing Date.

4. *Agreements of the Company.* The Company agrees with the several Underwriters that:

(a) The Company will cause the Prospectus, in a form approved by the Representatives, to be filed pursuant to Rule 424(b) under the Act and will notify the Representatives promptly of such filing. The Company will prepare the Final Term Sheet, containing solely a description of the terms of the Bonds and of the offering, and will file such Final Term Sheet pursuant to Rule 433(d) under the Act, and will notify the Representatives promptly of such filing. During the period for which a prospectus relating to the Bonds is required to be delivered under the Act (whether physically or through compliance with Rule 172 under the Act or any similar rule), the Company will promptly advise the Representatives (i) when any amendment to the Registration Statement has been filed or shall have become effective, (ii) when any subsequent supplement to the Prospectus (including documents deemed to be incorporated by reference into the Prospectus) has been filed and shall furnish the Representatives with copies thereof, (iii) of any request by the Commission for any amendment or supplement to the Registration Statement or the Prospectus or for any additional information, (iv) of the issuance by the Commission of any stop order or of any order preventing or suspending the use of the Registration Statement, any Preliminary Prospectus, the Prospectus or any Issuer Free Writing Prospectus, (v) of the suspension of the qualification of the Bonds for offering or sale in any jurisdiction, (vi) of the initiation or threatening of any proceeding or examination for any such purpose, and (vii) of any request by the Commission for the amending or supplementing of the Registration Statement, any Preliminary Prospectus, the Prospectus or any Issuer Free Writing Prospectus or for additional information. During the period for which a prospectus relating to the Bonds is required to be delivered under the Act (whether physically or through compliance with Rule 172 under the Act or any similar rule), the Company will not file (i) any amendment to the Registration Statement or supplement to the Prospectus (excluding documents deemed to be incorporated by reference into the Prospectus) unless the Company has furnished to the Representatives a copy for their review prior to filing and will not file any such proposed amendment or supplement to which the Representatives reasonably object or (ii) any document that would be deemed to be incorporated by reference into the Prospectus without delivering to the Representatives a copy of the document proposed to be so filed, such delivery to be made at least 24 hours prior to such filing, and the Company will consult with the Representatives as to any comments which the Representatives make in a timely manner with respect to such document. During the period for which a prospectus relating to the Bonds is required to be delivered under the Act (whether physically or through compliance with Rule 172 under the Act or any similar rule), the Company will promptly file all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of the Prospectus and for so long as the delivery of a prospectus is required in connection with the offering or sale of the Bonds. Following the Closing Date and, for as long as a prospectus relating to the Bonds is required to be delivered under the Act, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus, the Prospectus or any Issuer Free Writing Prospectus, the Company will promptly use its best efforts to obtain the withdrawal of such order. In the event of the Company's receipt of a notice objecting to the use of the form of the Registration Statement or any post-effective amendment thereto, the Company will promptly take such steps including, without limitation, amending the Registration Statement or filing a new registration statement, at its own expense, as may be necessary to permit offers and sales of the Bonds by the Underwriters (and references herein to the "Registration Statement" shall include any such amendment or new registration statement).

(b) If, at any time when a prospectus relating to the Bonds is required to be delivered under the Act (whether physically or through compliance with Rule 172 under the Act or any similar rule), any event occurs as a result of which the Pricing Disclosure Package or the Prospectus as then amended or

supplemented would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it shall be necessary at any time to amend or supplement the Prospectus to comply with the Act or the Exchange Act or the respective rules and regulations of the Commission thereunder, the Company promptly, subject to paragraph (a) of this Section 4, will prepare and file an amendment or supplement to the Prospectus with the Commission and furnish to the Underwriters a reasonable number of copies thereof, or will make a filing with the Commission pursuant to Section 13 or 14 of the Exchange Act, which will correct such statement or omission or will effect such compliance.

(c) The Company will make generally available to its security holders and to the Representatives an earnings statement (which need not be audited) of the Company, for a twelve-month period beginning after the date of the Prospectus filed pursuant to Rule 424(b) under the Act, as soon as is reasonably practicable after the end of such period, but in any event no later than eighteen months after the “effective date of the Registration Statement” (as defined in Rule 158(c) under the Act), which will satisfy the provision of Section 11(a) of the Act and the rules and regulations of the Commission thereunder (including at the option of the Company, Rule 158).

(d) The Company will deliver to the Representatives conformed copies of the Registration Statement, the Preliminary Prospectus, the Prospectus and the Issuer Free Writing Prospectus (including all documents incorporated by reference therein) and, so long as delivery of a prospectus by an Underwriter or dealer may be required by the Act (whether physically or through compliance with Rule 172 under the Act or any similar rule), all amendments of and supplements to such documents, in each case as soon as available and in such quantities as the Representatives may reasonably request.

(e) Other than the Final Term Sheet prepared and filed pursuant to Section 4(a) hereof, without the prior written consent of the Representatives, the Company has not made and will not make any offer relating to the Bonds that would constitute a “free writing prospectus” as defined in Rule 405 under the Act.

(f) The Company will promptly file all material required to be filed by the Company with the Commission pursuant to Rule 433(d) under the Act and will retain as and to the extent required by Rule 433 under the Act all Issuer Free Writing Prospectuses not required to be filed with the Commission pursuant to the rules and regulations under the Act. If at any time after the date hereof any events shall have occurred as a result of which any Issuer Free Writing Prospectus, as then amended or supplemented, would conflict with the information in the Registration Statement, the Pricing Disclosure Package or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or, if for any other reason it shall be necessary to amend or supplement any Issuer Free Writing Prospectus, the Company will notify the Representatives and, upon their request, file such document and prepare and furnish without charge to each Underwriter as many copies as the Representatives may from time to time reasonably request of an amended or supplemented Issuer Free Writing Prospectus that will correct such conflict, statement or omission or effect such compliance.

(g) The Company will furnish such information, execute such instruments and take such action as may be required to qualify the Bonds for sale under the laws of such jurisdictions in the United States as the Representatives may designate and will maintain such qualifications in effect so long as required for the distribution of the Bonds; *provided* that the Company shall not be required to qualify to

do business in any jurisdiction where it is not now so qualified or to take any action which would subject it to general or unlimited service of process in any jurisdiction where it is not now so subject.

(h) So long as the Bonds are outstanding, the Company will furnish (or cause to be furnished) to each of the Representatives, upon request, copies of all reports and financial statements filed with the Commission or any national securities exchange.

(i) During the period beginning from the date of this Agreement and continuing to the Closing Date, the Company will not offer, sell, or otherwise dispose of any long-term debt securities of the Company (except under prior contractual commitments which have been disclosed to you), without the prior written consent of the Representatives, which consent shall not be unreasonably withheld.

(j) In connection with the offering of the Bonds, until the Representatives shall have notified the Company and the other Underwriter of the completion of the sale of the Bonds, the Company will not, and will use its best efforts to cause its controlled affiliates not to, either alone or with one or more other persons (i) bid for or purchase for any account in which it or any such affiliate has a beneficial interest in any Bonds or attempt to induce any person to purchase any Bonds or (ii) make bids or purchases for the purpose of creating actual, or apparent, active trading in, or of raising the price of, the Bonds.

(k) The Company will not take, directly or indirectly, any action which is designed to stabilize or manipulate, or which constitutes or which might reasonably be expected to cause or result in stabilization or manipulation of, the price of any security of the Company in connection with the offering of the Bonds.

5. *Agreements of the Underwriters.* Each Underwriter hereby severally represents and agrees that:

(a) It has not and will not use, authorize use of, refer to, or participate in the planning for use of, any Issuer Free Writing Prospectus or any “free writing prospectus,” as defined in Rule 405 under the Act (which term includes use of any written information furnished to the Commission by the Company and not incorporated by reference into the Registration Statement and any press release issued by the Company) required to be filed by the Company with the Commission or retained by the Company pursuant to Rule 433 under the Act, other than (i) a free writing prospectus that contains no “issuer information” (as defined in Rule 433(h)(2) under the Act) that was not included (including through incorporation by reference) in the Preliminary Prospectus or a previously filed Issuer Free Writing Prospectus, (ii) the Final Term Sheet or (iii) any free writing prospectus prepared by such Underwriter and approved by the Company in advance in writing.

(b) It will, pursuant to reasonable procedures developed in good faith, retain, as and to the extent required under Rule 433 under the Act, copies of each free writing prospectus used or referred to by it, in accordance with Rule 433.

(c) It will notify the Representatives when it has completed the sale of the Bonds and the Representatives, in turn, will notify the Company when the sale of the Bonds has been completed.

(a) (i) It will not offer, sell or deliver any of the Bonds, directly or indirectly, or distribute the Pricing Disclosure Package, the Prospectus or any other offering material relating to

the Bonds, in or from any jurisdiction except under circumstances that will, to the best of such Underwriter's knowledge and belief, result in compliance with the applicable laws and regulations and which will not impose any obligations on the Company except as set forth in this Agreement.

(ii) It does not intend to offer, sell or otherwise make available the Bonds to and should not offer, sell or otherwise make available the Bonds to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation 2017/1129/EU (as amended).

(iii) It does not intend to offer, sell or otherwise make available the Bonds to and should not offer, sell or otherwise make available the Bonds to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation 2017/1129/EU as it forms part of domestic law by virtue of the EUWA.

(iv) It (A) has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and (B) has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

(v) It may sell the Bonds in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

(vi) It has not offered and may not and will not offer or sell the Bonds in Hong Kong, by means of any document, other than (A) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (B) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance. Each Underwriter agrees that no advertisement, invitation or document relating to the Bonds has been, may be or will be issued, or has been, may be, or will be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Bonds

which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

(vii) It has not, and will not, offer or sell the Bonds or any interest therein, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act of Japan and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

(viii) It has not and will not circulate or distribute the Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Bonds, nor may the Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (A) to an institutional investor as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore, as modified or amended from time to time (the “SFA”), pursuant to Section 274 of the SFA, (B) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275, of the SFA, or (C) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

(ix) It has not publicly offered, directly or indirectly, the Bonds in Switzerland within the meaning of the Swiss Financial Services Act and no application has or will be made to admit the Bonds to trading on any trading venue (exchange or multilateral trading facility) in Switzerland.

(x) It has not and will not offer, issue or sell the Bonds within Taiwan through a public offering or in any manner which would constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan.

(xi) It has not publicly offered, sold, promoted or advertised the Bonds, and will not publicly offer, sell, promote or advertise the Bonds, in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities.

6. *Expenses.* Whether or not the transactions contemplated hereunder are consummated or this Agreement is terminated, the Company will pay all costs and expenses incident to the performance of the obligations of the Company hereunder, including, without limiting the generality of the foregoing, all costs, taxes and expenses incident to the issue and delivery of the Bonds to the Underwriters, all fees and expenses of the Company’s counsel and accountants, all costs and expenses incident to the preparation, printing, filing and distribution of the Registration Statement (including all exhibits thereto), any Preliminary Prospectus, the Prospectus (including all documents incorporated by reference therein), any

Issuer Free Writing Prospectus and any amendments thereof or supplements thereto, all costs and expenses incurred in connection with “blue sky” qualifications (including all fees and expenses of underwriters’ counsel not to exceed \$____), all costs and expenses incurred in connection with the rating of the Bonds, all costs and expenses of the printing and distribution of all documents in connection with the offering, the fees and expenses of the Trustee and any paying agent (including related fees and expenses of any counsel to such parties), and all expenses and application fees incurred in connection with any filing with, and clearance of any offering by FINRA. Except as provided in this Section 6 and Sections 9 and 10 hereof, the Underwriters will pay all their own costs and expenses, including the fees of their counsel and any advertising expenses in connection with any offer they may make.

7. *Conditions to the Obligations of the Underwriters.* The obligations of the Underwriters to purchase the Bonds shall be subject, in the discretion of the Representatives, to the accuracy of the representations and warranties on the part of the Company contained herein as of the date hereof and the Closing Date, to the accuracy of the statements of the Company’s officers on and as of the Closing Date made in any certificates given pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions:

(a) The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) under the Act within the applicable time period prescribed for such filing by the rules and regulations under the Act and in accordance with Section 4(a) hereof; all filings (including, without limitation, the Final Term Sheet) required by Rule 433 under the Act shall have been made, and no such filings shall have been made without the consent of the Representatives; no stop order suspending the effectiveness of the Registration Statement or any part thereof or preventing or suspending the use of the Prospectus or any Issuer Free Writing Prospectus shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; no notice of objection of the Commission to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Act has been received by the Company; and all requests for additional information on the part of the Commission shall have been complied with to the Representatives’ reasonable satisfaction.

(b) The Representatives shall be furnished with opinion letters, dated the Closing Date, of:

(i) _____, counsel to the Company, that address substantially the matters set forth in Exhibit A;

(ii) _____, counsel to the Company, that address substantially the matters set forth in Exhibit B;

(iii) _____, counsel to the Company, that address substantially the matters set forth in Exhibit C; and

(iv) _____, counsel to the Company, that address substantially the matters set forth in Exhibit D.

(c) The Representatives shall have received from _____, counsel to the Underwriters, such opinion or opinions dated the Closing Date with respect to such matters as the Representatives may reasonably require, and the Company shall have furnished to such counsel such documents as they reasonably request for the purpose of enabling them to pass upon such matters.

(d) The Company shall have furnished to the Representatives a certificate of the President, Executive Vice President, Senior Vice President or any Vice President of the Company, dated the Closing Date, as to the matters set forth in paragraphs (a) and (h) of this Section 7 and to the further effect that the signers of such certificate have examined the Registration Statement, the Prospectus and this Agreement and that, to the best of his or her knowledge:

(i) the representations and warranties of the Company in this Agreement are true and correct on and as of the Closing Date with the same effect as if made on the Closing Date, and the Company has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date; and

(ii) there has been no material adverse change in the condition of the Company, financial or otherwise, whether or not arising in the ordinary course of business, from that set forth in or contemplated by the Registration Statement, the most recent Preliminary Prospectus, or the Prospectus.

(e) The Representatives shall have received letters from _____, independent public accountants for the Company (dated the date of this Agreement and the Closing Date, respectively, and in form and substance satisfactory to the Representatives) advising that (i) they are an independent registered public accounting firm with respect to the Company as required by the Act and published rules and regulations of the Commission thereunder, (ii) in their opinion, the financial statements and supplemental schedules included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package or the Prospectus and covered by their opinion filed with the Commission under Section 13 of the Exchange Act comply as to form in all material respects with the applicable accounting requirements of the Exchange Act and the published rules and regulations of the Commission thereunder, (iii) that they have performed limited procedures, not constituting an audit, including a reading of the latest available interim financial statements of the Company, a reading of the minutes of meetings of the Board of Directors, committees thereof, and of the shareholder of the Company since the date of the most recent audited financial statements included or incorporated by reference in the Pricing Disclosure Package or the Prospectus, inquiries of officials of the Company responsible for financial accounting matters and such other inquiries and procedures as may be specified in such letter, and on the basis of such limited review and procedures nothing came to their attention that caused them to believe that: (A) (1) any material modifications should be made to any unaudited financial statements of the Company included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package or the Prospectus for them to be in conformity with generally accepted accounting principles or (2) any unaudited financial statements of the Company included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package or the Prospectus do not comply as to form in all material respects with the applicable accounting requirements of the Exchange Act and the rules and regulations of the Commission applicable to Form 10-Q; and (B) with respect to the period subsequent to the date of the most recent financial statements included or incorporated by reference in the Pricing Disclosure Package or the Prospectus and except as set forth in or contemplated by the Registration Statement, the Pricing Disclosure Package or the Prospectus, there were any adverse changes, at a specified date not more than three business days prior to the date of the letter, in the capital stock of the Company, incurrences of long-term debt of the Company as compared to the amounts shown on the most recent balance sheet included or incorporated by reference in the Pricing Disclosure Package or the Prospectus or, as of a specified date, there were any decreases in stockholder's equity or net current

assets of the Company as compared with the amounts shown on the most recent balance sheet included or incorporated by reference in the Pricing Disclosure Package or the Prospectus, or for the period from the date of the most recent financial statements included or incorporated by reference in the Pricing Disclosure Package or the Prospectus to such specified date there were any decreases, as compared with the corresponding period in the preceding year, in operating revenues, operating income or net income of the Company, except in all instances for changes or decreases set forth in such letter, in which case the letter shall be accompanied by an explanation by the Company as to the significance thereof unless said explanation is not deemed necessary by the Representatives; and (iv) they have carried out specified procedures performed for the purpose of comparing certain specified financial information and percentages (which is limited to financial information derived from general accounting records of the Company or, to the extent not so derived, from schedules prepared by Company officers responsible for such accounting records) included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus with indicated amounts in the financial statements or accounting records of the Company and (excluding any questions of legal interpretation) have found such information and percentages to be in agreement with the relevant accounting and financial information of the Company referred to in such letter in the description of the procedures performed by them.

(f) Subsequent to the respective dates as of which information is given in the Registration Statement and the Pricing Disclosure Package, there shall not have been any change or decrease specified in the letter or letters referred to in paragraph (e) of this Section 7 which makes it impractical or inadvisable in the judgment of the Representatives to proceed with the public offering or the delivery of the Bonds on the terms and in the manner contemplated by the Pricing Disclosure Package.

(g) Subsequent to the execution and delivery of this Agreement, (i) no downgrading shall have occurred in the rating accorded the Bonds or any other debt securities or preferred stock of or guaranteed by the Company by any “nationally recognized statistical rating organization,” as such term is defined by the Commission for purposes of the Exchange Act (other than downgrades of debt securities issued by or on behalf of governmental entities for the benefit of the Company solely as a result of downgrades of ratings of any third parties insuring such debt securities) and (ii) no such organization shall have publicly announced that it has under surveillance or review, or has changed its outlook with respect to, its rating of the Bonds or of any other debt securities or preferred stock of or guaranteed by the Company (other than an announcement with positive implications of a possible upgrading and other than with respect to debt securities issued by or on behalf of governmental entities for the benefit of the Company solely as a result of any such announcement with respect to any third parties insuring such debt securities).

(h) Since the most recent dates as of which information is given in the Pricing Disclosure Package and the Prospectus there has been no material adverse change in the condition of the Company, financial or otherwise, whether or not arising in the ordinary course of business, otherwise than as set forth or contemplated in the Pricing Disclosure Package and the Prospectus, the effect of which is in the judgment of the Underwriters so material and adverse as to make it impracticable or inadvisable to proceed with the offering, sale or the delivery of the Bonds on the terms and in the manner contemplated by this Agreement and the Prospectus.

(i) No Representative shall have advised the Company that the Registration Statement, Pricing Disclosure Package or Prospectus, or any amendment or supplement thereto, contains an untrue statement of fact which in the opinion of counsel for the Underwriters is material or omits to state a fact

which in the opinion of counsel for the Underwriters is material and is required to be stated therein or is necessary to make the statements therein not misleading.

(j) No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that would, as of the Closing Date, prevent the issuance or sale of the Bonds; and no injunction or order of any federal, state or foreign court shall have been issued that would, as of the Closing Date, prevent the issuance or sale of the Bonds.

(k) All corporate proceedings and other legal matters incident to the authorization, form and validity of the Indenture and this Agreement and the transactions contemplated hereby shall be reasonably satisfactory to counsel to the Underwriters, and prior to the Closing Date, the Company shall have furnished to the Representatives such other customary information, certificates and documents as they may reasonably request.

(l) The Bonds shall have been duly executed and delivered by the Company and authenticated by the Trustee.

If any of the conditions specified in this Section 7 shall not have been fulfilled when and as required by this Agreement, or if any of the opinions and certificates mentioned above or elsewhere in this Agreement shall not be satisfactory in form and substance to the Representatives and their counsel, this Agreement and all obligations of the Underwriters hereunder may be cancelled at, or at any time prior to, the Closing Date by the Representatives. Notice of such cancellation shall be given to the Company in writing, or by telephone, telegraph or facsimile transmission confirmed in writing, as set forth in Section 14 hereof.

8. *Conditions of Company's Obligations.* The obligations of the Company to sell and deliver the Bonds are subject to the following conditions:

(a) Prior to the Closing Date, no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or, to the knowledge of the Company or the Representatives, threatened and no notice of objection of the Commission to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Act has been received by the Company.

(b) The order of the NMPRC referred to in Section 1(p) hereof shall be final and in full force and effect.

If any of the conditions specified in this Section 8 shall not have been fulfilled, this Agreement and all obligations of the Company hereunder may be cancelled on or at any time prior to the Closing Date by the Company. Notice of such cancellation shall be given to the Underwriters in writing or by telephone or facsimile transmission confirmed in writing, as set forth in Section 14 hereof.

9. *Reimbursement of Underwriters' Expenses.* If the sale of the Bonds provided for herein is not consummated because (i) this Agreement is terminated pursuant to Section 12, (ii) any condition to the obligations of the Underwriters set forth in Section 7 hereof is not satisfied or (iii) of any refusal, inability or failure on the part of the Company to perform any agreement herein or comply with any provision hereof, other than by reason of a default by any of the Underwriters, the Company will

reimburse the Underwriters severally upon demand for all out-of-pocket expenses that shall have been reasonably incurred by them in connection with the proposed purchase and sale of the Bonds, including the reasonable fees and disbursements of counsel for the Underwriters.

10. *Indemnification.*

(a) The Company agrees to indemnify and hold harmless each Underwriter, its affiliates, directors and officers and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, legal fees and other expenses reasonably incurred in connection with any suit, action or proceeding or any claim asserted as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, the Prospectus (or any amendment or supplement thereto), or any Issuer Free Writing Prospectus (or amendment or supplement thereto) or any “issuer information” filed or required to be filed pursuant to Rule 433(d) under the Act or any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use therein.

(b) Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, its officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities (including, without limitation, legal fees and other expenses reasonably incurred in connection with any suit, action or proceeding or any claim asserted as such fees and expenses are incurred) that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in the Registration Statement, the Prospectus (or any amendment or supplement thereto), any Preliminary Prospectus or any Issuer Free Writing Prospectus (or any amendment or supplement thereto), it being understood and agreed that the only such information consists of the information identified in Section 10(g) hereof as being provided by the Underwriters.

(c) If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to either paragraph (a) or (b) above, such person (the “Indemnified Person”) shall promptly notify the person against whom such indemnification may be sought (the “Indemnifying Person”) in writing; *provided* that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under this Section 10 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and *provided, further*, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under this Section 10. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person, which may be

counsel to the Indemnifying Person, to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section 10 that the Indemnifying Person may designate in such proceeding and shall pay the reasonable fees and expenses of such counsel related to such proceeding as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such fees and expenses shall be reimbursed as they are incurred. Any such separate firm for any Underwriter, its affiliates, directors and officers and any control persons of such Underwriter shall be designated in writing by the Representatives and any such separate firm for the Company, its directors, its officers who signed the Registration Statement and any control persons of the Company shall be designated in writing by the Company. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement or judgment. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, unless such settlement (x) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) If the indemnification provided for in paragraphs (a) and (b) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Bonds or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same respective proportions as the net proceeds (before deducting expenses) received by the Company from the sale of the Bonds and the total underwriting discounts and commissions received by the Underwriters in connection therewith, in each case as set forth in the table on the cover of the Prospectus, bear to the aggregate offering price of the

Bonds. The relative fault of the Company on the one hand and the Underwriters on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by any Underwriter expressly for use therein and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 10 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses incurred by such Indemnified Person in connection with any such action or claim. Notwithstanding the provisions of this Section 10, in no event shall an Underwriter be required to contribute any amount in excess of the amount by which the total underwriting discounts and commissions received by such Underwriter with respect to the offering of the Bonds exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute pursuant to this Section 10 are several in proportion to their respective purchase obligations hereunder and not joint.

(f) The remedies provided for in this Section 10 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified Person at law or in equity.

(g) The Underwriters severally confirm and the Company acknowledges that the statements with respect to the offering of the Bonds by the Underwriters set forth in the _____ paragraphs in the section entitled "[Underwriting; Conflicts of Interest]" in the prospectus supplement that is a part of the Preliminary Prospectus and the Prospectus are correct and constitute the only information concerning such Underwriters furnished in writing to the Company by or on behalf of the Underwriters specifically for inclusion in the Registration Statement, the Pricing Disclosure Package or the Prospectus.

11. *Default by an Underwriter.*

(a) If any Underwriter shall default in its obligation to purchase the Bonds which it has agreed to purchase hereunder (in this Section called the "Unpurchased Bonds"), the Representatives may in their discretion arrange for themselves or another party or other parties to purchase such Unpurchased Bonds on the terms contained herein. If within 36 hours after such default by any Underwriter the Representatives do not arrange for the purchase of such Unpurchased Bonds, then the Company shall be entitled to a further period of 36 hours within which to procure another party or other parties satisfactory to the Representatives to purchase such Unpurchased Bonds on such terms. In the event that, within the respective prescribed period, the Representatives notify the Company that they have so arranged for the purchase of such Unpurchased Bonds, or the Company notifies such Representatives that it has so arranged for the purchase of such Unpurchased Bonds, the Representatives or the Company shall have the right to postpone the Closing Date for such Unpurchased Bonds for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus as amended or supplemented, or in any other documents or arrangements, and the Company

agrees to file promptly any amendments or supplements to the Registration Statement or the Prospectus which in the opinion of the Representatives may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Unpurchased Bonds.

(b) If, after giving effect to any arrangements for the purchase of the Unpurchased Bonds of a defaulting Underwriter or Underwriters by the Representatives and the Company as provided in subsection (a) above, the aggregate principal amount of such Unpurchased Bonds that remains unpurchased does not exceed one-eleventh of the aggregate principal amount of the Bonds, then the Company shall have the right to require each non-defaulting Underwriter or Underwriters to purchase the principal amount of Bonds that such Underwriter agreed to purchase hereunder and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the principal amount of Bonds that such Underwriter agreed to purchase hereunder) of the Unpurchased Bonds of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Unpurchased Bonds of a defaulting Underwriter or Underwriters by the Representatives and the Company as provided in subsection (a) above, the aggregate principal amount of Unpurchased Bonds that remains unpurchased exceeds one-eleventh of the aggregate principal amount of the Bonds, as referred to in subsection (b) above, or if the Company shall not exercise the right described in subsection (b) above to require the non-defaulting Underwriters to purchase Unpurchased Bonds of the defaulting Underwriter or Underwriters, then this Agreement shall thereupon terminate, without liability on the part of the non-defaulting Underwriters or the Company, except for the expenses to be borne by the Company and the Underwriters as provided in Section 6 hereof and the indemnity and contribution agreements in Section 10 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

12. *Termination.* This Agreement shall be subject to termination in the absolute discretion of the Representatives, by notice given to the Company prior to delivery of and payment for all Bonds, if prior to such time (i) trading shall have been suspended or materially limited on the New York Stock Exchange or the over-the-counter market, (ii) trading of any securities issued or guaranteed by the Company shall have been suspended on any exchange or in any over-the-counter market, (iii) a general moratorium on commercial banking activities shall have been declared by federal or New York State authorities or a material disruption in commercial banking or securities clearance or settlement services shall have occurred or (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis, either within or outside the United States, that, in the judgment of the Representatives, is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Bonds on the terms and in the manner contemplated by this Agreement and the Prospectus.

13. *Representations and Indemnities to Survive Delivery.* The respective agreements, representations, warranties, indemnities and other statements of the Company or its officers and of the Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter or the Company or any of their respective officers, directors or controlling persons within the meaning of the Act, and will survive delivery of and payment for the Bonds. The provisions of Sections 6, 9, 10 and 17 hereof shall survive the termination or cancellation of this Agreement.

14. *Notices.* All communications hereunder will be in writing and, (i) if sent to the Representatives, will be mailed, delivered or transmitted and confirmed to them at _____, or (ii) if sent to the Company, will be mailed, delivered or transmitted and confirmed to it at _____, Attention: _____. All communications shall take effect at the time of receipt thereof.

15. *USA PATRIOT Act.* In accordance with the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriters are required to obtain, verify and record information that identifies their respective clients, including the Company, which information may include the name and address of their respective clients, as well as other information that will allow the Underwriters to properly identify their respective clients.

16. *Persons Entitled to Benefit of Agreement.* This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and controlling persons referred to in Section 10 hereof, and the affiliates of each Underwriter referred to in Section 10 hereof. Nothing in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. No purchaser of Bonds from any Underwriter shall be deemed to be a successor merely by reason of such purchase.

17. *Applicable Law.* This Agreement will be governed by and construed in accordance with the laws of the State of New York.

18. *Waiver of Jury Trial.* The Company and each of the Underwriters hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

19. *Counterparts.* This Agreement may be executed in counterparts, all of which, taken together, shall constitute a single agreement among the parties to such counterparts.

20. *Amendment and Waiver.* No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

21. *Other.* Time shall be of the essence for all purposes of this Agreement. As used herein, "business day" shall mean any day other than a day on which banks are permitted or required to be closed in New York City.

22. *Stay Protocol.* The terms of the ISDA 2018 U.S. Resolution Stay Protocol ("**ISDA U.S. Stay Protocol**") are incorporated into and form a part of this Agreement, and this Agreement shall be deemed a Protocol Covered Agreement for purposes thereof. In the event of any inconsistencies between this Agreement and the ISDA U.S. Stay Protocol, the ISDA U.S. Stay Protocol will prevail.

(remainder of page intentionally blank)

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this Agreement and your acceptance shall represent a binding agreement among the Company and the several Underwriters.

Very truly yours,

SOUTHWESTERN PUBLIC SERVICE
COMPANY (a New Mexico corporation)

By: _____
Name:
Title:

The foregoing Agreement is hereby confirmed
and accepted as of the date first above
written.

By: [NAME OF REPRESENTATIVES]

By: _____
Name:
Title:

For themselves and as Representatives of the several Underwriters named in Schedule I to the foregoing Agreement.

SCHEDULE I

<u>Name</u>	<u>Amount</u>
[Underwriters]	\$ _____
Total	\$ <u> </u>

SCHEDULE II

Final Term Sheet / Issuer Free Writing Prospectus

Free Writing Prospectus, dated the date of the Agreement, relating to the Bonds and filed with the Commission pursuant to Rule 433(d) of the Act.

EXHIBIT A

Matters to be addressed by opinion letter of Company Counsel

1. Neither the execution, delivery or performance of the Indenture or the Agreement, the issuance and delivery of the Bonds nor the compliance by the Company with all the terms and provisions of the Indenture and the Agreement will result in a breach or violation of any of the terms or provisions of, or constitute a default under, (i) any indenture, mortgage, deed of trust or other agreement or instrument to which the Company is a party or by which it is bound or to which any of its properties or assets are subject and of which I have Actual Knowledge, or (ii) any United States Federal statute, rule or regulation that is part of a regulatory scheme specifically applicable to business organizations engaged in the type of regulated business activities conducted by the Company ("Specified U.S. Federal Law") or, to my Actual Knowledge, any order of any court or of any Federal or state regulatory body or administrative agency or other governmental body that specifically names the Company and is specifically directed to it or any of its properties, except any such breach, violation or default which, if it did exist, would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the condition (financial or otherwise) of the Company, whether or not arising from transactions in the ordinary course of business (this opinion being limited in that I express no opinion with respect to any violation or default (1) not readily ascertainable from the face of any such order, decree or agreement, (2) arising under or based upon any cross-default provision insofar as it relates to a violation or default under an agreement as of which I do not have Actual Knowledge or (3) arising as a result of any violation of or default under any agreement or covenant by failure to comply with any financial or numerical requirement requiring computation).

2. The issuance and sale of the Bonds have been approved by an order of the New Mexico Public Regulation Commission (the "NMPRC") and such order is final and in full force and effect, subject to a post-issuance informational filing to be made with the NMPRC. No further approval, authorization, consent, certificate or order of, or filing or registration with, any United States Federal governmental body is required under Specified U.S. Federal Law in connection with the issuance and sale of the Bonds by the Company as provided in the Agreement, the Pricing Disclosure Package and the Prospectus.

3. To my Actual Knowledge, there is no litigation pending against the Company before a court or other adjudicative tribunal required to be described in the Pricing Disclosure Package and the Prospectus that is not described as required.

4. Each of the Exchange Act Documents (as defined below) that was filed with the Commission prior to the date of this letter at the time of filing complied as to form in all material respects with the requirements of the Exchange Act and the rules and regulations thereunder, except that in each case no opinion is expressed with respect to the financial statements, financial schedules and other financial and statistical data included or incorporated by reference therein or omitted therefrom.

I, or other attorneys in the Company's Law Department at my request, have participated in the preparation of the Registration Statement, the Pricing Disclosure Package and the Prospectus. Each of the Registration Statement, the Pricing Disclosure Package and the Prospectus includes the documents incorporated in or deemed to be incorporated therein pursuant to Item 12 of Form S-3 under the Act (collectively, such incorporated documents, the "Exchange Act Documents"). From time to time, I, or other attorneys in the Company's Law Department at my request, have had discussions with certain officers, directors and employees of the Company, with representatives of _____, the

independent registered public accounting firm who examined the financial statements of the Company included in or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, with the Underwriters and with our counsel and with counsel to the Underwriters concerning the information contained in or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus and the responses to various items in Form S-3. I have not independently verified and am not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of the information included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus. Based solely on my participation (and the participation of other attorneys in the Company's Law Department at my request) and discussions described above, however, no facts have come to my attention that cause me to believe that the Registration Statement (including all information deemed to be part of and included therein pursuant to Rule 430B under the Act), as of _____ (which is the date you have identified as the earlier of the date the Prospectus was first used or the date of the first contract of sale of any Bonds), contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, that the Pricing Disclosure Package, as of ____:____ [a.m.][p.m.], New York City time, on _____ (which is specified in the Agreement as the "Applicable Time"), included any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or that the Prospectus, as of its date or as of the date hereof, included or includes any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that in each case I express no view with respect to (a) the financial statements, financial schedules and other financial and statistical data included or incorporated by reference therein or omitted therefrom, (b) the information referred to under the caption "Experts" as having been included or incorporated by reference therein on the authority of _____, as experts or (c) the Statement of Eligibility of the Trustee on Form T-1 under the Trust Indenture Act.

Insofar as matters in such opinion letter are stated to be to such counsel's "Actual Knowledge" or refer to the state of counsel's knowledge, "Actual Knowledge" means the conscious awareness of such counsel of facts or other information without any other investigation.

EXHIBIT B

Matters to be addressed by opinion letter of Counsel to the Company

1. The Bonds, when authenticated by the Trustee in accordance with the terms of the Indenture and delivered against payment therefor in accordance with the terms of the Agreement, to the extent New York law is applicable thereto, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, subject to (i) applicable bankruptcy, reorganization, insolvency, assignment for the benefit of creditors, moratorium, fraudulent transfer, fraudulent conveyance, voidable transaction or preference, receivership and other laws of general application affecting the enforcement of creditors' rights, (ii) general principles of equity, including without limitation, concepts of materiality, reasonableness, good faith, fair dealing and the possible unavailability of specific performance, injunctive relief or other equitable remedies, whether considered in a proceeding in equity or at law, (iii) public policy considerations that may limit the rights of parties to obtain specific remedies or enforce specific terms, and (iv) governmental authority to limit, delay or prohibit the making of payments outside the United States.

2. To the extent New York law is applicable thereto, the Indenture creates under the Uniform Commercial Code as adopted and in effect in the State of New York (the "New York UCC") a security interest in favor of the Trustee for the benefit of the holders from time to time of Securities (as defined in the Indenture) properly issued under the Indenture, on all personal property described therein as subject to the lien thereof (except such properties as may have been sold, exchanged or otherwise disposed of or released from the lien thereof in accordance with the terms thereof, and except such properties as are excluded from the application of Article 9 of the New York UCC), to the extent of the Company's interest in such personal property and to the extent value has been given on behalf of the secured parties.

3. The Indenture, to the extent New York law is applicable thereto, constitutes a legal, valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, subject to (i) applicable bankruptcy, reorganization, insolvency, assignment for the benefit of creditors, moratorium, fraudulent transfer, fraudulent conveyance, voidable transaction or preference, receivership and other laws of general application affecting the enforcement of creditors' rights, laws affecting the rights of mortgagees and other secured parties generally and state laws affecting the enforcement of certain remedial provisions, provided that such state laws affecting the enforcement of certain remedial provisions will not, in our opinion, render the remedies afforded by the Indenture, to the extent New York law is applicable thereto, inadequate for the practical realization of the benefits of the security afforded thereby, (ii) general principles of equity, including without limitation, concepts of materiality, reasonableness, good faith, fair dealing and the possible unavailability of specific performance, injunctive relief or other equitable remedies, whether considered in a proceeding in equity or at law, (iii) public policy considerations that may limit the rights of parties to obtain specific remedies or enforce specific terms, and (iv) governmental authority to limit, delay or prohibit the making of payments outside the United States.

4. The Bonds, when authenticated by the Trustee in accordance with the terms of the Indenture and delivered against payment therefor in accordance with the terms of the Agreement, to the extent New York law is applicable thereto, will be entitled to the benefits and security of the Indenture and will be secured equally and ratably with all other Securities outstanding under the Indenture.

5. Neither the execution and the delivery of the Agreement by the Company, the consummation by the Company of the transactions effected by the Agreement and by the Indenture, the issuance and delivery of the Bonds by the Company nor the performance by the Company of its obligations under the Indenture and the Agreement will result in a violation of any Generally Applicable U.S. Federal Law, except any such violation which, if it did exist, would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the condition (financial or otherwise) of the Company, whether or not arising from transactions in the ordinary course of business. As used herein, the term “Generally Applicable U.S. Federal Law” means any United States Federal statute, rule or regulation applicable to the Company other than those that are part of a regulatory scheme specifically applicable to business organizations engaged in the type of regulated business activities conducted by the Company.

6. No approval, authorization, consent, certificate or order of, or filing or registration with, any United States Federal governmental body is required to be made or obtained by the Company under Generally Applicable U.S. Federal Law in connection with the issuance and sale of the Bonds by the Company as provided in the Agreement, the Pricing Disclosure Package and the Prospectus, except as may be required under the Securities Act of 1933, as amended (the “Securities Act”), the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”).

7. The statements contained in the Pricing Disclosure Package and the Prospectus under the captions “Description of the First Mortgage Bonds,” and “Supplemental Description of the First Mortgage Bonds,” insofar as such statements purport to summarize legal matters or provisions of documents referred to therein, present fair summaries of such legal matters and documents in all material respects.

8. The statements contained in the Pricing Disclosure Package and the Prospectus under the caption “Material U.S. Federal Income Tax Consequences,” to the extent they purport to summarize the U.S. federal income tax law applicable to the Bonds, are an accurate summary of the U.S. federal income tax law referred to therein in all material respects.

We have participated in the preparation of the Registration Statement, the Pricing Disclosure Package and the Prospectus. Each of the Registration Statement, the Pricing Disclosure Package and the Prospectus includes the documents incorporated in or deemed to be incorporated therein pursuant to Item 12 of Form S-3 under the Securities Act (collectively, the “Exchange Act Documents”). From time to time, we have had discussions with certain officers, directors and employees of the Company, with representatives of _____, the independent registered public accounting firm who examined the financial statements of the Company included in or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, with the Underwriters and with counsel to the Underwriters concerning the information contained in or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus and the responses to various items in Form S-3. Based upon our participation and discussions described above, we are of the view that the Registration Statement (including all information deemed to be part of and included therein pursuant to Rule 430B under the Securities Act but excluding the Exchange Act Documents), as of _____ which is the date you have identified as the date the Prospectus was first used (the “Effective Date”), and the Prospectus (excluding the Exchange Act Documents), as of its date, complied as to form in all material respects with the requirements of the Securities Act and the rules and regulations

of the Securities and Exchange Commission (the “Commission”) thereunder, except that we express no view with respect to (a) the financial statements, financial schedules and other financial and statistical data included or incorporated by reference therein or omitted therefrom or (b) the information referred to under the caption “Experts” as having been included or incorporated by reference therein on the authority of _____, as experts. The purpose of our professional engagement was not to establish or confirm factual matters set forth in the Registration Statement, the Pricing Disclosure Package or the Prospectus. Moreover, many of the determinations required to be made in the preparation of the Registration Statement, the Pricing Disclosure Package and the Prospectus involve matters of a non-legal nature.

We have not independently verified and are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness (except as and to the extent set forth in paragraphs 7 and 8 above) of the information included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus. Based solely on our participation and discussions described above, however, no facts have come to our attention that cause us to believe that the Registration Statement (including all information deemed to be part of and included therein pursuant to Rule 430B under the Securities Act), as of the Effective Date, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, that the Pricing Disclosure Package, as of the Applicable Time, included any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or that the Prospectus, as of its date and as of the date hereof, included or includes any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that in each case we express no view with respect to (a) the financial statements, financial schedules and other financial and statistical data included or incorporated by reference therein or omitted therefrom or (b) the information referred to under the caption “Experts” as having been included or incorporated by reference therein on the authority of _____, as experts.

The Registration Statement has become effective under the Securities Act, and, to our Actual Knowledge (as defined in Annex A attached hereto), no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose are pending or threatened by the Commission. The Indenture has been qualified under the Trust Indenture Act.

EXHIBIT C

Matters to be addressed by opinion letter of Local Counsel to the Company with respect to New Mexico law matters

1. The Company is validly existing as a corporation in good standing under the laws of the state of New Mexico.
2. The Agreement has been duly authorized, executed and delivered by the Company.
3. The Base Indenture and the Supplemental Indenture have been duly authorized, executed and delivered by the Company.
4. The Bonds have been duly authorized, executed and issued by the Company and when authenticated by Trustee in accordance with the terms of the Indenture and delivered against payment therefor in accordance with the terms of the Agreement, to the extent New Mexico law is applicable thereto, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, subject to (i) applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent transfer, fraudulent conveyance, voidable preference, receivership and other laws of general application affecting the enforcement of creditors' rights, (ii) general principles of equity, including without limitation, concepts of materiality, reasonableness, good faith, fair dealing and the possible unavailability of specific performance, injunctive relief or other equitable remedies, regardless of whether considered in a proceeding in equity or at law, (iii) public policy considerations that may limit the rights of parties to obtain specific remedies or enforce specific terms, (iv) governmental authority to limit, delay or prohibit the making of payments outside the United States, and (v) any judicial determination holding that provisions that waive or vary any statutory, constitutional, common law or equitable rights, or which are deemed to be unreasonable or unconscionable, are unenforceable.
5. The Company has title to the Significant Fee Properties (except such thereof as may have been sold, exchanged or otherwise disposed of), subject only to the lien of the Indenture and Permitted Liens.
6. Assuming that the provisions of the Indenture are sufficient to create a valid security interest in favor of Trustee for the benefit of the holders from time to time of Securities properly issued under the Indenture on all Personal Property described therein as subject to the lien thereof and that such security interest has attached, the filings of financing statements under the Uniform Commercial Code as adopted and in effect in the State of New Mexico (the "New Mexico UCC") made in connection with the Indenture will perfect such security interest to the extent perfection can be accomplished by filings under the New Mexico UCC, subject to no security interests prior to the security interest created by the Indenture other than (i) Permitted Liens and (ii) in the case of any Personal Property that has become a fixture, any lien existing on the land to which such Personal Property was affixed at the time of such affixation and also subject to the provisions of Article Twelve of the Indenture and to certain possible claims of a trustee in bankruptcy and possible claims and taxes of the federal government and state and local taxing authorities and the provisions of (a) NMSA 1978, §3-48-7, which grants priority for costs incurred in a municipality's removal of refuse, waste, or other unwholesome materials, and (b) NMSA 1978, §69-25B-8, which grants priority back to the date of expenditures for any remediation costs incurred by the Director of the Mining and Minerals Division of the Energy, Minerals and Natural Resources Department to restore, reclaim, abate, control or prevent adverse effects of past mining practices on privately owned land.

7. The Indenture and the recording of notice thereof in each county in the State of New Mexico identified in the Property Certificate constitute a mortgage lien on all Significant Fee Properties (except such thereof as may have been sold, exchanged or otherwise disposed of) in such county and described in the Indenture as subject to the lien thereof (except such properties as may have been sold, exchanged or otherwise disposed of or released from the lien thereof in accordance with the terms thereof), subject to no liens prior to the lien of the Indenture other than Permitted Liens and also subject to the provisions of Article Twelve of the Indenture and to certain possible claims of a trustee in bankruptcy and possible claims and taxes of the federal government, state and local taxing authorities and the provisions of (i) NMSA 1978, §3-48-7, which grants priority for costs incurred in a municipality's removal of refuse, waste, or other unwholesome materials, and (ii) NMSA 1978, §69-25B-8, which grants priority back to the date of expenditures for any remediation costs incurred by the Director of the Mining and Minerals Division of the Energy, Minerals and Natural Resources Department to restore, reclaim, abate, control or prevent adverse effects of past mining practices on privately owned land.

8. The Indenture, to the extent New Mexico law is applicable thereto, constitutes a legal, valid and binding mortgage of the Company, enforceable against the Company in accordance with its terms, subject to (i) applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent transfer, fraudulent conveyance, voidable preference, receivership and other laws of general application affecting the enforcement of creditors' rights, laws affecting the rights of mortgagees and other secured parties generally and state laws affecting the enforcement of certain remedial provisions, provided that such state laws affecting the enforcement of certain remedial provisions, will not, in our opinion, render the remedies afforded by the Indenture, to the extent New Mexico law is applicable thereto, inadequate for the practical realization of the benefits of the security afforded thereby, (ii) general principles of equity, including without limitation, concepts of materiality, reasonableness, good faith, fair dealing and the possible unavailability of specific performance, injunctive relief or other equitable remedies, whether considered in a proceeding in equity or at law, (iii) public policy considerations that may limit the rights of parties to obtain specific remedies or enforce specific terms, and (iv) governmental authority to limit, delay or prohibit the making of payments outside the United States, and (v) any judicial determination holding that provisions that waive or vary any statutory, constitutional, common law or equitable rights, or which are deemed to be unreasonable or unconscionable, are unenforceable.

9. The Bonds, when authenticated by Trustee in accordance with the terms of the Indenture and delivered against payment therefor in accordance with the terms of the Agreement, to the extent New Mexico law is applicable thereto, will be entitled to the benefits and security of the Indenture and will be secured equally and ratably with all other Securities outstanding under the Indenture.

10. Neither the execution and the delivery of the Indenture or the Agreement, the consummation of the transactions effected thereby and the fulfillment of the terms thereof, the issuance and delivery of the Bonds nor the compliance by the Company with all the terms and provisions of the Indenture and the Agreement will result in a violation of (i) the Amended and Restated Articles of Incorporation or By-Laws, or (ii) any statute, rule or regulation of the State of New Mexico applicable to the Company, except, in the case of clause (ii), any such violation which, if it did exist, would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the condition (financial or otherwise) of the Company, whether or not arising from transactions in the ordinary course of business.

11. Assuming the issuance and sale of the Bonds have been approved by an order of the New Mexico Public Regulation Commission and such order is final and in full force and effect, no further approval, authorization, consent, certificate or order of, or filing or registration with, any governmental body of the State of New Mexico is required under the laws of the State of New Mexico in connection with the issuance and sale of the Bonds by the Company as provided in the Agreement, the Pricing Disclosure Package and the Prospectus (as such terms are defined in the Underwriting Agreement), except as may be required under state securities or blue sky laws.

EXHIBIT D

Matters to be addressed by opinion letter of Local Counsel to the Company with respect to Texas law matters

1. The Company is duly qualified to do business as a foreign corporation and is in good standing under the laws of the State of Texas.
2. The Bonds, when authenticated by the Trustee in accordance with the terms of the Indenture and delivered against payment therefor in accordance with the terms of the Agreement, to the extent Texas law is applicable thereto, constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, subject to (i) applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent transfer, fraudulent conveyance, voidable preference, receivership and other laws of general application affecting the enforcement of creditors' rights, (ii) general principles of equity, including without limitation, concepts of materiality, reasonableness, good faith, fair dealing and the possible unavailability of specific performance, injunctive relief or other equitable remedies, whether considered in a proceeding in equity or at law, (iii) public policy considerations that may limit the rights of parties to obtain specific remedies or enforce specific terms, and (iv) governmental authority to limit, delay or prohibit the making of payments outside the United States.
3. The Company has good title to the Texas Significant Fee Properties (except such thereof as has been sold, exchanged or otherwise disposed of), subject only to the lien of the Indenture and Permitted Liens (as defined in the Indenture).
4. The Indenture and the recording thereof with the Texas Secretary of State in the Utility Security Instrument Records maintained by it and the filing of the Notices made in connection therewith with each county identified in the Company's Certificates constitute a mortgage lien on all real property owned of record by the Company in such county and described in the Indenture as subject to the lien thereof (except such properties as may have been sold, exchanged or otherwise disposed of or released from the lien thereof in accordance with the terms thereof), subject to no liens prior to the lien of the Indenture other than Permitted Liens and also subject to the provisions of Article Twelve of the Indenture and to certain possible claims of a trustee in bankruptcy and possible claims and taxes of the federal and state and local taxing authorities.
5. To the extent Texas law is applicable thereto, the Indenture constitutes a legal, valid and binding mortgage of the Company, enforceable against the Company in accordance with its terms, subject to (i) applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent transfer, fraudulent conveyance, voidable preference, receivership and other laws of general application affecting the enforcement of creditors' rights, laws affecting the rights of mortgagees and other secured parties generally and state laws affecting the enforcement of certain remedial provisions, provided that such state laws affecting the enforcement of certain remedial provisions, will not, in our opinion, render the remedies afforded by the Indenture, to the extent Texas law is applicable thereto, inadequate for the practical realization of the benefits of the security afforded thereby, (ii) general principles of equity, including without limitation, concepts of materiality, reasonableness, good faith, fair dealing and the possible unavailability of specific performance, injunctive relief or other equitable remedies, whether considered in a proceeding in equity or at law, (iii) public policy considerations that may limit the rights of parties to obtain specific remedies or enforce specific terms, and (iv) governmental authority to limit, delay or prohibit the making of payments outside the United States.

6. The Bonds, when authenticated by the Trustee in accordance with the terms of the Indenture and delivered against payment therefor in accordance with the terms of the Agreement, to the extent Texas law is applicable thereto, will be entitled to the benefits and security of the Indenture and will be secured equally and ratably with all other Securities outstanding under the Indenture.

7. Neither the execution and the delivery of the Indenture or the Agreement, the consummation of the transactions effected thereby and the fulfillment of the terms thereof, the issuance and delivery of the Bonds nor the compliance by the Company with all the terms and provisions of the Indenture and the Agreement will result in a violation of any statute, rule or regulation of the State of Texas applicable to the Company, except any such violation which, if it did exist, would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the condition (financial or otherwise) of the Company, whether or not arising from transactions in the ordinary course of business.

8. No approval, authorization, consent, certificate or order of, or filing or registration with, any governmental body of the State of Texas is required under the laws of the State of Texas in connection with the issuance and sale of the Bonds by the Company as provided in the Agreement, the Pricing Disclosure Package and the Prospectus.

SUBJECT TO COMPLETION, DATED _____, 20____

PRELIMINARY PROSPECTUS SUPPLEMENT

_____, 20____
(To Prospectus dated _____, 20____)

\$

Southwestern Public Service Company

% First Mortgage Bonds, Series No. _____ due 20____

This is an offering of \$ _____ of % First Mortgage Bonds, Series No. _____ due 20____ (the “first mortgage bonds”) to be issued by Southwestern Public Service Company, a New Mexico corporation. We will pay interest on the first mortgage bonds on _____ and _____ of each year, commencing on _____, 20____. The first mortgage bonds will mature on _____, 20____. The first mortgage bonds will be issued only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. We may redeem the first mortgage bonds at any time, in whole or in part, at the redemption price described in this prospectus supplement.

[The first mortgage bonds offered by this prospectus supplement form a part of the series of our % First Mortgage Bonds, Series No. _____ due 20____ and have the same terms, other than their date of issue, interest accrual date and initial price to the public, as the other first mortgage bonds of this series issued by us on _____, 20____ pursuant to a prospectus supplement dated _____, 20____ and on _____, 20____ pursuant to a prospectus supplement dated _____, 20____. The first mortgage bonds offered by this prospectus supplement will have the same CUSIP number as those other first mortgage bonds and will trade interchangeably with those other first mortgage bonds immediately upon settlement. The aggregate principal amount of the series of the % First Mortgage Bonds, Series No. _____ due 20____ will be \$ _____.]

The first mortgage bonds will not be listed on any securities exchange or included in any automated quotation system. [The first mortgage bonds constitute a new issue of securities with no established trading market.] Please read the information provided under the caption “Supplemental Description of the First Mortgage Bonds” in this prospectus supplement and under the caption “Description of the First Mortgage Bonds” in the accompanying prospectus for a more detailed description of the first mortgage bonds.

The first mortgage bonds will be our senior secured obligations and will be secured equally and ratably with all of our other first mortgage bonds from time to time outstanding.

Investing in the first mortgage bonds involves risks. See “Risk Factors” on page S-6 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission 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.

	Price to the Public (1)	Underwriting Discount	Proceeds to Us (2)
Per % First Mortgage Bond.....	%	%	%
Total.....	\$	\$	\$

(1) Plus accrued interest from _____, 20____ to the date of settlement, which must be paid by the purchasers of the first mortgage bonds offered hereby. The total amount of accrued interest on _____, 20____ will be \$ _____ per \$1,000 principal amount of first mortgage bonds.

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.

(2) Before deduction of expenses payable by us estimated at approximately \$ _____.

The underwriters are offering the first mortgage bonds subject to various conditions. The underwriters expect to deliver the first mortgage bonds in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, S.A. and Euroclear Bank SA/NV, on or about _____, 20__.

Joint Book-Running Managers

[_____]

[_____]

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the first mortgage bonds we are offering in this prospectus supplement. The second part, the accompanying base shelf prospectus, gives more general information, some of which may not apply to the first mortgage bonds we are offering in this prospectus supplement. The accompanying base shelf prospectus dated _____, 20__ 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 decisions. We have not, and the underwriters have not, authorized anyone to provide you with different information and, if given, you should not rely on it as having been authorized by us or the underwriters. We are not, and the underwriters 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.

It is expected that delivery of the first mortgage bonds will be made against payment for the first mortgage bonds on or about the date specified on the cover page of this prospectus supplement, which is the fifth business day following the date of this prospectus supplement (such settlement cycle being referred to as “T+5”). You should be advised that trading of the first mortgage bonds may be affected by the T+5 settlement. See “Underwriting; Conflicts of Interest” 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,” “potential,” “should,” “will,” “would,” 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:

- uncertainty around the impacts and duration of the COVID-19 pandemic;
- operational safety;
- successful long-term operational planning;
- commodity risks associated with energy markets and production;
- rising energy prices and fuel costs;
- qualified employee work force and third-party contractor factors;
- ability to recover costs;
- changes in regulation;
- reductions in our credit ratings and the cost of maintaining certain contractual relationships;
- general economic conditions, including inflation rates, monetary fluctuations and their impact on capital expenditures and our ability to obtain financing on favorable terms;
- availability or cost of capital;
- our customers’ and counterparties’ ability to pay their debts to us;
- assumptions and costs relating to funding our employee benefit plans and health care benefits;
- tax laws;
- effects of geopolitical events, including war and acts of terrorism;
- cyber security threats and data security breaches;
- seasonal weather patterns;
- changes in environmental laws and regulations;
- climate change and other weather;

- natural disaster and resource depletion, including compliance with any accompanying legislative and regulatory changes;
- costs of potential regulatory penalties; and
- other business or investment considerations that may be disclosed from time to time in our filings with the Securities and Exchange Commission (“SEC”) or in other publicly disseminated written documents.

You are cautioned not to rely unduly on any forward-looking statements. These risks and uncertainties associated with forward-looking statements are discussed in detail under “Risk Factors,” “Business,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Notes to Financial Statements” in our Annual Report on Form 10-K for the year ended December 31, 20 [and in our Quarterly Report[s] on Form 10-Q for the quarterly period[s] ended _____] and in other documents on file with the SEC and incorporated by reference in this prospectus supplement and the accompanying prospectus. You may obtain copies of these documents as described in the accompanying prospectus under the caption “Where You Can Find More Information.”

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing review of factors should not be construed as exhaustive.

PROSPECTUS SUPPLEMENT SUMMARY

The following information supplements, and should be read together with, the information contained or incorporated by reference in other parts of this prospectus supplement and the accompanying prospectus. This summary highlights selected information from this prospectus supplement and the accompanying prospectus. As a result, it does not contain all of the information you should consider before investing in the first mortgage bonds offered by this prospectus supplement. You should carefully read this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference, which are described under the caption "Where You Can Find More Information" in the accompanying prospectus. In this prospectus supplement, except as otherwise indicated or as the context otherwise requires, the "Company," "we," "us" and "our" refer to Southwestern Public Service Company, a New Mexico corporation.

The Company

We were incorporated in 1921 under the laws of New Mexico. We conduct business in Texas and New Mexico and generate, purchase, transmit, distribute and sell electricity. At _____, 20____, we provided electric utility service to approximately _____ million customers.

We are a wholly owned subsidiary of Xcel Energy Inc., a Minnesota corporation, or "Xcel Energy". Among Xcel Energy's other subsidiaries are Northern States Power Company, a Minnesota corporation, Northern States Power Company, a Wisconsin corporation, and Public Service Company of Colorado. Xcel Energy is a publicly held company and files periodic reports and other documents with the SEC. Many of our executive officers and members of our board of directors are also executive officers of Xcel Energy.

Our principal executive offices are located at 790 S. Buchanan Street, Amarillo, Texas 79101 and our telephone number is (303) 571-7511.

The Offering

The following summary contains basic information about this offering. Because this is only a summary, it does not contain all of the information that may be important to you. For a more complete understanding of this offering, we encourage you to read this entire prospectus supplement, including the information under the caption “Supplemental Description of the First Mortgage Bonds,” the accompanying prospectus, including the information under the caption “Description of the First Mortgage Bonds,” and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

Issuer Southwestern Public Service Company

Securities Offered..... \$ principal amount of % First Mortgage Bonds,
Series No. due 20 .

[The first mortgage bonds form a part of the series of our % First Mortgage Bonds, Series No. due 20 and have the same terms, other than their date of issue, interest accrual date and initial price to the public, as the other first mortgage bonds of this series issued by us on , 20 . The first mortgage bonds offered by this prospectus supplement will have the same CUSIP number as those other first mortgage bonds and will trade interchangeably with those other first mortgage bonds immediately upon settlement. The first mortgage bonds offered hereby and the other first mortgage bonds previously issued by us on , 20 will constitute a single series under the mortgage indenture for all purposes, including, without limitation, for voting purposes.]

Maturity , 20 .

Interest Rate..... % per year.

Interest Payment Dates and of each year, beginning on , 20 .

Ranking The first mortgage bonds will be our senior secured obligations and will be secured equally and ratably with all of our other outstanding first mortgage bonds and any first mortgage bonds hereafter issued under the Indenture, dated as of , 20 , as supplemented, which we refer to as the “mortgage indenture,” between us and U.S. Bank National Association, which we refer to as the “mortgage trustee.” As of , 20 , there were series of first mortgage bonds outstanding under the mortgage indenture in an aggregate principal amount of \$.

Collateral The first mortgage bonds are secured by a first mortgage lien on substantially all of our properties used or intended to be used in or in connection with the business of generating, purchasing, transmitting, distributing and/or selling electric energy and located in the State of Texas or the State of New Mexico, subject to limited exceptions.

Optional Redemption.....	<p>We may redeem the first mortgage bonds, in whole or in part, at any time prior to ____, 20__ (which date is the date that is six months prior to maturity of the first mortgage bonds (the “par call date”)) at a “make whole” redemption price equal to the greater of (1) 100% of the principal amount of first mortgage bonds being redeemed and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the first mortgage bonds being redeemed that would be due if such first mortgage bonds matured on the par call date (excluding the portion of any such interest accrued to but excluding the date fixed for redemption), discounted to but excluding the date fixed for redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the treasury rate (as defined below under the caption “Supplemental Description of the First Mortgage Bonds — Optional Redemption”) plus ____ basis points plus, in each case, accrued and unpaid interest to but excluding the date fixed for redemption. At any time on or after the par call date, we may redeem the first mortgage bonds, in whole or in part, at 100% of the principal amount being redeemed plus accrued and unpaid interest thereon to but excluding the date fixed for redemption. See “Supplemental Description of the First Mortgage Bonds — Optional Redemption” in this prospectus supplement for more information.</p>
Sinking Fund	None.
Use of Proceeds	<p>We intend to use the net proceeds from the sale of the first mortgage bonds to finance or refinance, in whole or in part, existing and future Eligible Green Expenditures as described under “Use of Proceeds” in this prospectus supplement, including amounts that were previously financed with commercial paper. Until the net proceeds from the sale of the first mortgage bonds have been allocated, we may use them temporarily to pay down our outstanding commercial paper and/or invest them temporarily in interest bearing obligations, including investments in the utility money pool. See “Use of Proceeds” in this prospectus supplement for more information.</p>
Conflicts of Interest	<p>Certain of the underwriters or their affiliates may hold a portion of our outstanding commercial paper that we incurred to finance such Eligible Green Expenditures and that may be repaid using the net proceeds of this offering. In such event, it is possible that one or more of the underwriters or their affiliates could receive at least 5% of the net proceeds of this offering. In the event of any such conflict of interest, such underwriter would be required to conduct the distribution of the first mortgage bonds in accordance with Rule 5121 (Public Offerings of Securities with Conflicts of Interest) of the Financial Industry Regulatory Authority, Inc. or “FINRA”. See “Underwriting; Conflicts of Interest — Conflicts of Interest” in this prospectus supplement.</p>
Mortgage Trustee	U.S. Bank National Association.

Governing Law	The mortgage indenture is, and the first mortgage bonds will be, governed by and construed in accordance with the laws of the State of New York, except to the extent the Trust Indenture Act of 1939, as amended, or the “Trust Indenture Act,” is applicable and except to the extent the law of any jurisdiction where property subject to the mortgage indenture is located mandatorily governs the attachment, perfection, priority or enforcement of the lien of the mortgage indenture with respect to that property.
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RISK FACTORS

You should carefully consider the risks and uncertainties described below as well as any cautionary language or other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus, including the information under the caption “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 20 , as modified by [our quarterly reports on Form 10-Q and] other SEC filings filed after such Annual Report and the information under the caption “Critical Accounting Policies” in this prospectus supplement, before purchasing the first mortgage bonds offered by this prospectus supplement. Those risks and the risks set forth below are those that we consider to be the most significant to your decision whether to invest in the first mortgage bonds. If any of the events described therein or set forth below occurs, our business, financial condition or results of operations could be materially harmed. In addition, we may not be able to make payments on the first mortgage bonds, and this could result in your losing all or part of your investment.

Risks Related to the First Mortgage Bonds

Any lowering of the credit ratings on the first mortgage bonds could likely reduce their value.

As described under the caption “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 20 , our credit ratings could be lowered or withdrawn entirely by a rating agency in the future. Any lowering of the credit ratings on our first mortgage bonds could likely reduce the value of the first mortgage bonds offered by this prospectus supplement.

We cannot assure you that there will be an active public market for the first mortgage bonds offered by this prospectus supplement.

We have been advised by the underwriters that they may make a market in the first mortgage bonds, but they have no obligation to do so and may discontinue market making at any time without providing notice. There can be no assurance that there will be a market for the first mortgage bonds. If there is no active public market, the market price and liquidity of the first mortgage bonds may be adversely affected. The market price of the first mortgage bonds may also be impacted by any failure by us to use the net proceeds from the first mortgage bonds on Eligible Green Expenditures or to meet or continue to meet the investment requirements of certain environmentally focused investors with respect to the first mortgage bonds. Furthermore, we do not intend to apply for listing of the first mortgage bonds on any securities exchange or seek their quotation on any automated quotation system.

The first mortgage bonds may not be a suitable investment for all investors seeking exposure to green assets.

While we intend to use an amount equal to the net proceeds of the offering of the first mortgage bonds to finance and/or refinance Eligible Green Expenditures as described below, there can be no assurance that the expenditures funded with such proceeds from the sale of the first mortgage bonds will meet every potential investor’s expectations regarding environmental sustainability or performance.

USE OF PROCEEDS

We estimate that our proceeds from the sale of the first mortgage bonds, less the underwriting discount and other offering expenses, [and not including the amount of accrued interest paid by the purchasers of the first mortgage bonds], will be approximately \$. We intend to use an amount equal to the net proceeds of this offering to finance and/or refinance, in whole or in part, existing and future “Eligible Green Expenditures” as described below. Eligible Green Expenditures include those funded or to be funded during the period from , 20 to , 20 , including those funded by our issuance of commercial paper. As of , 20 , we had [\$ of commercial paper outstanding with a weighted average annual interest rate of %] [and \$ in borrowings under our utility money pool arrangement with a weighted average annual interest rate of %].

Eligible Green Expenditures

Eligible Green Expenditures are expenditures made or to be made, as the case may be, during the period from , 20 to , 20 , and used in the development, construction and operation of, as well as transmission infrastructure to support, our wind energy projects. Such expenditures include capital expenditures which were previously financed with our general funds, including commercial paper.

Management of Proceeds

An amount equal to the net proceeds of the first mortgage bonds will be allocated to the financing of existing and future Eligible Green Expenditures.

Pending the allocation of the net proceeds of the first mortgage bonds to finance and/or refinance Eligible Green Expenditures, we may use them temporarily to pay down our outstanding commercial paper and/or invest them temporarily in interest bearing obligations, including investments in the utility money pool.

Payment of principal of and interest on the first mortgage bonds will be made from our general funds and will not be directly linked to the performance of any Eligible Green Expenditures. Moreover, no assurance can be provided that the energy generated by an Eligible Green Expenditure will be sold or otherwise used to serve any particular electric service customer, and we reserve the right to sell such energy or the associated environmental attributes to third parties.

Reporting

Within one year of issuance of the first mortgage bonds, we will provide an update on our website regarding the allocation of an amount equal to the net proceeds of the first mortgage bonds to Eligible Green Expenditures, detailing, at a minimum, the Eligible Green Expenditures funded by the net proceeds, together with key environmental features of such Eligible Green Expenditures. The update will also contain (1) an assertion by management that the net proceeds of the first mortgage bonds were allocated to qualifying Eligible Green Expenditures, and (2) an attestation report from an independent accountant in respect of the independent accountant’s examination of management’s assertion conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. If the net proceeds are not fully allocated within one year of issuance, we will continue to provide updates annually and provide an annual attestation report from an independent accountant until the net proceeds are fully allocated.

Information contained on our website is not and should not be deemed a part of this prospectus supplement, the accompanying prospectus or any other report or filing filed with the SEC.

CRITICAL ACCOUNTING POLICIES

You should consider the financial data and other information contained in our audited and unaudited financial statements and related notes, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and other financial information contained in our Annual Report on Form 10-K for the year ended December 31, 20____ [and our Quarterly Report[s] on Form 10-Q for the quarterly period[s] ended _____], which we incorporate by reference in this prospectus supplement and the accompanying prospectus, before making a decision to invest in the first mortgage bonds.

Preparation of the financial statements and disclosures in compliance with generally accepted accounting principles requires the application of accounting rules and guidance, as well as the use of estimates. Application of these policies involves judgments regarding future events, including the likelihood of success of particular projects, legal and regulatory challenges and anticipated recovery of costs. These judgments could materially impact the financial statements and disclosures, based on varying assumptions. In addition, the financial and operating environment also may have a significant effect on the operation of the business and results reported. Accounting policies and estimates that are most significant to our results of operations, financial condition or cash flows, and require management’s most difficult, subjective or complex judgments are outlined below. Each of these has a higher likelihood of resulting in materially different reported amounts under different conditions or using different assumptions. Each critical accounting policy has been reviewed and discussed with the Audit Committee of Xcel Energy’s Board of Directors.

Regulatory Accounting

We are subject to the accounting for Regulated Operations, which provides that rate-regulated entities report assets and liabilities consistent with the recovery of those incurred costs in rates, if it is probable that such rates will be charged and collected. Our rates are derived through the ratemaking process, which results in the recording of regulatory assets and liabilities based on the probability of future cash flows. Regulatory assets generally represent incurred or accrued costs that have been deferred because future recovery from customers is probable. Regulatory liabilities generally represent amounts that are expected to be refunded to customers in future rates or amounts collected in current rates for future costs. In other businesses or industries, regulatory assets and regulatory liabilities would generally be charged to net income or other comprehensive income.

Each reporting period we assess the probability of future recoveries and obligations associated with regulatory assets and liabilities. Factors such as the current regulatory environment, recently issued rate orders and historical precedents are considered. Decisions made by regulatory agencies can directly impact the amount and timing of cost recovery as well as the rate of return on invested capital and may materially impact our results of operations, financial condition, or cash flows.

As of _____, 20____, we had regulatory assets of \$_____ and regulatory liabilities of \$_____. We are subject to regulation that varies from jurisdiction to jurisdiction. If future recovery of costs in any such jurisdiction is no longer probable, we would be required to charge these assets to current net income or other comprehensive income. At _____, 20____, assessing the probability of recovery of recognized regulatory assets, we noted no current or anticipated proposals or changes in the regulatory environment that we expect will materially impact the probability of recovery of the assets.

Income Tax Accruals

Judgment, uncertainty, and estimates are a significant aspect of the income tax accrual process that accounts for the effects of current and deferred income taxes. Uncertainty associated with the application of tax statutes and regulations and outcomes of tax audits and appeals require that judgment and estimates be made in the accrual process and in the calculation of the effective tax rate (“ETR”).

Changes in tax laws and rates may affect recorded deferred tax assets and liabilities and our future ETR. ETR calculations are revised every quarter based on best available year-end tax assumptions, adjusted in the following year after returns are filed. The tax accrual estimates being trued-up to the actual amounts claimed on the tax returns and further adjusted after examinations by taxing authorities, as needed.

In accordance with the interim period reporting guidance, income tax expense for the first three quarters in a year is based on the forecasted annual ETR. The forecasted ETR reflects a number of estimates including forecasted annual income, permanent tax adjustments and tax credits.

Valuation allowances are applied to deferred tax assets if it is more likely than not that at least a portion may not be realized based on an evaluation of expected future taxable income. Accounting for income taxes also requires that only tax benefits that meet the more likely than not recognition threshold can be recognized or continue to be recognized. We may adjust our unrecognized tax benefits and interest accruals as disputes with the IRS and state tax authorities are resolved, and as new developments occur. These adjustments may increase or decrease earnings.

Employee Benefits

Xcel Energy offers various benefit plans to its subsidiaries' employees, including our employees. Xcel Energy's pension and postretirement health care costs are based on an actuarial calculation that includes a number of key assumptions, most notably the annual return level that pension and postretirement health care investment assets are expected to earn in the future and the interest rate used to discount future pension benefit payments to a present value obligation. In addition, the pension cost calculation uses an asset-smoothing methodology to reduce the volatility of varying investment performance over time. A portion of Xcel Energy's pension and postretirement health care costs are attributable to its operating subsidiaries, including us.

At _____, 20____, Xcel Energy set the rate of return on assets used to measure pension costs at _____%, which represents a _____basis point decrease from the rate set in 20____. For us, the rate of return on assets was set at _____% for both years. For Xcel Energy, the rate of return used to measure postretirement health care costs is _____% at _____, 20____, which represents a _____basis point decrease from 20____. For us, the rate of return used to measure postretirement health care costs is _____% at _____, 20____, which is consistent with 20____. Xcel Energy's pension investment strategy is based on plan-specific investments that seek to minimize investment and interest rate risk as a plan's funded status increases over time. This strategy results in a greater percentage of interest rate sensitive securities being allocated to plans having relatively higher funded status ratios and a greater percentage of growth assets being allocated to plans having relatively lower funded status ratios.

Xcel Energy set the discount rates used to value the pension obligations at _____% and postretirement health care obligations at _____% at _____, 20____. This represents a _____basis point and _____basis point decrease, respectively, from 20____. Xcel Energy uses a bond matching study as its primary basis for determining the discount rate used to value pension and postretirement health care obligations. The bond matching study utilizes a portfolio of high grade (Aa or higher) bonds that matches the expected cash flows of Xcel Energy's benefit plans in amount and duration.

The effective yield on this cash flow matched bond portfolio determines the discount rate for the individual plans. The bond matching study is validated for reasonableness against the Merrill Lynch Corporate 15+ Bond Index. In addition, Xcel Energy reviews general actuarial survey data to assess the reasonableness of the discount rate selected.

Mortality rates are developed from actual and projected plan experience for pension plan and postretirement benefits. Xcel Energy's actuary conducts an experience study periodically as part of the process to determine an estimate of mortality. Xcel Energy considers standard mortality tables, improvement factors and the plans actual experience when selecting a best estimate.

As of December 31, 20____, for us and Xcel Energy, the initial medical trend cost claim assumptions for Pre-65 was _____% and Post-65 was _____%. The ultimate trend assumption remained at _____% for both Pre-65 and Post-65 claims costs. The period from initial trend rate until the ultimate rate is reached is three years. Xcel Energy bases its medical trend assumption on the long-term cost inflation expected in the health care market, considering the levels projected and recommended by industry experts, as well as recent actual medical cost experienced by Xcel Energy's retiree medical plan. Funding requirements in 20____ are \$ _____million and are expected to decline in the following years. Investment returns exceeded assumed levels in 20____ and 20____ and were below assumed levels in 20____.

The pension cost calculation uses a market-related valuation of pension assets. Xcel Energy uses a calculated value method to determine the market-related value of the plan assets. The market-related value is determined by adjusting the fair market value of assets at the beginning of the year to reflect the investment gains and losses (the difference between the actual investment return and the expected investment return on the market-related value) during each of the previous five years at the rate of __% per year. As differences between actual and expected investment returns are incorporated into the market-related value, amounts are recognized in pension cost over the expected average remaining years of service for active employees (approximately __ years in 20__).

Xcel Energy currently projects the pension costs recognized for financial reporting purposes will be \$ million in 20__ and \$ million in 20__, of which \$ million in 20__ and \$ million in 20__ relate to us, respectively, while the actual pension costs were \$ million in 20__ and \$ million in 20__, of which \$ million in 20__ and \$ million in 20__ related to us. The expected decrease in 20__ and future year costs is primarily due to the reductions in loss amortizations.

Pension funding contributions across all four of Xcel Energy's pension plans, both voluntary and required, for 20__ - 20__ :

- \$ million in January 20__, of which \$ million was attributable to SPS;
- \$ million in 20__, of which \$ million was attributable to SPS;
- \$ million in 20__, of which \$ million was attributable to SPS; and,
- \$ million in 20__, of which \$ million was attributable to SPS.

Future amounts may change based on actual market performance, changes in interest rates and any changes in governmental regulations. Therefore, additional contributions could be required in the future.

Xcel Energy contributed \$ million, \$ million and \$ million during 20__, 20__ and 20__, respectively, to the postretirement health care plans, of which the amounts attributable to us were immaterial. Xcel Energy expects to contribute approximately \$ million during 20__, of which amounts attributable to us will be immaterial.

Xcel Energy recovers employee benefits costs in its regulated utility operations consistent with accounting guidance with the exception of the areas noted below:

- Regulatory Commissions in Texas, New Mexico and Federal Energy Regulatory Commission ("FERC") jurisdictions allow the recovery of other postretirement benefit costs only to the extent that recognized expense is matched by cash contributions to an irrevocable trust. Xcel Energy has consistently funded at a level to allow full recovery of costs in these jurisdictions.
- We recognize pension expense in all regulatory jurisdictions based on expense consistent with accounting guidance. The Texas electric retail jurisdiction records the difference between annual recognized pension expense and the annual amount of pension expense approved in their last respective general rate case as a deferral to a regulatory asset. We continually make judgments and estimates related to these critical accounting policy areas, based on an evaluation of the varying assumptions and uncertainties for each area. The information and assumptions underlying many of these judgments and estimates will be affected by events beyond our control, or otherwise change over time. This may require adjustments to recorded results to better reflect the events and updated information that becomes available. The financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 20__ reflect management's best estimates and judgments of the impact of these factors as of December 31, 20__.

These policies are further discussed in the "Notes to Financial Statements" in our Annual Report on Form 10-K for the year ended December 31, 2020 [and our Quarterly Report on Form 10-Q for the quarterly period[s] ended _____, 20__.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

	____ months ended ____,		Year ended December 31,	
	20	20	20	20
	(Unaudited)			
	(Millions of Dollars)			
Net cash provided by operating activities	\$	\$	\$	\$

Net cash provided by operating activities [increased][decreased] by \$ million for the months ended , 20 compared with the months ended , 20 . The [increase][decrease] was primarily the result of _____.

Net cash provided by operating activities [increased][decreased] by \$ million for the year ended December 31, 20 compared with the year ended December 31, 20 . The [increase][decrease] was primarily the result of _____.

	____ months ended ____,		Year ended December 31,	
	20	20	20	20
	(Unaudited)			
	(Millions of Dollars)			
Net cash used in investing activities.....	\$	\$	\$	\$

Net cash used in investing activities [increased][decreased] by \$ million for the months ended , 20 compared with the months ended , 20 . The [increase][decrease] was primarily related to _____.

Net cash used in investing activities [increased][decreased] by \$ million for the year ended December 31, 20 compared with the year ended December 31, 20 . The [increase][decrease] was primarily related to _____.

	____ months ended ____,		Year ended December 31,	
	20	20	20	20
	(Unaudited)			
	(Millions of Dollars)			
Net cash provided by financing activities.....	\$	\$	\$	\$

Net cash provided by financing activities [increased][decreased] by \$ million for the months ended , 20 compared with the six months ended , 20 . The [increase][decrease] was primarily due to _____.

Net cash provided by financing activities [increased][decreased] by \$ million for the year ended December 31, 20 compared with the year ended December 31, 20 . This [increase][decrease] was primarily due to _____.

Capital Requirements

Capital Expenditures. The estimated cost, as of December 31, 20 , of our capital expenditure program is approximately \$ million in 20 , approximately \$ million in 20 , approximately \$ million in 20 , approximately \$ million in 20 , and approximately \$ million in 20 .

Our capital expenditure programs are subject to continuous review and modification. Actual capital expenditures may vary from estimates due to changes in electric projected load growth, regulatory decisions, legislative initiatives, reserve margin requirements, the availability of purchased power, alternative plans for meeting long-term energy needs, compliance with environmental requirements, renewable portfolio standards and merger, acquisition and divestiture opportunities.

Contractual Obligations and Other Commitments. We have a variety of contractual obligations and other commitments that will need to be funded in the future, in addition to our capital expenditure programs. The following is a summarized table of contractual obligations as of December 31, 20__.

Contractual Obligations	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
(Millions of Dollars)					
Long-term debt, principal and interest payments.....	\$	\$	\$	\$	\$
Operating leases ⁽¹⁾					
Unconditional purchase obligations ⁽²⁾					
Other long-term obligations, including current portion					
Payments to vendors in process	—				
Short-term debt					
Total contractual cash obligations	\$	\$	\$	\$	\$

- (1) Included in operating lease payments are \$__ million, \$__ million, \$__ million, and \$__ million for the less than 1 year, 1-3 years, 3-5 years, and after 5 years categories, respectively, pertaining to purchase power agreements that were accounted for as operating leases.
- (2) We have contracts providing for the purchase and delivery of a significant portion of our current fuel requirements. We have entered into non-lease purchase power agreements. Certain contractual purchase obligations are adjusted on indices. Effects of price changes are mitigated through cost of energy adjustment mechanisms.

Dividend Policy

Historically, we have paid quarterly dividends to Xcel Energy. In [the first __ months of 20__ and in] fiscal years 20__, 20__, and 20__, we paid dividends to Xcel Energy of \$__ million, \$__ million, \$__ million, and \$__ million, respectively. The amount of dividends that we can pay to Xcel Energy is limited to some extent by the equity-to-total capitalization ratio imposed by our state regulatory commissions, which require an equity-to-total capitalization ratio (excluding short-term debt) between __% and __%. In addition, we may not pay a dividend that would cause us to lose our investment grade bond rating. The payment of dividends is also subject to the FERC's jurisdiction under the Federal Power Act, which prohibits the payment of dividends out of capital accounts; payment of dividends is allowed out of retained earnings only.

Capital Sources

We expect to meet future financing requirements by periodically issuing long-term debt and short-term debt and by receiving equity contributions from Xcel Energy to maintain desired capitalization ratios. To the extent Xcel Energy experiences constraints on available capital sources, it may limit its equity contributions to us.

We have a \$__ million revolving credit facility that expires in 20__. In order to use our commercial paper program to fulfill short-term funding needs, we must have a revolving credit facility in place at least equal to the amount of our commercial paper borrowing limit and cannot issue commercial paper in an aggregate amount exceeding available capacity under the credit facility. The credit facility provides short-term financing in the form of notes payable to banks, letters of credit and back-up support for commercial paper borrowings. After considering

outstanding commercial paper and letters of credit, as of _____, 20____, we had \$ _____ million available under our prior revolving credit facility. We expect to use a portion of the net proceeds from this offering to repay outstanding short-term borrowings. See “Use of Proceeds” in this prospectus supplement for more information.

Short-Term Funding Sources

Historically, we have used a number of sources to fulfill short-term funding needs, including operating cash flow, notes payable, commercial paper, utility money pool borrowings and bank lines of credit. The amount and timing of short-term funding needs depend in large part on financing needs for utility capital expenditures and working capital as discussed above under the caption “— Capital Requirements.”

Operating cash flow as a source of short-term funding is affected by such operating factors as weather; regulatory requirements, including rate recovery of costs, environmental regulation compliance and industry deregulation; changes in the trends for energy prices; and supply and operational uncertainties, all of which are difficult to predict.

Short-term borrowing as a source of short-term funding is affected by access to the capital markets on reasonable terms. Our access varies based on our financial performance and existing debt levels. If our current debt levels are perceived to be at or higher than standard industry levels or those levels that can be sustained by our current operating performance, our access to reasonable short-term borrowings could be limited. These factors are evaluated by credit rating agencies that review our and Xcel Energy’s operations on an ongoing basis.

Our cost of capital and access to capital markets for both long-term and short-term funding are dependent in part on credit rating agency reviews. As discussed above under the caption “Risk Factors,” our credit ratings could be lowered or withdrawn in the future.

As of _____, 20____, we had cash and cash equivalents of approximately \$ _____ million.

SUPPLEMENTAL DESCRIPTION OF THE FIRST MORTGAGE BONDS

Please read the following information concerning the first mortgage bonds offered by this prospectus supplement in conjunction with the statements under the caption “Description of the First Mortgage Bonds” in the accompanying prospectus, which the following information supplements and, in the event of any inconsistencies, supersedes. The following description does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the description in the accompanying prospectus and the mortgage indenture, as supplemented by the supplemental indenture dated as of _____, 20____ relating to the first mortgage bonds offered by this prospectus supplement. The mortgage indenture, as supplemented, is described in the accompanying prospectus and is filed as an exhibit to the registration statement under which the first mortgage bonds are being offered and sold. As of _____, there were _____ series of first mortgage bonds outstanding under the mortgage indenture in an aggregate principal amount of \$ ____.

General

We will offer \$ _____ million principal amount of _____ % First Mortgage Bonds, Series No. _____ due 20____ as a series of first mortgage bonds under the mortgage indenture, as supplemented. The entire principal amount of the first mortgage bonds will mature and become due and payable, together with any accrued and unpaid interest thereon, on _____, 20____.

[The first mortgage bonds offered by this prospectus supplement form a part of the series of our _____ % First Mortgage Bonds, Series No. _____ due 20____ and have the same terms, other than their date of issue, interest accrual date and initial price to the public, as the other first mortgage bonds of this series issued by us on _____, 20____. The first mortgage bonds offered by this prospectus supplement will have the same CUSIP number as those other first mortgage bonds and will trade interchangeably with those other first mortgage bonds immediately upon settlement. The first mortgage bonds offered hereby and the other first mortgage bonds previously issued by us on _____, 20____ and _____, 20____ will constitute a single series under the mortgage indenture for all purposes, including, without limitation, for voting purposes. The aggregate principal amount of the series of the _____ % First Mortgage Bonds, Series No. _____ due 20____ will be \$ _____.]

Except as described in the accompanying prospectus, the aggregate principal amount of first mortgage bonds that we can issue under the mortgage indenture is unlimited. See “Description of the First Mortgage Bonds – Issuance of Additional Mortgage Securities” in the accompanying prospectus for a discussion of the limitations on the aggregate principal amount of mortgage securities that we may issue that are based upon property additions and retired mortgage securities and the amount of our adjusted net earnings. As of _____, 20____, the approximate amount of property additions and the amount of retired mortgage securities available for use as the basis for the issuance of first mortgage bonds were \$ _____ billion and \$ _____ million, respectively. [No] retired mortgage securities were used as the basis for the issuance of the first mortgage bonds.

Interest Payments

The first mortgage bonds will bear interest at the annual rate set forth on the cover page of this prospectus supplement from _____, 20____, payable semi-annually on _____ and _____ of each year, beginning _____, 20____, to the person in whose name the first mortgage bond is registered at the close of business on _____ or immediately preceding such _____ and _____. Interest at maturity will be paid to the person to whom principal is paid. So long as the first mortgage bonds are in book-entry only form, we will wire any payments of principal, interest and premium to The Depository Trust Company, or “DTC,” as depository, or its nominee. See “Book-Entry System” in the accompanying prospectus for a discussion of the procedures for payment to the beneficial owners of the first mortgage bonds. The amount of interest payable will be computed on the basis of a 360-day year consisting of twelve 30-day months based on the actual number of days elapsed. In the event that any date on which interest is payable on the first mortgage bonds is not a business day, then payment of the interest payable on such date will be made on the next succeeding day that is a business day (and without any interest or other payment in respect of any such delay), with the same force and effect as if made on such date. The term “business day” means any day, other than a Saturday or Sunday, that is not a day on which the offices of the mortgage trustee in The City of New York, New York are generally authorized or required by law or executive order to remain closed.

Reopening of Series

We may, from time to time, without the consent of the holders of the first mortgage bonds offered by this prospectus supplement, reopen the series of the first mortgage bonds and issue additional first mortgage bonds with the same terms (including the maturity date and interest payment terms), except for the price to the public, the issue date and, if applicable, the first interest accrual and payment dates, as the first mortgage bonds offered by this prospectus supplement. Any such additional first mortgage bonds, together with the first mortgage bonds [previously offered and] offered hereby, will constitute a single series under the mortgage indenture and will have the same CUSIP provided they are fungible for U.S. federal income tax purposes.

Optional Redemption

We may redeem the first mortgage bonds, in whole or in part, at any time prior to _____, 20____ (which is the date that is six months prior to maturity of the first mortgage bonds (the “par call date”)), at a “make whole” redemption price equal to the greater of (1) 100% of the principal amount of first mortgage bonds being redeemed and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the first mortgage bonds being redeemed that would be due if such first mortgage bonds matured on the par call date (excluding the portion of any such interest accrued to but excluding the date fixed for redemption), discounted to but excluding the date fixed for redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the treasury rate (as defined below) plus _____ basis points plus, in each case, accrued and unpaid interest to but excluding the date fixed for redemption. At any time on or after the par call date, we may redeem the first mortgage bonds, in whole or in part, at 100% of the principal amount of the first mortgage bonds being redeemed plus accrued and unpaid interest to but excluding the date fixed for redemption.

For purposes of these redemption provisions with respect to the first mortgage bonds, the following terms have the following meanings.

“Comparable treasury issue” means the U.S. Treasury security selected by an independent investment banker as having a maturity comparable to the remaining term of the first mortgage bonds being redeemed (assuming, for this purpose, that the first mortgage bonds matured on the par call date) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to such remaining term of the first mortgage bonds being redeemed.

“Comparable treasury price” means with respect to any redemption date of the first mortgage bonds (1) the average of the reference treasury dealer quotations for such date fixed for redemption, after excluding the highest and lowest reference treasury dealer quotations for the date fixed for redemption, or (2) if the independent investment banker obtains fewer than four reference treasury dealer quotations, the average of all of such reference treasury dealer quotations for the date fixed for redemption.

“Independent investment banker” means one of the reference treasury dealers appointed by the mortgage trustee after consultation with us.

“Primary treasury dealer” means any primary U.S. Government securities dealer in the United States.

“Reference treasury dealer” means (1) _____ and any other primary treasury dealer designated by, and not affiliated with _____ or its respective successors, provided, however, that if _____ or any of its respective designees ceases to be a primary treasury dealer, we will appoint another primary treasury dealer as a substitute and (2) any other primary treasury dealer selected by us after consultation with an independent investment banker.

“Reference treasury dealer quotations” means, for any reference treasury dealer and any date fixed for redemption, the average, as determined by the independent investment banker, of the bid and asked prices for the comparable treasury issue (expressed in each case as a percentage of its principal amount) quoted in writing to the independent investment banker by the reference treasury dealer at 5:00 p.m., New York City time, on the third business day preceding the date fixed for redemption.

“Treasury rate” means, with respect to any date fixed for redemption, the rate per annum equal to the semi-annual equivalent yield to maturity of the comparable treasury issue, calculated using a price for such comparable treasury issue (expressed as a percentage of its principal amount) equal to the comparable treasury price for such date fixed for redemption. The treasury rate will be calculated on the third business day preceding the date fixed for redemption.

To exercise our option to redeem any of the first mortgage bonds, we will send a notice of redemption at least 10 days but not more than 60 days prior to the date fixed for redemption to the holders of the first mortgage bonds to be redeemed (which, as long as the first mortgage bonds are held in the book-entry only system, will be DTC, its nominee or a successor depository). If we elect to redeem less than all of the first mortgage bonds, the security registrar will select in a manner as it deems fair and appropriate the particular first mortgage bonds or portions of them to be redeemed, subject to the rules and procedures of DTC.

Any notice of redemption at our option may state that the redemption will be conditional upon receipt by the paying agent or agents, on or prior to the date fixed for the redemption, of money sufficient to pay the principal, premium, if any, and interest, if any, on the first mortgage bonds and that if the money has not been so received, the notice will be of no force and effect and we will not be required to redeem the first mortgage bonds. On and after the date fixed for redemption (unless we default in the payment of the redemption price and interest accrued thereon to such date), interest on the first mortgage bonds or the portions of them so called for redemption will cease to accrue.

Sinking Fund

The first mortgage bonds will not provide for any sinking fund.

Form and Denomination

Global Securities and Denominations

The first mortgage bonds will be issued as one or more global securities in the name of the Depository or a nominee of DTC and will be available only in book-entry form. See “Book-Entry System” in the accompanying prospectus. The first mortgage bonds will be issued only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

DTC, Clearstream and Euroclear

Beneficial interests in a global security will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in a global security through either DTC (in the United States) or Clearstream Banking, S.A. (“Clearstream”), or Euroclear Bank SA/NV (“Euroclear”), in Europe (the “Euroclear Operator”), either directly if they are participants in such systems or indirectly through organizations that are participants in such systems. Clearstream and Euroclear will hold interests on behalf of their participants through customers’ securities accounts in Clearstream’s and Euroclear’s names on the books of their U.S. depositories, which in turn will hold such interests in customers’ securities accounts in the U.S. depositories’ names on the books of DTC.

For information regarding DTC and DTC’s procedures, see “Book-Entry System” in the accompanying prospectus. We understand that Clearstream is incorporated under the laws of Luxembourg as a professional depository. Clearstream holds securities for its customers and facilitates the clearance and settlement of securities transactions between its customers through electronic book-entry changes in accounts of its customers, thereby eliminating the need for physical movement of certificates. Clearstream provides to its customers, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. As a professional depository, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Section. Clearstream customers are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and other organizations and may include the underwriters. Indirect access to Clearstream is also available to others, such as banks, brokers,

dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream customer either directly or indirectly.

We understand that Euroclear was created in 1968 to hold securities for participants of Euroclear and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank SA/NV (the “Euroclear Operator”), under contract with Euroclear Clearance Systems S.C., a Belgian cooperative corporation (the “Cooperative”). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear participants. Euroclear participants include banks (including central banks), securities brokers and dealers, and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

We understand that the Euroclear Operator is licensed by the Belgian Banking and Finance Commission to carry out banking activities on a global basis. As a Belgian bank, it is regulated and examined by the Belgian Banking and Finance Commission.

We have provided the descriptions of the operations and procedures of DTC, Clearstream and Euroclear in this prospectus supplement and the accompanying prospectus solely as a matter of convenience. These operations and procedures are solely within the control of those organizations and are subject to change by them from time to time. None of us, the underwriters or the mortgage trustee takes any responsibility for these operations or procedures, and you are urged to contact DTC, Clearstream and Euroclear or their participants directly to discuss these matters.

Although DTC, Clearstream and Euroclear have agreed to the procedures provided below in order to facilitate transfers, they are under no obligation to perform these procedures, and these procedures may be modified or discontinued at any time.

Payments on the first mortgage bonds represented by the global securities will be made to DTC or its nominee, as the case may be, as the registered owner thereof. We expect that DTC or its nominee, upon receipt of any payment on the first mortgage bonds represented by a global security, will credit participants’ accounts with payments in amounts proportionate to their respective beneficial interests in the global security as shown in the records of DTC or its nominee. We also expect that payments by participants to owners of beneficial interests in the global security held through such participants will be governed by standing instructions and customary practice as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. The participants will be responsible for those payments.

Distributions on the first mortgage bonds held beneficially through Clearstream will be credited to cash accounts of its customers in accordance with its rules and procedures, to the extent received by the U.S. depository for Clearstream.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the “Terms and Conditions”). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear participants and has no record of or relationship with persons holding through Euroclear participants.

Distributions on the first mortgage bonds held beneficially through Euroclear will be credited to the cash accounts of its participants in accordance with the Terms and Conditions, to the extent received by the U.S. depository for Euroclear.

Clearance and Settlement Procedures

Initial settlement for the first mortgage bonds will be made in immediately available funds. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled in immediately available funds. Secondary market trading between Clearstream customers and/or Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear, as applicable, and will be settled using the procedures applicable to conventional eurobonds in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream customers or Euroclear participants, on the other hand, will be effected through DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the U.S. depository; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to the U.S. depository to take action to effect final settlement on its behalf by delivering or receiving the first mortgage bonds in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream customers and Euroclear participants may not deliver instructions directly to their U.S. depositories.

Because of time-zone differences, credits of the first mortgage bonds received in Clearstream or Euroclear as a result of a transaction with a DTC participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Such credits or any transactions in the first mortgage bonds settled during such processing will be reported to the relevant Clearstream customers or Euroclear participants on such business day. Cash received in Clearstream or Euroclear as a result of sales of the first mortgage bonds by or through a Clearstream customer or a Euroclear participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Events of Default

See “Description of the First Mortgage Bonds — Events of Default” in the accompanying prospectus.

Defeasance

The first mortgage bonds may be defeased as provided under “Description of the First Mortgage Bonds – Defeasance” in the accompanying prospectus.

Same-Day Settlement and Payment

The underwriters will pay us and settle for the first mortgage bonds in immediately available funds. We will make all payments of principal and interest in immediately available funds.

We expect that the first mortgage bonds will trade in DTC’s same-day funds settlement system until maturity or until the first mortgage bonds are issued in certificated form, and secondary market trading activity in the first mortgage bonds will therefore be required by DTC to settle in immediately available funds. No assurance can be given as to the effect, if any, of settlement in immediately available funds on trading activity in the first mortgage bonds.

Concerning the Mortgage Trustee

We and our affiliates conduct banking transactions with the mortgage trustee and its affiliates in the normal course of business and may use the mortgage trustee or its affiliates as trustee for various debt issues.

Governing Law

The mortgage indenture is, and the first mortgage bonds will be, governed by and construed in accordance with the laws of the State of New York except to the extent the Trust Indenture Act is applicable and except to the extent the law of any jurisdiction where property subject to the mortgage indenture is located mandatorily governs the attachment, perfection, priority or enforcement of the lien of the mortgage indenture with respect to that property.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following discussion is a summary of material U.S. federal income tax consequences relevant to the purchase, beneficial ownership and disposition of the first mortgage bonds offered by this prospectus supplement. This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the “Code”), Treasury regulations promulgated thereunder, administrative pronouncements of the U.S. Internal Revenue Service (the “IRS”), and judicial decisions, all as currently in effect and all of which are subject to change and to different interpretations. Changes to any of the foregoing authorities could apply on a retroactive basis, and could affect the U.S. federal income tax consequences described below. We have not sought and will not seek a ruling from the IRS with respect to the matters discussed in this section, and we cannot assure you that the IRS will not challenge one or more of the tax consequences described below.

This summary does not address all of the U.S. federal income tax consequences that may be relevant to a particular investor’s circumstances (such as the effects on a person required for tax purposes to conform the timing of income accruals to its financial statements under section 451(b) of the Code), and does not discuss any aspect of U.S. federal tax law other than income tax law or any state, local or non-U.S. tax consequences of the purchase, beneficial ownership and disposition of the first mortgage bonds. This summary addresses only first mortgage bonds purchased for cash pursuant to this offering at the price set forth on the front cover of this offering document and held as capital assets and does not address U.S. federal income tax considerations applicable to investors that may be subject to special tax rules, such as:

- traders in securities electing mark-to-market treatment or securities dealers or brokers;
- banks, thrifts, or other financial institutions;
- insurance companies;
- regulated investment companies or real estate investment trusts;
- tax-exempt organizations;
- retirement plans;
- persons holding our first mortgage bonds as part of a “straddle,” “hedge,” “synthetic security” or “conversion transaction” for U.S. federal income tax purposes, or as part of some other integrated investment;
- entities or arrangements treated as partnerships or other pass-through entities and investors therein;
- persons required to pay the alternative minimum tax;
- certain former citizens or former residents of the United States;
- persons deemed to sell the first mortgage bonds under the constructive sale provisions of the Code;
- “passive foreign investment companies” or “controlled foreign corporations” each within the meaning of the Code; or
- “U.S. Holders” (as defined below) whose functional currency is not the U.S. dollar.

As used herein, a “U.S. Holder” is a beneficial owner of first mortgage bonds that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate whose income is subject to U.S. federal income tax regardless of its source, or (iv) a trust if (A) a United States court has the authority to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) are authorized to control all substantial decisions of the trust or (B) it has a valid election in place to be treated as a United States person. An individual may, subject to certain exceptions, be deemed to be a resident of the United States by reason of being present in the United States for at least 31 days in the current calendar year and for an aggregate of at least 183 days during a three-year period ending in the current calendar year (counting for such purposes all of the days present in the current year, one-third of the days present in the immediately preceding year and one-sixth of the days present in the second preceding year).

A “Non-U.S. Holder” is any beneficial owner of the first mortgage bonds that is neither a U.S. Holder nor a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes).

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds first mortgage bonds, the U.S. federal income tax treatment of a partner generally will depend on the status of the partner and the activities of the partnership. A partnership holding first mortgage bonds, and partners in such a partnership, should consult their own tax advisors with regard to the U.S. federal income tax consequences of the purchase, ownership and disposition of the first mortgage bonds by the partnership.

This discussion of the material U.S. federal income tax consequences of the purchase, ownership and disposition of the first mortgage bonds is not intended to be, nor should it be construed to be, legal or tax advice to any particular person. Accordingly, all prospective investors are urged to consult their tax advisors with respect to the U.S. federal, state and local and non-U.S. tax consequences relating to the purchase, ownership and disposition of the first mortgage bonds based on their particular circumstances, including the effects of any tax treaties and the potential effects of any changes in law.

[Qualified Reopening]

We intend to treat the first mortgage bonds as being issued in a “qualified reopening” of the % First Mortgage Bonds, Series No. due 20 issued by us on , 20 pursuant to a prospectus supplement dated , 20 (the “existing first mortgage bonds”). For U.S. federal income tax purposes, debt instruments issued in a qualified reopening are deemed to be part of the same issue as the original debt instruments. Under the treatment described in this paragraph, the first mortgage bonds will have the same issue date and the same issue price as the existing first mortgage bonds for U.S. federal income tax purposes.]

U.S. Federal Income Taxation of U.S. Holders

Pre-Issuance Accrued Interest. A portion of the amount paid for the first mortgage bonds offered hereby will be allocable to interest that accrued prior to the date the first mortgage bonds are purchased (“pre-issuance accrued interest”). We intend to take the position that, on the first interest payment date after the issuance of the first mortgage bonds offered hereby, a portion of the interest payment equal to the pre-issuance accrued interest will be treated as a return of the pre-issuance accrued interest. If this position is respected, our payment of such pre-issuance accrued interest will not be treated as taxable income to U.S. Holders of the first mortgage bonds and the amount of pre-issuance accrued interest will reduce such U.S. Holder’s adjusted tax basis in the first mortgage bonds. U.S. Holders are urged to consult their tax advisors with respect to the tax treatment of pre-issuance accrued interest.

Amortizable Bond Premium. If a U.S. Holder’s purchase price for a first mortgage bond (excluding any amounts attributable to pre-issuance accrued interest) exceeds the stated principal amount of such first mortgage bond, the U.S. Holder will be considered to have bond premium equal to such excess. A U.S. Holder generally may elect to amortize any bond premium over the remaining term of such first mortgage bond on a constant yield method as an offset to stated interest when includible in income under its regular method of tax accounting. If a U.S. Holder makes the election to amortize bond premium, it will be required to reduce its adjusted tax basis in such first

mortgage bond by the amount of the premium amortized in any year. An election to amortize bond premium on a constant yield method will also apply to all other taxable debt instruments held or subsequently acquired by a U.S. Holder on or after the first day of the first taxable year for which the election is made. Such an election may not be revoked without the consent of the IRS. U.S. Holders should consult their tax advisors about this election.

Payments of Interest. The existing first mortgage bonds were issued with no more than de minimis original issue discount (“OID”) for U.S. federal income tax purposes and, as a result, the existing first mortgage bonds were issued without OID. Therefore, the first mortgage bonds offered hereby also will be issued without OID and, other than pre-issuance accrued interest, interest on first mortgage bonds generally will be taxable to a U.S. Holder as ordinary income from U.S. sources at the time that such interest is paid or accrued, in accordance with the U.S. Holder’s regular method of accounting for U.S. federal income tax purposes.

Sale, Redemption, Retirement or Other Taxable Disposition of First Mortgage Bonds. Upon the sale, redemption, retirement or other taxable disposition of first mortgage bonds, a U.S. Holder generally will recognize gain or loss equal to the difference between the amount realized upon the sale, redemption, retirement or other taxable disposition (other than amounts representing accrued and unpaid qualified stated interest (other than pre-issuance accrued interest) which will be taxable as ordinary interest income to the extent not previously included in gross income), and the U.S. Holder’s adjusted tax basis in the first mortgage bonds. In general, the U.S. Holder’s adjusted tax basis in the first mortgage bonds will equal the U.S. Holder’s initial purchase price reduced by any amounts previously received in respect of pre-issuance accrued interest and any bond premium previously amortized with respect to the first mortgage bond, reduced by any cash payments previously received in respect of the first mortgage bonds (other than qualified stated interest payments). Such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if at the time of sale, redemption, retirement or other taxable disposition the first mortgage bonds have been held for more than one year. Under current U.S. federal income tax law, certain non-corporate U.S. Holders, including individuals, are eligible for preferential rates of U.S. federal income taxation in respect of long-term capital gains. The deductibility of capital losses is subject to limitations.

Medicare Tax. A U.S. Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, is subject to a 3.8% tax on the lesser of (1) the U.S. Holder’s “net investment income” (in the case of individuals) or “undistributed net investment income” (in the case of estates and trusts) for the relevant taxable year and (2) the excess of the U.S. Holder’s “modified adjusted gross income” (in the case of individuals) or “adjusted gross income” (in the case of estates and trusts) for the taxable year over a certain threshold (which, in the case of individuals, will be between \$125,000 and \$250,000, depending on the individual’s circumstances). A U.S. Holder’s net investment income will generally include its interest income from the first mortgage bonds (other than pre-issuance accrued interest) and net gain from the disposition of the first mortgage bonds, unless such interest income and net gain is derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). Net investment income may, however, be reduced by properly allocable deductions to such income. U.S. Holders that are individuals, estates or trusts are urged to consult their tax advisors regarding the applicability of the Medicare tax to their income and gains from the first mortgage bonds.

U.S. Federal Income Taxation of Non-U.S. Holders

For purposes of this discussion of Non-U.S. Holders, interest does not include any pre-issuance accrued interest as discussed above under “U.S. Federal Income Taxation of U.S. Holders – Pre-Issuance Accrued Interest.” However, to the extent any interest is subject to U.S. federal withholding tax as described below, based on applicable Treasury Regulations, the applicable withholding agent is likely to withhold on all payments of interest, including pre-issuance accrued interest. Non-U.S. Holders in this situation should consult their tax advisors regarding the ability to obtain a refund of any amounts withheld that are attributable to pre-issuance accrued interest.

Subject to the discussions below concerning backup withholding and FATCA:

Payments of Interest. Payments of interest on the first mortgage bonds by us or our paying agent to any Non-U.S. Holder generally will be exempt from U.S. federal income tax and the 30% U.S. federal withholding tax (or lower applicable treaty rate), provided that:

- the Non-U.S. Holder does not own, actually or constructively, 10% or more of the total combined voting power of all classes of our stock entitled to vote;
- the interest is not effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States (or, if a tax treaty applies, is not attributable to a permanent establishment or fixed base maintained by the Non-U.S. Holder in the United States); and
- the certification requirement has been fulfilled with respect to the beneficial owner, as discussed below.

The certification requirement referred to above will be fulfilled if (i) the beneficial owner of the first mortgage bonds certifies on a properly executed IRS Form W-8BEN or W-8BEN-E, as applicable, or applicable successor form, under penalties of perjury, that such beneficial owner is not a U.S. person, provides its name and address and certifies the other relevant factual information supporting its exemption, and (ii) the beneficial owner provides IRS Form W-8BEN or W-8BEN-E, as applicable, or applicable successor form to the paying agent, or in the case of first mortgage bonds held on behalf of the beneficial owner by a securities clearing organization, bank, or other financial institution holding customers' securities in the ordinary course of its trade or business, such financial institution provides the paying agent with a statement that it has received the IRS Form W-8BEN or W-8BEN-E, as applicable, or applicable successor form from the beneficial owner and furnishes the paying agent with a copy. Prospective investors should consult their tax advisors regarding possible additional reporting requirements.

If a Non-U.S. Holder does not satisfy the foregoing requirements, such Non-U.S. Holder generally will be subject to the 30% U.S. federal withholding tax, unless it provides either (i) a properly executed IRS Form W-8BEN or W-8BEN-E, as applicable, or applicable successor form, establishing an exemption from (or a reduction of) withholding under an applicable income tax treaty or (ii) a properly executed IRS Form W-8ECI, or applicable successor form, certifying that interest paid on the first mortgage bonds is not subject to withholding tax because the interest is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States (as described below under "—Effectively Connected Income").

Sale, Retirement, or Other Taxable Disposition of First Mortgage Bonds. A Non-U.S. Holder generally will not be subject to U.S. federal income tax on gain realized on the sale, redemption, retirement or other taxable disposition of the first mortgage bonds, unless:

- the Non-U.S. Holder is an individual who is present in the U.S. for 183 days or more in the taxable year of the disposition and certain other conditions are met; or
- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States (and, if required by an applicable tax treaty, is attributable to a permanent establishment or fixed base maintained by the Non-U.S. Holder in the United States)

If a Non-U.S. Holder is described in the first bullet in paragraph (b) above, such Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30% on the amount by which such Non-U.S. Holder's capital gains allocable to United States sources, including gain from such disposition, exceed any capital losses allocable to United States sources, except as otherwise specified by an applicable income tax treaty.

If a Non-U.S. Holder is described in the second bullet above, such Non-U.S. Holder generally will be subject to tax as described below under "—Effectively Connected Income."

To the extent the amount realized on a sale, redemption, retirement or other taxable disposition of the first mortgage bonds is attributable to accrued but unpaid interest on the first mortgage bonds, this amount generally will be treated in the same manner as described in "— Payments of Interest" above.

Effectively Connected Income. If a Non-U.S. Holder of first mortgage bonds is engaged in the conduct of a trade or business in the United States, and interest on the first mortgage bonds, or gain realized on its sale, redemption, retirement or other taxable disposition of the first mortgage bonds is effectively connected with the conduct of such trade or business (and, if required by an applicable tax treaty, is attributable to a permanent establishment or fixed base maintained by the Non-U.S. Holder in the United States), the Non-U.S. Holder, although exempt from the withholding tax discussed in the preceding paragraphs, will be subject to U.S. federal income tax on its effectively connected income, generally in the same manner as a U.S. Holder (but without regard to the Medicare tax described above). See “Material U.S. Federal Income Tax Consequences — U.S. Federal Income Taxation of U.S. Holders” above. In addition, a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may be subject to a 30% branch profits tax (unless reduced or eliminated by an applicable tax treaty) on its effectively connected earnings and profits, subject to certain adjustments. In lieu of the IRS forms described above, such a Non-U.S. Holder will be required to provide to the paying agent a properly completed and executed IRS Form W-8ECI or applicable successor form to claim an exemption from withholding.

Backup Withholding and Information Reporting

U.S. Holders. In general, a U.S. Holder (other than an exempt recipient) will be subject to information reporting requirements with respect to payments of principal and interest in respect of, and the proceeds from a sale, redemption, retirement or other disposition before maturity of the first mortgage bonds. In addition, a U.S. Holder may be subject to backup withholding on such payments if the U.S. Holder (i) fails to provide an accurate taxpayer identification number to the paying agent (generally on a properly completed and executed IRS Form W-9); (ii) has been notified by the IRS of a failure to report all interest or dividends required to be shown on its U.S. federal income tax returns; or (iii) otherwise fails to comply with applicable certification requirements.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a U.S. Holder’s U.S. federal income tax liability, provided the required information is furnished to the IRS on a timely basis. U.S. Holders should consult their tax advisors regarding the application of information reporting and backup withholding rules in their particular situations, the availability of an exemption therefrom and the procedure for obtaining such an exemption, if applicable.

Non-U.S. Holders. In general, we or our paying agent must report to the IRS and to a Non-U.S. Holder the amount of interest on the first mortgage bonds paid to the Non-U.S. Holder and the amount of U.S. federal withholding tax, if any, deducted from those payments. Copies of the information returns reporting such interest payments and any associated U.S. federal withholding tax also may be made available to the tax authorities in the country in which the Non-U.S. Holder resides under the provisions of an applicable tax treaty. A Non-U.S. Holder generally will not be subject to backup withholding with respect to payments that we make on the first mortgage bonds provided that we or our paying agent does not have actual knowledge or reason to know that the Non-U.S. Holder is a U.S. person, and we or our paying agent has received from the Non-U.S. Holder an appropriate certification establishing non-U.S. status or other exemption from backup withholding (i.e., IRS Form W-8BEN or W-8BEN-E, as applicable, W-8ECI or other applicable IRS Form W-8 or applicable successor form). Information reporting and, depending on the circumstances, backup withholding will apply to the payment of the proceeds of a sale of first mortgage bonds that is effected within the United States or effected outside the United States through certain U.S.-related financial intermediaries, unless the Non-U.S. Holder certifies under penalty of perjury as to its non-U.S. status, and the payor does not have actual knowledge or reason to know that the beneficial owner is a U.S. person, or the Non-U.S. Holder otherwise establishes an exemption.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a Non-U.S. Holder’s U.S. federal income tax liability provided the required information is furnished to the IRS on a timely basis. Non-U.S. Holders of first mortgage bonds should consult their tax advisors regarding the application of information reporting and backup withholding in their particular situations, the availability of an exemption therefrom, and the procedure for obtaining an exemption, if applicable.

FATCA

Pursuant to the Foreign Account Tax Compliance Act, or “FATCA,” foreign financial institutions (which term includes most foreign banks, hedge funds, private equity funds, mutual funds, securitization vehicles

and other investment vehicles) and certain other foreign entities generally must comply with certain information reporting rules with respect to their U.S. account holders and investors or confront a withholding tax on U.S.-source payments made to them (whether received as a beneficial owner or as an intermediary for another party). A foreign financial institution or such other foreign entity that does not comply with the FATCA reporting requirements will generally be subject to a 30% withholding tax with respect to any “withholdable payments.” For this purpose, withholdable payments generally include U.S.-source payments otherwise subject to nonresident withholding tax (e.g., U.S.-source interest) and also include the entire gross proceeds from the sale or other disposition of any debt instruments of U.S. issuers, even if the payment would otherwise not be subject to U.S. nonresident withholding tax (e.g., because it is capital gain). However, the IRS issued proposed Treasury regulations that eliminate FATCA withholding on payments of gross proceeds (but not on payments of interest). Pursuant to the proposed Treasury regulations, we and any withholding agent may (but are not required to) rely on this proposed change to FATCA withholding until the final Treasury regulations are issued. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States pursuant to FATCA may be subject to different rules with respect to information reporting and related requirements.

We will not pay any additional amounts in respect of any amounts withheld, including pursuant to FATCA. Under certain circumstances, a holder might be eligible for refunds or credits of such taxes. Holders are urged to consult with their own tax advisors regarding the effect, if any, of the FATCA provisions to them based on their particular circumstances.

The preceding discussion of material U.S. federal income tax consequences is general information only and is not tax advice. Accordingly, prospective investors should consult their tax advisors as to the U.S. federal, state and local and non-U.S. tax consequences to you of purchasing, holding or disposing of first mortgage bonds, any tax treaties and any changes or proposed changes in applicable law.

UNDERWRITING; CONFLICTS OF INTEREST

Subject to the terms and conditions set forth in the underwriting agreement dated the date of this prospectus supplement, we have agreed to sell to each of the underwriters named below, and each of the underwriters has severally, and not jointly, agreed to purchase, the respective principal amounts of first mortgage bonds set forth opposite its name below:

Underwriters	Principal Amount of First Mortgage Bonds
.....	\$
.....	
Total	\$

The underwriters have agreed to purchase all of the first mortgage bonds sold under the underwriting agreement if any of the first mortgage bonds are purchased. The underwriting agreement provides that the obligations of the several underwriters to purchase the first mortgage bonds offered by this prospectus supplement are subject to the approval of specified legal matters by their counsel and several other specified conditions. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

The underwriters have advised us that they propose to offer the first mortgage bonds offered by this prospectus supplement to the public at the price to the public set forth on the cover of this prospectus supplement and may offer the first mortgage bonds to certain securities dealers at such price less a concession not in excess of % of the principal amount of the first mortgage bonds. The underwriters may allow, and such dealers may reallocate, a concession not in excess of % of the principal amount of the first mortgage bonds on sales to certain other brokers and dealers. After the initial offering of the first mortgage bonds, the underwriters may change the offering price and the other selling terms. The offering of the first mortgage bonds by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

The following table shows the underwriting discount that we will pay to the underwriters in connection with this offering of first mortgage bonds (expressed as a percentage of the principal amount of the first mortgage bonds):

	Paid by the Company
Per First Mortgage Bond	%

We estimate that our total expenses of this offering, excluding the underwriting discount, will be approximately \$.

[The first mortgage bonds constitute a new issue of securities with no established trading market.] [The first mortgage bonds offered by this prospectus supplement will trade interchangeably with the \$ of our % First Mortgage Bonds, Series No. due 20 that we issued on , 20 and the \$ of our % First Mortgage Bonds, Series No. due 20 that we issued on , 20 .] The underwriters have informed us that they may make a market in the first mortgage bonds from time to time. The underwriters are not obligated to do this, and they may discontinue this market making for the first mortgage bonds at any time without notice. Therefore, no assurance can be given concerning the liquidity of the trading market for the first mortgage bonds or that an active market for the first mortgage bonds will develop. We do not intend to apply for listing of the first mortgage bonds on any securities exchange or seek their quotation on any automated quotation system.

In connection with the offering of the first mortgage bonds, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the first mortgage bonds. Specifically, the underwriters may sell a greater number of first mortgage bonds than they are required to purchase in connection with the offering, creating a syndicate short position. In addition, the underwriters may bid for, and purchase, first mortgage bonds in the open market to cover syndicate short positions or to stabilize the price of the first mortgage bonds. Finally, the

underwriting syndicate may reclaim selling concessions allowed for distributing the first mortgage bonds in the offering of the first mortgage bonds, if the syndicate repurchases previously distributed first mortgage bonds in syndicate covering transactions, stabilizing transactions or otherwise. Any of these activities may stabilize or maintain the market price of the first mortgage bonds above independent market levels. Neither we nor any of the underwriters make any representations or predictions as to the direction or magnitude of any effect that the transactions described above may have on the price of the first mortgage bonds. The underwriters are not required to engage in any of these transactions and may end any of them at any time.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the underwriters have repurchased first mortgage bonds sold by or for the account of such underwriter in stabilizing or short-covering transactions.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or contribute to payments that each underwriter may be required to make in respect thereof.

It is expected that delivery of the first mortgage bonds will be made against payment therefor on or about the date specified on the cover page of this prospectus supplement, which is the fifth business day following the date of this prospectus supplement (such settlement cycle being referred to as “T+5”). Under Rule 15c6-1 under the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in two business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the first mortgage bonds on the date of this prospectus supplement or the next two succeeding business days will be required, by virtue of the fact that the first mortgage bonds initially will settle in T+5, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the first mortgage bonds who wish to trade the first mortgage bonds prior to their delivery should consult their own advisors.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. In the ordinary course of their respective businesses, the underwriters and their affiliates have engaged, and may in the future engage, in other investment banking or commercial banking transactions with us and our affiliates, including acting as lenders under our loan facilities and those of some of our affiliates. They have received or will receive customary fees and commissions for these transactions.

Selling Restrictions

No action has been or will be taken by us in any jurisdiction other than in the United States that would permit a public offering of the first mortgage bonds or the possession, circulation or distribution of any material relating to us in any jurisdiction where action for such purpose is required. Accordingly, the first mortgage bonds may not be offered or sold, directly or indirectly, nor may any offering material or advertisement in connection with the first mortgage bonds (including this prospectus supplement and the accompanying prospectus and any amendment or supplement hereto or thereto) be distributed or published, in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

European Economic Area

The first mortgage bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive 2016/97/EU where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation 2017/1129/EU (as amended, the “Prospectus Regulation”). No key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the first mortgage bonds or otherwise making them available to retail investors in the EEA has been prepared. Offering or selling the first mortgage bonds or otherwise making them available to

any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This prospectus supplement and the accompanying prospectus has been prepared on the basis that any offer of first mortgage bonds in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus. This prospectus supplement and the accompanying prospectus are not prospectuses for the purposes of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to any first mortgage bonds in any Member State of the EEA means the communication in any form and by any means of sufficient information on the terms of the offer and any first mortgage bonds to be offered so as to enable an investor to decide to purchase any first mortgage bonds.

United Kingdom

The first mortgage bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation 2017/1129/EU as it forms part of domestic law by virtue of the EUWA (the “UK Prospectus Regulation”). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the first mortgage bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the first mortgage bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

In the United Kingdom, this prospectus supplement and the accompanying prospectus are being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are “qualified investors” (as defined in the Prospectus Regulation) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”) and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”) or otherwise in circumstances which have not resulted and will not result in an offer to the public of the first mortgage bonds in the United Kingdom within the meaning of the FSMA (as defined below). This prospectus supplement and the accompanying prospectus must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this prospectus supplement and the accompanying prospectus relates is only available to, and will be engaged in with, relevant persons.

Each underwriter has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it or them in connection with the issue or sale of any first mortgage bonds which are the subject of the offering contemplated by the prospectus supplement and the accompanying prospectus in circumstances in which Section 21(1) of the FSMA does not apply to us; and
- (b) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the first mortgage bonds in, from or otherwise involving the United Kingdom.

Canada

The first mortgage bonds may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the first mortgage bonds must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement or the accompanying prospectus (including any amendment hereto or thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

The first mortgage bonds have not been and may not and will not be offered or sold in Hong Kong by means of any document other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the first mortgage bonds has been, may be or will be issued, or has been, may be, or will be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to first mortgage bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

The contents of this prospectus supplement and the accompanying prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this prospectus supplement and the accompanying prospectus, you should obtain independent professional advice.

The information in this prospectus supplement and the accompanying prospectus is strictly confidential to the person whom it is addressed and must not be distributed, published, reproduced or disclosed (in whole or in part) by recipient to any other person or used for any purpose in Hong Kong.

Japan

This offering of the first mortgage bonds has not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "FIEA"). Accordingly, the first mortgage bonds or any interest therein may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Singapore

This prospectus supplement and the accompanying prospectus have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of first mortgage bonds may not be circulated or distributed, nor may the first mortgage bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore, as modified or amended from time to time (the “SFA”) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the first mortgage bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

Securities or securities based derivative contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the first mortgage bonds pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in in Regulation 37A of the Securities and Futures (Offers of Investments) Securities and Securities-based Derivative Contracts Regulations 2018 of Singapore.

Singapore SFA Product Classification— Solely for the purposes of our obligations pursuant to section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), we have determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA) that the first mortgage bonds are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Switzerland

This prospectus supplement and the accompanying prospectus are not intended to constitute an offer or solicitation to purchase or invest in the first mortgage bonds. The first mortgage bonds may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (“FinSA”) and no application has or will be made to admit the first mortgage bonds to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this prospectus supplement, the accompanying prospectus nor any other offering or marketing material relating to the first mortgage bonds constitutes a prospectus pursuant to the

FinSA, and neither this prospectus supplement, the accompanying prospectus nor any other offering or marketing material relating to the first mortgage bonds or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Taiwan

The first mortgage bonds have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan, Republic of China and/or any other regulatory authority of Taiwan pursuant to relevant securities laws and regulations and may not be offered, issued or sold within Taiwan through a public offering or in any manner which would constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, distribute or otherwise intermediate the offering of the first mortgage bonds in Taiwan.

United Arab Emirates

The first mortgage bonds have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this prospectus supplement and the accompanying prospectus do not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and are not intended to be a public offer. This prospectus supplement and the accompanying prospectus have not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

Conflicts of Interest

Certain of the underwriters or their affiliates may hold a portion of our outstanding commercial paper that we incurred to finance our Eligible Green Expenditures and that may be repaid using the net proceeds of this offering. In such event, it is possible that one or more of the underwriters or their affiliates could receive at least 5% of the net proceeds of the offering, and in that case such underwriter would be deemed to have a conflict of interest under FINRA Rule 5121 (Public Offerings of Securities with Conflicts of Interest). In the event of any such conflict of interest, such underwriter would be required to conduct the distribution of the first mortgage bonds in accordance with FINRA Rule 5121. If FINRA Rule 5121 is applicable, such underwriter would not be permitted to confirm a sale to an account over which it exercises discretionary authority without first receiving specific written approval from the account holder.

LEGAL OPINIONS

Legal opinions relating to the first mortgage bonds offered by this prospectus supplement will be rendered by Brownstein Hyatt Farber Schreck, LLP, Albuquerque, New Mexico, Graves, Dougherty, Hearon & Moody, P.C., Austin, Texas, and Faegre Drinker Biddle & Reath LLP, Minneapolis, Minnesota, counsel for our company. Certain legal matters relating to the first mortgage bonds will be passed upon by Hunton Andrews Kurth LLP, New York, New York, for the underwriters.

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Southwestern Public Service Company
% First Mortgage Bonds, Series No. due 20

PROSPECTUS SUPPLEMENT

, 20

Joint Book-Running Managers

[_____]

[_____]

[MONTH YEAR]

This Private Placement Memorandum (the “Memorandum”) is confidential and must not be given, or its contents disclosed, in whole or in part, to any person other than the offeree to whom it has been distributed and must not be reproduced in any manner whatsoever. No offeree is authorized to make any further distribution or reproduction of this Memorandum or to disclose its contents. Any unauthorized distribution or reproduction of any part of this Memorandum may result in a violation of the Securities Act of 1933, as amended (the “Securities Act”).

SOUTHWESTERN PUBLIC SERVICE COMPANY (A NEW MEXICO CORPORATION)

\$[]

FIRST MORTGAGE BONDS

The first mortgage bonds described in this Memorandum (the “First Mortgage Bonds”) have not been registered under the Securities Act, the securities laws of any U.S. state, or the securities laws of any other jurisdiction. Southwestern Public Service Company, a New Mexico corporation (“SPS”), is offering and selling the First Mortgage Bonds in reliance on exemptions from the registration requirements of the Securities Act, including the private placement exemption contained in Section 4(a)(2) of the Securities Act, and other applicable laws. These exemptions apply to offers and sales of securities that do not involve a public offering. The First Mortgage Bonds have not been approved or recommended by any federal, state or foreign securities authorities, nor have any of these authorities passed upon the merits of this offering or determined that this Memorandum is accurate or complete. Any representation to the contrary is a criminal offense.

[]
Sole Lead Placement Agent

STRICTLY PRIVATE AND CONFIDENTIAL

Disclaimer

SPS has requested that [] ("["]), which is acting as placement agent (the "Placement Agent") on behalf of SPS, distribute this Memorandum to prospective purchasers of the SPS First Mortgage Bonds.

This Memorandum is a confidential document. Prospective purchasers should read this Memorandum before making a decision whether to purchase any First Mortgage Bonds. By accepting delivery of this Memorandum, prospective purchasers agree not to:

- use this Memorandum or any other information furnished by SPS for any purpose other than making a decision to invest in the First Mortgage Bonds;
- make copies of any part of this Memorandum or give a copy of this Memorandum or any other information furnished by SPS to any other person; or
- disclose any information furnished by SPS, including the information in this Memorandum, to any other person without the prior written approval of SPS.

This Memorandum shall remain the property of SPS. Each of SPS and the Placement Agent reserves the right to require the return of this Memorandum (together with any copies or extracts thereof) at any time.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE SECURITIES OR DETERMINED IF THIS MEMORANDUM IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The First Mortgage Bonds are being offered to a limited number of institutional investors as a private placement and will not be registered under the Securities Act. The First Mortgage Bonds are being offered in reliance upon the exemption provided by Section 4(a)(2) of the Securities Act, and as such are suitable only as an investment for, and are being offered only to persons who have, directly or through qualified representatives, the ability to evaluate the merits and risks of an investment in the First Mortgage Bonds and the ability to assume the economic risks involved in such investment. In connection with the purchase of the First Mortgage Bonds, each purchaser will be required to make representations confirming its eligibility as a prospective investor and that it is purchasing the First Mortgage Bonds for its own account and not with a view to their resale or distribution. Accordingly, purchasers must continue to hold the First Mortgage Bonds unless a subsequent disposition is exempt from the registration requirements of the Securities Act. Investors should consult with their counsel as to the applicable requirements for a purchaser to avail itself of any exemption under the Securities Act. The bond purchase agreement (the "Bond Purchase Agreement") to be entered into by and among SPS and the purchasers of the First Mortgage Bonds contains restrictions on the transferability of the First Mortgage Bonds. The First Mortgage Bonds will bear a legend referring to these restrictions. Because of these restrictions, no secondary trading market for the First Mortgage Bonds is expected to develop and purchasers may be required to bear the financial risks of investing in the First Mortgage Bonds for an indefinite period of time.

SPS has prepared this Memorandum and is solely responsible for its contents. The Placement Agent has not verified any of the information in this Memorandum. Each prospective purchaser is responsible for making its own examination of SPS and its own assessment of the merits and risks of investing in the First Mortgage Bonds. This Memorandum does not purport to contain all of the information that a prospective purchaser may require in making an investment decision. This Memorandum contains summaries of the First Mortgage Bonds and of certain documents, agreements and opinions relating to this offering. Reference is hereby made to the actual documents for complete information concerning the rights and obligations of the parties thereto.

All such summaries are qualified in their entirety by this reference. Copies of the documents, agreements and opinions referred to in this Memorandum are available from SPS.

SPS will offer prospective purchasers the opportunity to ask questions of and receive answers from SPS about SPS, the terms and conditions of the First Mortgage Bonds or any other relevant information. Prospective purchasers may contact SPS at 414 Nicollet Mall, Minneapolis, MN 55401, (612) 215-4535; Attention: [____], if they need any additional information, including copies of any documents summarized in this Memorandum.

By purchasing any First Mortgage Bonds, a prospective purchaser will be deemed to have acknowledged that:

- it is aware of the need to conduct its own thorough investigation of SPS and the First Mortgage Bonds before making an investment in the First Mortgage Bonds;
- it is an institutional accredited investor within the meaning of Regulation D under the Securities Act that is willing and has the knowledge and sophistication in business and financial matters to conduct an independent investigation of the risks of ownership of the First Mortgage Bonds;
- it has reviewed this Memorandum;
- it has had an opportunity to ask questions of and receive answers, and to request any additional information that it needs, from SPS; and
- the Placement Agent is not responsible for, and is not making any representation concerning, SPS' future performance, the adequacy, accuracy or completeness of this Memorandum, the advisability of purchasing the First Mortgage Bonds, the execution, validity or enforceability of the First Mortgage Bonds or any documents delivered in connection with the First Mortgage Bonds.

In making an investment decision, prospective purchasers should rely only on the information contained in this Memorandum and on any other information furnished by SPS, whether directly or through the Placement Agent. SPS and the Placement Agent have not authorized anyone to provide prospective purchasers with any other information. If any other information is received, a prospective purchaser should not rely on it.

Except as indicated herein, prospective purchasers should not assume that the information contained in this Memorandum is accurate as of any date other than the date on the front cover of this Memorandum or that there has been no change in the affairs of SPS or its affiliates since that date.

SPS and the Placement Agent are not providing prospective purchasers with any legal, business, tax or other advice in this Memorandum. Prospective purchasers should consult with their own advisors as needed to assist them in making their investment decision and to advise them whether they are legally permitted to purchase the First Mortgage Bonds.

Each prospective purchaser must comply with all laws and regulations that apply to it in any place in which it buys, offers or sells any First Mortgage Bonds or possesses this Memorandum. Each prospective purchaser must also obtain any consents or approvals that it needs in order to purchase any First Mortgage Bonds. SPS and the Placement Agent are not responsible for a prospective purchaser's compliance with these legal requirements.

SPS and the Placement Agent are offering to sell the First Mortgage Bonds only in places where, and to persons to whom, offers and sales are permitted. This Memorandum does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized.

SPS and the Placement Agent reserve the right to reject any commitment to purchase First Mortgage Bonds in whole or in part and to allot to any prospective purchaser less than the full amount of First Mortgage Bonds sought by it.

This Memorandum, including the information incorporated by reference, contains statements that are not historical fact and constitute “forward-looking statements.” The use of words like “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “objective,” “outlook,” “plan,” “project,” “possible,” “potential,” “should,” “will,” “would” and similar expressions, or discussion of SPS’ strategy or plans, constitutes forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. SPS’ 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:

- uncertainty around the impacts and duration of the COVID-19 pandemic;
- operational safety;
- successful long-term operational planning;
- commodity risks associated with energy markets and production;
- rising energy prices and fuel costs;
- qualified employee work force and third-party contractor factors;
- ability to recover costs;
- changes in regulation;
- reductions in SPS’ credit ratings and the cost of maintaining certain contractual relationships;
- general economic conditions, including inflation rates, monetary fluctuations and their impact on capital expenditures and the ability of SPS and its subsidiaries to obtain financing on favorable terms;
- availability or cost of capital;
- SPS’ customers’ and counterparties’ ability to pay their debts to SPS;
- assumptions and costs relating to funding SPS’ employee benefit plans and health care benefits;
- tax laws;
- effects of geopolitical events, including war and acts of terrorism;
- cyber security threats and data security breaches;
- seasonal weather patterns;
- changes in environmental laws and regulations;
- climate change and other weather;
- natural disaster and resource depletion, including compliance with any accompanying legislative and regulatory changes;
- costs of potential regulatory penalties; and
- other business or investment considerations that may be disclosed from time to time in SPS’ Securities and Exchange Commission filings or in other publicly disseminated written documents.

Prospective purchasers are cautioned not to rely unduly on any forward-looking statements. SPS undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing review of factors should not be construed as exhaustive.

By accepting this Memorandum, the recipient will be deemed to have acknowledged and agreed to all of the foregoing.

For further information, please contact one of the following professionals:

[PLACEMENT AGENT NAME AND ADDRESS]

Private Placement Team			
Name	Title	Telephone	Email

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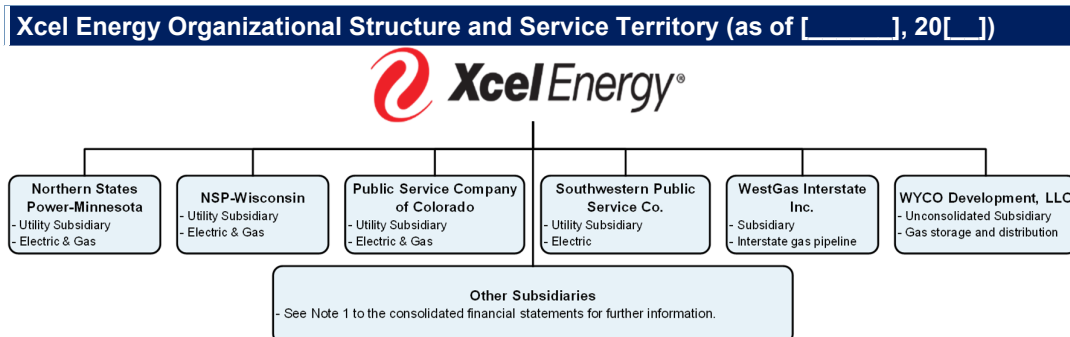
1. Executive Summary

Xcel Energy Overview

SPS is a wholly owned subsidiary of Xcel Energy Inc. ("Xcel Energy"). Xcel Energy is a major U.S. regulated electric and natural gas delivery company headquartered in Minneapolis, Minnesota (incorporated in Minnesota in 1909). Xcel Energy serves customers in eight mid-western and western states, including portions of Colorado, Michigan, Minnesota, New Mexico, North Dakota, South Dakota, Texas and Wisconsin. As of [____], 20[____], Xcel Energy provided a comprehensive portfolio of energy-related products and services to approximately 3.7 million electric customers and 2.1 million natural gas customers through four utility subsidiaries (i.e., Northern States Power Company, a Minnesota corporation, Northern States Power Company, a Wisconsin corporation, Public Service Company of Colorado and Southwestern Public Service Company. Along with the utility subsidiaries, the transmission-only subsidiaries, WYCO Development, LLC (a joint venture formed with Colorado Interstate Gas Company, LLC to develop and lease natural gas pipelines, storage and compression facilities) and WestGas InterState, Inc. (an interstate natural gas pipeline company) comprise the regulated utility operations. Xcel Energy's nonregulated subsidiaries include Eloigne, Capital Services and Nicollet Project Holdings. As of [____], 20[____], Xcel Energy had total assets of \$[____] and reported operating revenues and net income of \$[____] and \$[____], respectively.

Xcel Energy's organizational structure is depicted in the chart below:

Exhibit 1.1



[INSERT GRAPHIC RELATED TO UTILITY SUBSIDIARIES' SERVICE TERRITORY AND STATISTICS RELATED TO SAME FROM LATEST ANNUAL REPORT ON FORM 10-K]

Source: Xcel Energy Annual Report on Form 10-K for the fiscal year ended December 31, 20[____]

SPS Overview

SPS was incorporated in 1921 under the laws of the State of New Mexico. SPS is a utility primarily engaged in the generation, transmission, distribution and sale of electricity in Texas and New Mexico. SPS is subject to regulation by the Federal Energy Regulatory Commission (“FERC”), and state and local regulatory commissions, [including the Public Utility Commission of Texas (“PUCT”) and the New Mexico Public Regulation Commission (“NMPRC”)].

As of [____], 20[____], SPS had an estimated rate base of approximately \$[____] and a customer base that included approximately [____] electric customers. Generally, SPS’ contribution to Xcel Energy’s consolidated earnings ranges from [____] percent to [____] percent.

SPS has secured ratings of [____] ([____] outlook), [____] ([____] outlook) and [____] ([____] outlook) from Moody’s Corporation, S&P Global Ratings and Fitch Ratings Inc., respectively.

Exhibit 1.2

SPS Service Territory and Operating Statistics (as of [____], 20[____])

[INSERT GRAPHIC SHOWING SPS SERVICE TERRITORY AND STATISTICS RELATED TO SAME FROM LATEST ANNUAL REPORT ON FORM 10-K]

Business Overview

Electric Operations

SPS’ electric operations consist of energy supply, generation, transmission and distribution activities. For 20[____], SPS had electric sales volume of [____] (millions of kilowatt hours), [____] customers and electric revenues of \$[____].

As of [____], 20[____], SPS owned [____] conductor miles of electric transmission lines, and [____] conductor miles of electric distribution lines.

Exhibit 1.3

Sales Volume, Customer and Revenue Breakdown (as of [____], 20[____])

[INSERT GRAPHIC OF SALES VOLUME ORGANIZED BY C&I, RESIDENTIAL AND OTHER FROM LATEST ANNUAL REPORT ON FORM 10-K]

[INSERT GRAPHIC OF NUMBER OF CUSTOMERS ORGANIZED BY C&I, RESIDENTIAL AND OTHER FROM LATEST ANNUAL REPORT ON FORM 10-K]

[INSERT GRAPHIC OF REVENUES ORGANIZED BY C&I, RESIDENTIAL AND OTHER FROM LATEST ANNUAL REPORT ON FORM 10-K]

Source: SPS Annual Report on Form 10-K for the fiscal year ended December 31, 20[____]

Electric Energy Sources

As of [____], 20[____], SPS had [____] megawatts (“MW”) of electric generating capacity. For the year ended [____], 20[____], SPS’ total electric generation by source (including energy market purchases) consisted of approximately [____]% carbon-free energy (which includes nuclear, wind, hydroelectric, biomass and solar power from both owned generating facilities and purchased power agreements (“PPAs”), [____]% natural gas and [____]% coal.

Exhibit 1.5

Electric Energy Sources (SPS) (as of [____], 20[____])

[INSERT GRAPHIC DEPICTING ELECTRIC ENERGY SOURCES BY WIND, SOLAR, NUCLEAR, BIOMASS/HYDRO, NATURAL GAS AND COAL]

Source: Xcel Energy Investor Fact Book ([____] 20[____])

Carbon-Free Energy (SPS): SPS' carbon-free energy portfolio includes nuclear, wind, hydroelectric, biomass and solar power from both owned generating facilities and PPAs. Carbon-free percentages will vary year over year based on system additions, weather, system demand and transmission constraints.

Wind: As of [____], 20[____], total wind generation capacity stood at [____] MW, of which [____] MW was owned capacity ([____] wind farms). [DESCRIBE PLACEMENT OF MW OF OWNED WIND AND MW PPA INTO SERVICE FOR YEAR OF OFFERING IF APPLICABLE]

Solar: As of [____], 20[____], SPS had PPAs in place for [____] MW of solar energy, which includes [____] MW of distributed generation and [____] MW of utility-scale solar.

Natural Gas: SPS has [____] natural gas plants with approximately [____] MW of total 20[____] net summer dependable capacity. Natural gas supplies, transportation and storage services for power plants are procured to provide an adequate supply of fuel. Remaining requirements are procured through a liquid spot market. Generally, natural gas supply contracts have variable pricing that is tied to natural gas indices. Natural gas supply and transportation agreements include obligations for the purchase and/or delivery of specified volumes or payments in lieu of delivery.

Coal: SPS has [____] coal plants with approximately [____] MW of total 20[____] net summer dependable capacity.

Transmission and Distribution Lines

Transmission lines deliver electricity over long distances from power sources to transmission substations closer to homes and businesses. A strong transmission system ensures continued reliable and affordable service, ability to meet state and regional energy policy goals, and support for a diverse generation mix, including renewable energy. SPS owns more than [____] conductor miles of transmission lines.

Distribution lines allow electricity to travel at lower voltages from substations directly to homes and businesses. SPS has a vast distribution network, owning and operating approximately [____] conductor miles of distribution lines across our service territory, both above ground and underground. SPS is working to digitize the distribution grid in order to continue to provide customers reliable, affordable electric service with more flexibility, while at the same time keeping it secure.

Regulation and Ratemaking

The FERC and state and local regulatory commissions regulate SPS. SPS is subject to rate regulation by state utility regulatory agencies, which have jurisdiction with respect to the rates of electric distribution companies in Texas and New Mexico.

Rates are designed to recover plant investment, operating costs and an allowed return on investment. SPS requests changes in rates for utility services through filings with governing commissions. Changes in operating costs can affect SPS' financial results, depending on the timing of rate case filings and implementation of final rates. Other factors affecting rate filings are new investments, sales, conservation and demand side management efforts, and the cost of

capital. In addition, the regulatory commissions authorize the return on equity (“ROE”), capital structure and depreciation rates in rate proceedings. Decisions by these regulators can significantly impact SPS’ results of operations.

Exhibit 1.6

Summary of Regulatory Agencies / Regional Transmission Organization (“RTO”) and Areas of Jurisdiction	
Regulatory Body / RTO	Information on Regulatory Authority
PUCT	<ul style="list-style-type: none"> - Retail electric operations, rates, services, construction of transmission or generation and other aspects of SPS’ electric operations. - The municipalities in which SPS operates in Texas have original jurisdiction over rates in those communities. The municipalities’ rate setting decisions are subject to PUCT review.
NMPRC	<ul style="list-style-type: none"> - Retail electric operations, retail rates and services and the construction of transmission or generation.
FERC	<ul style="list-style-type: none"> - Wholesale electric operations, accounting practices, wholesale sales for resale, the transmission of electricity in interstate commerce, compliance with NERC electric reliability standards, asset transactions and mergers, and natural gas transactions in interstate commerce.
SPP RTO and SPP IM Wholesale Market	<ul style="list-style-type: none"> - SPS is a transmission owning member of the SPP RTO and operates with the SPP RTO and SPP IM wholesale market. SPS is authorized to make wholesale electric sales at market-based prices.

Source: SPS Annual Report on Form 10-K for the fiscal year ended December 31, 20[]

Exhibit 1.7

Recovery Mechanisms	
Mechanism	Description
DCRF	Recovers distribution costs not included in rates in Texas.
EECRF	Recovers costs for energy efficiency programs in Texas.
Energy Efficiency Rider	Recovers costs for energy efficiency programs in New Mexico.
FPPCAC	Adjusts monthly to recover actual fuel and purchased power costs in New Mexico.
PCRF	Allows recovery of purchased power costs not included in Texas rates.
RPS	Recovers deferred costs for renewable energy programs in New Mexico.
TCRF	Recovers certain transmission infrastructure improvement costs and changes in wholesale transmission charges not included in Texas base rates.
Fixed Fuel and Purchased Recovery Factor	Provides for the over- or under-recovery of energy expenses in Texas. Regulations require refunding or surcharging over- or under-recovery amounts, including interest, when they exceed 4% of the utility’s annual fuel and purchased energy costs on a rolling 12-month basis if this condition is expected to continue.
Wholesale Fuel and Purchased Energy Cost Adjustment	SPS recovers fuel and purchased energy costs from its wholesale customers through a monthly wholesale fuel and purchased energy cost adjustment clause accepted by the FERC. Wholesale customers also pay the jurisdictional allocation of production costs.

Source: SPS Annual Report on Form 10-K for the fiscal year ended December 31, 20[]

Pending and Recently Concluded Regulatory Proceedings

[INCLUDE INFORMATION REGARDING PENDING AND RECENTLY CONCLUDED REGULATORY PROCEEDINGS FROM LATEST ANNUAL REPORT ON FORM 10-K]

Proposed Offering and Use of Proceeds

Summary of Proposed Offering

SPS proposes to issue \$[] of First Mortgage Bonds. The First Mortgage Bonds are expected to be issued with a bullet maturity of [] years. However, SPS reserves the right to entertain other maturities and structures. The First Mortgage Bonds will be SPS' senior secured obligations and will be secured equally and ratably with all of its other outstanding first mortgage bonds and any first mortgage bonds hereafter issued under its Indenture dated as of August 1, 2011, as supplemented and restated, from us to U.S. Bank National Association, as trustee.

The First Mortgage Bonds are being offered to institutional "accredited investors" within the meaning of Regulation D under the Securities Act. The First Mortgage Bonds have not been, and will not be, registered or qualified under the Securities Act, the securities laws of any U.S. state or the securities laws of any other jurisdiction. The First Mortgage Bonds are being offered by SPS and sold in reliance upon one or more exemptions provided for under the Securities Act, including the private placement exemption from registration provided by Section 4(a)(2) thereof. The First Mortgage Bonds have not been approved or recommended by any federal, state or foreign securities authorities, nor have any of these authorities passed upon the merits of this offering or determined that this Memorandum is accurate or complete. Any representation to the contrary is a criminal offense. As a purchaser of securities in a private placement not registered under the Securities Act, each investor will be required to represent that it is an accredited investor, will acquire the First Mortgage Bonds for its own account and not with a view toward distribution thereof in violation of the Securities Act, and should proceed on the assumption that it must bear the economic risk of the investment in the First Mortgage Bonds for an indefinite period of time. The First Mortgage Bonds are subject to restrictions on transferability and resale and may not be offered, sold, transferred, pledged, hypothecated or otherwise assigned, except pursuant to a registration statement with respect to such First Mortgage Bonds that is effective under the Securities Act or an available exemption from the registration requirements of the Securities Act. The Bond Purchase Agreement also has restrictions on the transferability of the First Mortgage Bonds. SPS is under no obligation and has no intention to register the First Mortgage Bonds. There is currently no trading market for the First Mortgage Bonds, and it is not contemplated that one will develop in the foreseeable future.

The Placement Agent and its affiliates provide various investment banking and commercial banking services to SPS and its affiliates.

Use of Proceeds

SPS intends to use the proceeds from the sale of the First Mortgage Bonds for general corporate purposes, including meeting its working capital requirements, funding capital expenditures and acquisitions, repaying short-term debt and refunding long-term debt at maturity or otherwise. Until the net proceeds from the sale of the First Mortgage Bonds have been used, SPS may invest them temporarily in interest-bearing obligations, including investments in the Utility Money Pool.

Actual and Pro Forma Capitalization

Set forth below is the actual and pro forma capitalization of SPS as of [____], 20[____] and as adjusted to give effect to the issuance of the First Mortgage Bonds.

Exhibit 1.8

Pro-Forma Capitalization			
(millions)	Actual as of [____], 20[____]	Proposed Transaction	Pro-Forma
Cash and Cash Equivalents	\$____	\$____	\$____
Short-Term Debt & Current Portion of Long-Term Debt			
Short-Term Debt	\$____	(\$____)	\$____
Current Portion of Long-Term Debt	\$____	(\$____)	\$____
Total Short-Term Debt & Current Portion of Long-Term Debt	\$____		\$____
Long-Term Debt			
	\$____		\$____
	\$____		\$____
	\$____		\$____
	\$____		\$____
	\$____		\$____
	\$____		\$____
Proposed Private Placement Notes	\$____	\$____	\$____
Total Long-Term Debt	\$____		\$____
Total Debt	\$____		\$____
Total Common Stockholders' Equity	\$____		\$____
Total Capital	\$____		\$____
Total Debt/Total Capital	____%		____%

Source: SPS Annual Report on Form 10-K for the fiscal year ended December 31, 20[____]; [SPS Quarterly Report on Form 10-Q for the quarterly period ended [____], 20[____]]

Select Historical Financial Information

Exhibit 1.9

Historical Financial Summary						
Income Statement (\$ millions)	20[]	20[]	20[]	20[]	20[]	LTM
Total Operating Revenues	\$	\$	\$	\$	\$	\$
Depreciation and Amortization						
Other Operational Expenses						
Operating Income						
EBITDA ¹						
Other Expense, net						
Interest Charges ²						
AFUDC - Debt						
Income Tax (Benefit) Expense						
Net Income						
Balance Sheet (\$ millions)						
Assets						
Cash & Cash Equivalents						
Property, Plant and Equipment, net						
Regulatory Assets						
Total Assets						
Liabilities						
Long-Term Debt ³						
Total Debt ³						
Total Liabilities						
Capitalization						
Common Stockholders' Equity						
Total Capital						
Cash Flow Statement (\$ millions)						
Operating Cash Flow						
Credit Metrics						
Total Debt / EBITDA						
Total Debt / Total Capital						
EBITDA / Interest Charges						

Source: SPS Annual Reports on Form 10-K for the fiscal years ended December 31, 20[], 20[], 20[] and 20[]; [SPS Quarterly Report on Form 10-Q for the quarterly period ended [], 20[]]

Note: LTM as of [], 20[]

¹ EBITDA calculated as Net Income + Taxes + Interest Expense + Depreciation and Amortization + Allowance for Funds Used during Construction

² Includes AFUDC interest impact

³ Long-Term and Total Debt include Unamortized Discount and Unamortized Debt Issuance Cost

2. Investment Highlights

Stable and Constructive Regulatory Environment

SPS operates within the stable and constructive regulatory jurisdictions of Texas and New Mexico. SPS benefits from tariff setting based on future test years with biennial rate cases and from various riders and accelerated rate mechanisms that reduce regulatory lag in cost recoveries, such as the purchased gas adjustment mechanism. Other supportive regulatory measures include the Company's above average []% authorized ROE and annual filings for fuel and purchased energy adjustments.

Customer Base Results in Stable Cash Flow

SPS generates stable cash flows as a result of SPS' stable customer base. SPS' customer base is largely residential, which has limited its susceptibility to economic downturns and mitigates its vulnerability to threats from other energy providers. Over the last three years, approximately ~[]% of SPS' electric customers were residential customers.

Exhibit 2.1

Historical Number of Electric Customers by Type

[INSERT GRAPHIC OF ELECTRIC CUSTOMERS ORGANIZED BY RESIDENTIAL, C&I AND PUBLIC AUTHORITIES, TRANSPORTATION & OTHER]

Source: Xcel Energy Investor Fact Book ([] 20[])

Power Generation Comes from a Diverse Fuel Mix

SPS has a balanced, diversified portfolio of energy sources that ensures grid stability and reliability with flexible resources capable of operating around renewable resources as well as during times of extreme heat or cold.

Exhibit 2.2

SPS Energy Mix

[INSERT GRAPHICS
RELATED TO ENERGY
MIX IN 2005, 20[], 2025,
2030]

Source: Xcel Energy Presentation ([] 20[])

Strong Credit Profile Supported by Healthy Balance Sheet

SPS' solid balance sheet and stable cash flow generation enable it to pursue strategic initiatives and large capital expenditure plans, without compromising its credit quality. SPS has secured ratings of [] ([] outlook), [] ([] outlook) and [] ([] outlook) from Moody's Corporation, S&P Global Ratings and Fitch Ratings Inc., respectively. SPS' electric business provides stable and predictable financial metrics and low business risk due to its regulated nature and predominantly [] customer base. SPS' credit metrics have been historically managed to maintain an investment grade profile, with a debt to capitalization ratio ranging from []% to []% over the last five years.

Exhibit 2.3

Historical Total Debt¹ to Capitalization Ratio

[INSERT HISTORICAL TOTAL DEBT TO CAPITALIZATION RATIO GRAPHIC]

Source: SPS Annual Reports on Form 10-K for the fiscal years ended December 31, 20[], 20[], 20[] and 20[]; [SPS Quarterly Report on Form 10-Q for the quarterly period ended [], 20[]]

¹ Total Debt includes Unamortized Discount and Unamortized Debt Issuance Cost

Note: LTM as of [], 20[]

Strong ESG Profile

SPS and its parent company Xcel Energy have strong ESG profiles. Xcel Energy was the first major U.S. utility to establish a carbon-free vision, targeting 100% carbon-free electricity by 2050 (and has already achieved a reduction of 51% as of 2020 year-end) and an 80% carbon reduction by 2030 (from 2005 levels). [DESCRIBE SPS PROPOSED RESOURCE PLAN AND DETAILS RELATED TO ITS ESG PROFILE]

Xcel Energy has been the number one provider of wind to customers for twelve of the past fifteen years. Wind is a critical component towards Xcel Energy's diverse energy portfolio, helping reduce emissions, which helps reduce future environmental risks and costs. Xcel Energy's wind capacity is expected to reach [] MW by the end of 20[], including nearly [] MW of owned wind. SPS is expected to have approximately [] MW of wind on its system by the end of 20[], including approximately [] MW of owned wind.

Exhibit 2.4

Wind Projects Under Development or Construction

Project	Capacity	Estimated Completion
Total	~[] MW	

Source: Xcel Energy Annual Report on Form 10-K for the fiscal year ended December 31, 20[]; SPS Annual Report on Form 10-K for the fiscal year ended December 31, 20[]

3. Financial Statements

Exhibit 3.1

Income Statement						
(amounts in millions)	Year Ended December 31,					LTM
	20[]	20[]	20[]	20[]	20[]	
Operating revenues	\$	\$	\$	\$	\$	\$
Operating expenses						
Electric fuel and purchased power						
Operating and maintenance expenses						
Demand side management expense						
Depreciation and amortization						
Taxes (other than income taxes)						
Total operating expenses						
Operating income						
Other expense, income, net						
Allowance for funds used during construction — equity						
Interest charges and financing costs						
Interest charges — includes other financing costs of \$__, \$__, \$__, \$__ and \$__ for 20[], 20[], 20[], 20[] and 20[], respectively						
Allowance for funds used during construction — debt						
Total interest charges and financing costs						
Income before income taxes						
Income tax (benefit) expense						
Net income	\$	\$	\$	\$	\$	\$

Source: SPS Annual Reports on Form 10-K for the fiscal years ended December 31, 20[], 20[], 20[] and 20[]; [SPS Quarterly Report on Form 10-Q for the quarterly period ended [], 20[]]

Note: LTM as of [], 20[]

Exhibit 3.2

Balance Sheet						
(amounts in millions)						
	Year Ended December 31,					LTM
	20[]	20[]	20[]	20[]	20[]	
Assets						
Current assets						
Cash and cash equivalents	\$	\$	\$	\$	\$	\$
Accounts receivable, net						
Accounts receivable from affiliates						
Accrued unbilled revenues						
Inventories						
Regulatory assets						
Prepaid taxes						
Prepayments and other						
Total current assets						
Property, plant and equipment, net						
Other assets						
Regulatory assets						
Derivative instruments						
Operating lease right-of-use assets						
Other						
Total other assets						
Total assets	\$	\$	\$	\$	\$	\$
Liabilities and Equity						
Current liabilities						
Short-term debt						
Accounts payable						
Accounts payable to affiliates						
Regulatory liabilities						
Taxes accrued						
Accrued interest						
Dividends payable to parent						
Derivative instruments						
Operating lease liabilities						
Other						
Total current liabilities						
Deferred credits and other liabilities						
Deferred income taxes						
Regulatory liabilities						
Asset retirement obligations						
Derivative instruments						
Pension and employee benefit obligations						
Operating lease liabilities						
Other						
Total deferred credits and other liabilities						
Commitments and contingencies						
Capitalization						
Long-term debt						
Common stock						
Additional paid in capital						
Retained earnings						
Accumulated other comprehensive loss						
Total common stockholder's equity						
Total liabilities and equity	\$	\$	\$	\$	\$	\$

Source: SPS Annual Reports on Form 10-K for the fiscal years ended December 31, 20[], 20[], 20[] and 20[]; [SPS Quarterly Report on Form 10-Q for the quarterly period ended [], 20[]]

Note: LTM as of [], 20[]

Exhibit 3.3

Statement of Cash Flows						
(amounts in millions)	Year Ended December 31,					LTM
	20[]	20[]	20[]	20[]	20[]	
Operating activities						
Net income	\$	\$	\$	\$	\$	\$
Adjustments to reconcile net income to cash provided by operating activities:						
Depreciation and amortization						
Demand side management program amortization						
Deferred income taxes						
Allowance for equity funds used during construction						
Provision for bad debts						
Changes in operating assets and liabilities:						
Accounts receivable						
Accrued unbilled revenues						
Inventories						
Prepayments and other						
Accounts payable						
Net regulatory assets and liabilities						
Other current liabilities						
Pension and other employee benefit obligations						
Other, net						
Net cash provided by operating activities						
Investing activities						
Utility capital/construction expenditures						
Investments in utility money pool arrangement						
Receipts from utility money pool arrangement						
Net cash used in investing activities						
Financing activities						
Proceeds from (repayments of) short-term borrowings, net						
Proceeds from issuance of long-term debt						
Borrowings under utility money pool arrangement						
Repayments under utility money pool arrangement						
Capital contributions from parent						
Dividends paid to parent						
Net cash provided by (used in) financing activities						
Net change in cash, cash equivalents and restricted cash						
Cash, cash equivalents and restricted cash at beginning of period						
Cash, cash equivalents & restricted cash at end of period	\$	\$	\$	\$	\$	\$

Source: SPS Annual Reports on Form 10-K for the fiscal years ended December 31, 20[], 20[], 20[] and 20[]; [SPS Quarterly Report on Form 10-Q for the quarterly period ended [], 20[]]

Note: LTM as of []

4. Additional Information

General

SPS is a wholly owned subsidiary of Xcel Energy. Xcel Energy's website address is www.xcelenergy.com. SPS files annual, quarterly and current reports and other information with the SEC. The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov. Other than the documents noted below that are specifically incorporated by reference herein, information on, or accessible through, the SEC's website or Xcel Energy website is not part of this Memorandum and is not incorporated by reference herein.

Incorporation by Reference

The following documents (the "Incorporated Documents") are incorporated into this Memorandum by reference:

- SPS' Annual Report on Form 10-K for the fiscal year ended December 31, 20[]
- [SPS' Quarterly Report on Form 10-Q for the period ended [], 20[]]
- [SPS' Current Report on Form 8-K dated [], 20[]]
- Investor Fact Book published [], 20[]

Risk Factors

Prospective purchasers should carefully consider the risks and uncertainties described below as well as any cautionary language or other information contained or incorporated by reference in this Memorandum, including the information under the caption "Item 1A. Risk Factors" in SPS' Annual Report on Form 10-K for the year ended December 31, 20[] [and SPS' Quarterly Report on Form 10-Q for the quarter ended [], 20[]], as modified by SPS' other SEC filings filed after such annual report and such quarterly report, before purchasing the First Mortgage Bonds offered by this Memorandum. Those risks and the risks set forth below are those that SPS considers to be the most significant to prospective purchasers' decisions whether to invest in the First Mortgage Bonds. If any of the events described therein or set forth below occur, SPS' business, financial condition or results of operations could be materially harmed. In addition, SPS may not be able to make payments on the First Mortgage Bonds, and this could result in prospective purchasers losing all or part of their investment.

Risks Related to the First Mortgage Bonds

Any lowering of the credit ratings on the First Mortgage Bonds would likely reduce their value.

As described under the caption "Item 1A. Risk Factors" in SPS' Annual Report on Form 10-K for the year ended December 31, 20[], SPS' credit ratings could be lowered or withdrawn entirely by a rating agency in the future. Any lowering of the credit ratings on SPS' first mortgage bonds would likely reduce the value of the First Mortgage Bonds offered by this Memorandum.

No secondary trading market for the First Mortgage Bonds is expected to develop.

The Bond Purchase Agreement to be entered into by and among SPS and the purchasers of the First Mortgage Bonds contains restrictions on the transferability of the First Mortgage Bonds. The First Mortgage Bonds will bear a legend referring to these restrictions. Because of these restrictions, no secondary trading market for the First Mortgage Bonds is expected to develop and

purchasers may be required to bear the financial risks of investing in the First Mortgage Bonds for an indefinite period of time.