

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF SOUTHWESTERN)
PUBLIC SERVICE COMPANY’S)
APPLICATION FOR AUTHORITY TO:)
(1) ISSUE UP TO \$750 MILLION OF FIRST)
MORTGAGE BONDS DURING 2024; (2))
RECOVER CERTAIN REFUNDING COSTS;)
(3) ENTER INTO AGREEMENTS IN)
SUPPORT OF INTEREST RATE HEDGING)
INCLUDING INTEREST RATE LOCKS AND)
SWAPS; (4) TO EXTEND THE REVOLVING)
CREDIT AGREEMENT FOR AN)
ADDITIONAL TWO YEARS; AND (5))
INCREASE THE MAXIMUM AMOUNT OF)
ITS CREDIT AGREEMENT TO \$700,000,000.)
)
)
SOUTHWESTERN PUBLIC SERVICE)
COMPANY,)
)
)
APPLICANT.)**

CASE NO. 24-00 ____-UT

**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 ("FERC") 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 FERC regulations adopted under the Public Utility Holding Company Act of 2005.¹ In addition to SPS, Xcel Energy is the parent company

¹ 18 C.F.R. Part 366.

of three other rate-regulated utility operating 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:

Jeremiah Cunningham
Manager, Rate Cases
Southwestern Public Service Company
790 S. Buchanan St.
Amarillo, TX 79101
806.378.2430
Jeremiah.W.Cunningham@xcelenergy.com

Patricia Martin
Assistant Treasurer
Xcel Energy Services, Inc.
414 Nicollet Mall
Minneapolis, MN 55401
612.337.2341
Patricia.L.Martin@xcelenergy.com

Erika M. Kane
Lead Assistant General Counsel
Stephanie G. Houle
Assistant General Counsel
Xcel Energy Services Inc.
919 Congress Avenue, Suite 900
Austin, TX 78701
512.236.6938

Cindy Baeza
Regulatory Administrator
Southwestern Public Service Company
790 S. Buchanan St.
Amarillo, TX 79101
806.513.1478
Cindy.Baeza@xcelenergy.com

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.

Erika.M.Kane@xcelenergy.com
Stephanie.G.Houle@xcelenergy.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 \$750 Million First Mortgage Bonds during 2024

9. This Application seeks the Commission's approval and authorization for SPS to issue and sell up to \$750,000,000 of first mortgage bonds (the "FMBs") during 2024. 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. The aggregate net proceeds from the sale of the FMBs will be used by SPS for utility purposes permitted under NMSA 1978, Section 62-6-6 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 or in a private offering. 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 40 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 based on current market standards.

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 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, 2023 included the projected 2024 issuance of long term debt in the amount of up to \$700,000,000.

B. Authority to Recover Certain Refunding Costs

17. SPS also requests pre-approval to recover certain costs associated with refunding SPS higher coupon bonds if such redemption results in maintaining or lowering SPS's embedded cost of debt. Such refunding of 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 currently identified any such refunding candidate but requests authorization if market conditions make a refunding economic to 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, 20-00236-UT, 22-00017-UT, and 23-00005-UT.)

D. Request to: (i) Extend the Current Authorization to Issue Notes under SPS's Revolving Credit Agreements from December 31, 2027 to December 31, 2029 and (ii) Increase the Amount of Notes Issuable under Revolving Credit Agreements by \$100 million or up to a maximum of \$700 million;

20. This application seeks the Commission's approval and authorization to extend SPS's revolving credit agreement ("credit agreement") by two years, from December 31, 2027 to December 31, 2029 and to increase the maximum amount of the credit agreement from \$600 million to \$700 million. SPS uses its credit agreements for back up liquidity to its commercial paper program or for short-term direct bank borrowings,

if needed. Although the credit agreement is used for short term liquidity purposes, the nature of the multi-year agreement are considered long-term and, thus, require Commission authorization. The Final Order Adopting Recommended Decision issued by the Commission on February 23, 2022, approved SPS's request to extend its credit agreement by three years, from December 31, 2024 to December 31, 2027.

21. SPS is requesting authority to amend, increase and extend its existing credit agreement and to secure longer term access to liquidity. The additional two years of authority, through December 31, 2029, will provide SPS with additional financial flexibility to maintain access to short-term liquidity on favorable terms. In addition, an extension of the credit facility is viewed favorably by the rating agencies when conducting their financial assessment and liquidity analysis of the Company. SPS has also reviewed its cash requirements for the next several years and determined additional liquidity is required, driven primarily by elevated levels of capital expenditures. SPS last changed its borrowing authorization level in 2018 when the level was increased from \$500 million to \$600 million in Case No. 18-00232-UT. Since 2022, SPS's capitalization and plant and equipment have grown by approximately \$1.7 billion. SPS is forecasting continued growth in its asset base requiring funding in 2027 through 2029.

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.

23. Any net proceeds from short-term debt or direct borrowings under the credit agreement 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, 2023 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, 2024 notes payable at periods of not more than 18 months in a principal amount of up to \$600,000,000. 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 Patricia L. Martin, which explains SPS's proposal to: (1) issue and sell up to \$750 million aggregate in FMBs between the period when approval is granted and December 31, 2024; (2) gain pre-approval of refunding costs associated with early redemption of higher coupon debt if applicable; (3) and gain authorization to enter into interest rate hedging agreements; (4) extend the credit agreement period through December 31, 2029; and (5) increase the maximum amount of unsecured short-term borrowings to \$700 million.

V. Conclusion and Prayer for Relief

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

(a) place this Application at the head of the Commission's docket, as provided for in NMSA 1978, Section 62-6-9;

(b) approve this Application within thirty days of filing and:

- i. authorize SPS to issue up to \$750 million in FMBs during 2024, with maturities of up to 40 years;
- 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, 2024;
- iv. extend SPS's authority, granted by the Final Order in Case No. 22-00017-UT, to issue notes under credit agreements by two years, from December 31, 2027 to December 31, 2029;
- v. authorize SPS to increase the maximum amount of notes SPS may issue at any one time under credit agreements from \$600 million to \$700 million; and

(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/ Erika M. Kane

Erika M. Kane

Stephanie G. Houle

Xcel Energy Services Inc.

919 Congress Avenue, Suite 900

Austin, Texas

512.236.6938

Erika.M.Kane@xcelenergy.com

Stephanie.G.Houle@xcelenergy.com

ATTORNEYS FOR SOUTHWESTERN PUBLIC SERVICE
COMPANY

EXHIBIT 1

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF SOUTHWESTERN)
PUBLIC SERVICE COMPANY’S)
APPLICATION FOR AUTHORITY TO:)
(1) ISSUE UP TO \$750 MILLION OF FIRST)
MORTGAGE BONDS DURING 2024; (2))
RECOVER CERTAIN REFUNDING COSTS;)
(3) ENTER INTO AGREEMENTS IN) **CASE NO. 24-00 ____ -UT**
SUPPORT OF INTEREST RATE HEDGING)
INCLUDING INTEREST RATE LOCKS AND)
SWAPS; (4) TO EXTEND THE REVOLVING)
CREDIT AGREEMENT FOR AN)
ADDITIONAL TWO YEARS; AND (5))
INCREASE THE MAXIMUM AMOUNT OF)
ITS CREDIT AGREEMENT TO \$700,000,000.)
)
SOUTHWESTERN PUBLIC SERVICE)
COMPANY,)
)
APPLICANT.)
)

NOTICE OF PROCEEDING AND HEARING

NOTICE is hereby given of the following:

1. On February 9, 2024, Southwestern Public Service Company (“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 \$750,000,000 first mortgage bonds (the “FMBs”) during 2024. According to the Application, the aggregate net proceeds from the potential sale of the \$750,000,000 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. Second, SPS also requests pre-approval to recover certain costs associated with refunding SPS's higher coupon bonds if such redemption results in maintaining or lowering SPS's embedded cost of debt. Such refunding of 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.

3. Third, 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.

4. Fourth, 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.

5. Finally, this Application seeks the Commission's approval and authorization to extend SPS's revolving credit agreement ("credit agreement") by two years, from December 31, 2027 to December 31, 2029 and to increase the maximum amount of the credit agreement from \$600 million to \$700 million. SPS uses its credit agreements for back up liquidity to its commercial paper program or for short-term direct bank borrowings, if needed.

6. The Commission is required by law to act promptly on SPS's Application.

7. 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, no later than _____.
- B. Staff shall, and any intervenors may, file direct testimony by before _____.
- C. Rebuttal testimony may be filed by before _____.

D. A public hearing will be held beginning at _____, for the purpose of hearing and receiving evidence, arguments, and any other appropriate matters in order to determine whether the authorizations requested in the SPS's Application should be granted by the Commission. The evidentiary hearing shall be conducted via the Zoom videoconference platform. Access to and participation in the evidentiary hearing shall be limited to party-participants (i.e., counsel and witnesses) the Commissioners, and essential Commission personnel. The Zoom hearing will be livestreamed through YouTube and will be displayed on the Commission's website at <https://www.nm-prc.org>. Persons not participating in the evidentiary hearing as an attorney or witness may view the hearing on the Commission's website and shall not join the hearing via Zoom except to provide oral comment as allowed below.

8. Interested persons who are not affiliated with a party may make oral or written comment pursuant to Rule 1.2.2.23(F) NMAC. Oral comment shall be taken at the beginning of the public hearing in this matter on _____ and shall be limited to 3 minutes per commenter. As part of the public hearing, public comment will be taken via the Zoom platform. Therefore, persons wishing to make an oral comment must register in advance, not later than 8:30 a.m. MT on _____, by e-mailing Ana Kippenbrock at Ana.Kippenbrock@prc.nm.gov. Written comments may be submitted before the Commission takes final action by sending the comment, which shall reference NMPRC Case No. 24-00____-UT, to prc.records@prc.nm.gov. Public comments, whether oral or written, shall not be considered as evidence in this proceeding.

9. The public hearing set for _____, may be vacated if deemed not required pursuant to 17.1.2.8(C)(3) NMAC, in which case the Commission will take public comment and dispose of the Application at an Open Meeting.

10. Additional details regarding this proceeding and its procedural requirements are set forth in the Hearing Examiner's _____ Procedural Order.

11. The procedural dates and requirements provided herein are subject to further Order of the Commission or Hearing Examiner. Interested persons should contact the Commission at 505-690-4191

for confirmation of the hearing date, time, and place, since hearings are occasionally rescheduled or canceled if deemed not required in the discretion of the Hearing Examiner.

12. The Commission's Rules of Procedure and Rule for Utility Applications (1.2.2 NMAC and 17.1.2.8 NMAC respectively) shall apply to this case except as modified by order of the Commission or Hearing Examiner. The Rules of Procedure and other NMPRC rules are available online at <https://nmonesource.com/nmos/en/nav.do>.

13. Any interested person may examine SPS's Application, exhibits and related papers filed in this case by contacting SPS at 1-800-895-4999, or visiting SPS's offices at 111 E. Fifth Street, Roswell, New Mexico, telephone (505) 625-5499. The Application may also be viewed online at the Commission's website under "Case Lookup – eDocket" at <https://www.nm-prc.org/case-lookup-e-docket/>. Instructional information and videos about how to use eDocket are available on the Commission's website. Questions can also be directed to the PRC Consumer Relations Department at 1-888-427-5772. All inquiries concerning this matter should refer to Case No. 24-00___-UT.

14. Any person filing pleadings, testimony, or other documents shall comply with the Commission's Electronic Filing Policy, which includes filings in pdf format, with electronic signature, sent to the Records Management Bureau's e-mail address prc.records@prc.nm.gov, within within regular business hours on the due date to be considered timely filed. Documents received after regular business hours will be considered as being filed the next business day. Regular business hours are from 8:00 a.m. to 5:00 p.m. Mountain Time (MT). Parties shall serve a copy on all parties of record and Staff. All filings shall be e-mailed by no later than 5:00 p.m. MT on the date they are filed with the Commission.

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

16. ANY PERSON WITH A DISABILITY REQUIRING SPECIAL ASSISTANCE IN ORDER TO PARTICIPATE IN THIS PROCEEDING SHOULD CONTACT THE COMMISSION'S ADA COORDINATOR AT 505-412-3500 AT SOON AS POSSIBLE PRIOR TO THE COMMENCEMENT OF THE PUBLIC HEARING.

ISSUED at Santa Fe, New Mexico on _____, 2024.

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; (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 rate), except for the public offering price and issue date and, if applicable, the interest accrual date, 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 \$1,000 and 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[, all previous supplements thereto] is in all respects ratified, approved and confirmed, and the Original Indenture 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.

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 depository, 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 _____ (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 at any time prior to 20 _____ (the "Par Call Date"), in whole or in part, at a "make whole" redemption price equal to the greater of (1) 100% of the principal amount of this Security being redeemed or (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 \$1,000 and 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.

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>
---------------	-------------	-------------------------	------------------	-------------

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>
---------------	-------------	-------------------------	------------------	-------------

SCHEDULE B

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

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 Underwriters]

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") 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 and as to be 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 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 any Underwriter 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 any Underwriter 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 Underwriters; the Final Term Sheet and any such

Issuer Free Writing Prospectus, the use of which have been consented to by the Company and the Underwriters, 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 any Underwriter 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 Underwriters and each Underwriter agrees, severally and not jointly, to purchase from the Company, at the purchase price of _____% of the principal amount thereof, plus accrued interest, if any, from _____ to the Closing Date hereunder, 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, none of the Underwriters 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.], on _____, at the offices of _____ (the "Closing Location"), which date and time may be postponed by agreement between the Underwriters and the Company (such date and time being herein called the "Closing Date"). Delivery of the Bonds shall be made to _____ for the respective accounts of the several Underwriters against payment by the several Underwriters through _____ 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 _____ by causing The Depository Trust Company ("DTC") to credit the Bonds to the account of _____ 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 Underwriters 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 Underwriters, to be filed pursuant to Rule 424(b) under the Act and will notify the Underwriters 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 Underwriters 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 Underwriters (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 Underwriters 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 Underwriters a copy for their review prior to filing and will not file any such proposed amendment or supplement to which the Underwriters reasonably object or (ii) any document that would be deemed to be incorporated by reference into the Prospectus without delivering to the Underwriters 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 Underwriters as to any comments which the Underwriters 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 Underwriters 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 Underwriters 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 Underwriters 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 Underwriters, 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 Underwriters and, upon their request, file such document and prepare and furnish without charge to each Underwriter as many copies as the Underwriters 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 Underwriters 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 Underwriters, 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 Underwriters, which consent shall not be unreasonably withheld.

(j) In connection with the offering of the Bonds, until the Underwriters shall have notified the Company 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 _____ when it has completed the sale of the Bonds and _____, in turn, will notify the Company when the sale of the Bonds has been completed.

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 Underwriters, 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 Underwriters; 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 Underwriters’ reasonable satisfaction.

(b) The Underwriters 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 Underwriters shall have received from _____, counsel for the Underwriters, such opinion or opinions dated the Closing Date with respect to such matters as the Underwriters 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 Underwriters 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 Underwriters 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 Underwriters) 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 Underwriters; 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 Underwriters 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 Underwriter 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 Underwriters such other customary information, certificates and documents as they may reasonably request.

(l) The Company and Trustee shall have entered into the supplemental indenture relating to the Bonds, and the Underwriters shall have received counterparts, conformed as executed thereof, and 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 Underwriters 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 Underwriters. 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 Underwriters, 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 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 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 Underwriters 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]" 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 that it has agreed to purchase hereunder (in this Section called the "Unpurchased Bonds"), the non-defaulting Underwriters 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 non-defaulting Underwriters 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 non-defaulting Underwriters to purchase such Unpurchased Bonds on such terms. In the event that, within the respective prescribed period, the non-defaulting Underwriters notify the Company that they have so arranged for the purchase of such Unpurchased Bonds, or the Company notifies such non-defaulting Underwriters that it has so arranged for the purchase of such Unpurchased Bonds, such Underwriters 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 non-defaulting Underwriters 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 by the non-defaulting Underwriters 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 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 by the non-defaulting Underwriters 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 any non-defaulting Underwriter 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 Underwriters, 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 Underwriters, 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 Underwriters, 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. *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. *Counterparts.* This Agreement may be executed in counterparts, all of which, taken together, shall constitute a single agreement among the parties to such counterparts.

19. *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.

20. *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.

21. *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 first written.

By: [NAME OF UNDERWRITER[S]]

By: _____
Name:
Title:

As Underwriter[s]

SCHEDULE I

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

SCHEDULE II

Final Term Sheet / Issuer Free Writing Prospectus

1. Free Writing Prospectus, dated the date of the Underwriting 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.

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, (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, the consummation of the transactions effected by the Agreement and by the Indenture 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 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 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.

8. The statements contained in the Pricing Disclosure Package and the Prospectus under the caption “Material United States Federal Income Tax Consequences,” to the extent they constitute matters of federal income tax law applicable to the Bonds, are an accurate summary of the matters 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 earlier of the date the Prospectus was first used or the date of the first contract of sale of any Bonds (such date, 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 (b) the information referred to under the caption “Experts” as having been included or incorporated by reference therein on the authority of _____, as experts.

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 ___:___ [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 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 (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 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 _____, 20 . The first mortgage bonds will mature on _____, 20. The first mortgage bonds will be issued only in denominations of \$1,000 and integral multiples in excess thereof. We may redeem the first mortgage bonds at any time, in whole or in part, at the redemption prices 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. 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.

	<u>Price to Public (1)</u>	<u>Underwriting Discount</u>	<u>Proceeds to Us (2)</u>
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.
- (2) Before deduction of expenses payable by us estimated at approximately \$ _____.

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.

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, 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.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus that we provide to you. 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. 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.

TABLE OF CONTENTS
Prospectus Supplement

	<u>Page</u>
Special Note Regarding Forward-Looking Statements	S-1
Prospectus Supplement Summary	S-3
Risk Factors	S-6
Use of Proceeds	S-7
Selected Financial Data	S-8
Critical Accounting Policies	S-9
Liquidity and Capital Resources	S-13
Supplemental Description of the First Mortgage Bonds	S-17
Material United States Federal Income Tax Consequences	S-21
Underwriting[; Conflicts of Interest]	S-26
Legal Opinions	S-29

Prospectus

	<u>Page</u>
About this Prospectus	
Where You Can Find More Information	
Our Company	
Use of Proceeds	
Ratio of Earnings to Fixed Charges	
Description of the First Mortgage Bonds	
Description of the Senior Unsecured Debt Securities	
Book-Entry System	
Certain U.S. Federal Income Tax Considerations	
Plan of Distribution	
Legal Opinions	
Experts	

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,” “estimate,” “expect,” “intend,” “may,” “objective,” “outlook,” “plan,” “project,” “possible,” “potential,” “should” 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:

- changes in environmental laws and regulations;
- unusual weather and climate change, including compliance with any accompanying legislative and regulatory changes;
- our ability to recover costs from customers;
- actions of credit rating agencies;
- 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;
- operational safety;
- successful long-term operational planning;
- commodity risks associated with energy markets and production;
- costs of potential regulatory penalties;
- effects of geopolitical events, including war and acts of terrorism;
- cyber security threats and data security breaches;
- fuel costs;
- employee work force factors; and
- the other risk factors listed from time to time by us in reports filed with the Securities and Exchange Commission, or the “SEC.”

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 _____ and in our Quarterly Reports on Form 10-Q for the quarterly periods _____ 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 are a utility engaged primarily in the generation, purchase, transmission, distribution and sale of electricity in portions of Texas and New Mexico. We provide electric utility service to approximately retail customers in Texas and New Mexico. Approximately percent of our retail electric operating revenues were derived from operations in Texas during 20 .

Although our large commercial and industrial electric retail customers are comprised of many diversified industries, a significant portion of our large commercial and industrial electric sales include: oil and gas extraction, as well as petroleum refining and related industries. For small commercial and industrial customers, significant electric retail sales include the following industries: oil and gas extraction and grocery establishments.

We are a wholly owned subsidiary of Xcel Energy Inc., a Minnesota corporation ("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. All of the members of our board of directors and our executive officers 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.

IssuerSouthwestern 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 and , 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.

Maturity , 20 .

Interest Rate..... % per year.

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

RankingThe first mortgage bonds will be our senior secured obligations and will be secured equally and ratably with our existing 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 , \$ aggregate principal amount of first mortgage bonds were outstanding under the mortgage indenture.

CollateralThe 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.....We may redeem the first mortgage bonds 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”)) in whole or in part, at a “make whole” redemption price equal to the greater of (1) 100% of the principal amount of first mortgage bonds being redeemed or (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 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.

Sinking FundNone.

Use of ProceedsWe intend to add the net proceeds from the sale of the first mortgage bonds to our general corporate fund and apply a portion of such net proceeds to the repayment of short-term borrowings, including commercial paper and our utility money pool borrowings, incurred to fund our daily operational needs. The balance of the net proceeds will be used for general corporate purposes, including the funding of our capital expenditure program. Until the net proceeds from the sale of the first mortgage bonds have been used, we may invest them temporarily in interest-bearing obligations. As of _____, 20____, we had \$ _____ million of commercial paper outstanding and \$ _____ million in borrowings under our utility money pool arrangement. See “Use of Proceeds” in this prospectus supplement for more information.

Mortgage TrusteeU.S. Bank National Association.

Governing LawThe 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.

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 would 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, 2019 , 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 would likely reduce the value of the first mortgage bonds offered by this prospectus supplement.

The first mortgage bonds offered by this prospectus supplement have no prior public market, and we cannot assure you that any public market will develop or be sustained after the offering.

Although the first mortgage bonds offered by this prospectus supplement generally may be resold or otherwise transferred by holders who are not our affiliates, the first mortgage bonds will constitute a new issue of securities without an established trading market. 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 a market for the first mortgage bonds will develop or, if it does develop, that it will continue. If an active public market does not develop, the market price and liquidity of the first mortgage bonds may be adversely affected. 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.

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 add the net proceeds from the sale of the first mortgage bonds to our general corporate fund and apply a portion of such net proceeds to the repayment of short-term borrowings, including commercial paper and our utility money pool borrowings, incurred to fund our daily operational needs. The balance of the net proceeds will be used for general corporate purposes, including the funding of our capital expenditure program. Until the net proceeds from the sale of the first mortgage bonds have been used, we may invest them temporarily in interest-bearing obligations. As of , 20 , we had \$ million of commercial paper outstanding with a weighted average annual interest rate of percent and \$ million in borrowings under our utility money pool arrangement with a weighted average annual interest rate of percent.

SELECTED FINANCIAL DATA

The following selected financial data as of December 31, 2018 and 2017, and for the years ended December 31, 2018, 2017 and 2016, have been derived from our audited financial statements and the related notes. The selected financial data as of _____ and for the six months ended _____ have been derived from our unaudited financial statements and the related notes. The information set forth below should be read together with “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” our audited and unaudited financial statements and related notes and other information contained in our Annual Report on Form 10-K for the year ended December 31, 2016 and our Quarterly Report on Form 10-Q for the period ended _____, which we incorporate by reference in this prospectus supplement and the accompanying prospectus. See “Where You Can Find More Information” in the accompanying prospectus. The historical financial information may not be indicative of our future performance.

	Months Ended ,		Year ended December 31,		
	20	20	2018	2017	2016
	(Unaudited)		(Thousands of Dollars)		
Statements of Income Data:					
Operating revenues.....	\$	\$	\$ 1,933,146	\$ 1,918,000	\$ 1,850,959
Operating expenses.....			1,621,449	1,621,191	1,543,678
Operating income			311,697	296,809	307,281
Other income (expense), net.....			(3)	2,359	91
Allowance for funds used during construction - equity.....			19,102	9,310	9,981
Interest charges and financing costs			75,744	80,849	83,082
Income taxes			38,893	68,416	82,114
Net income	\$	\$	\$ 213,320	\$ 159,213	\$ 152,157

		December 31,	
		20	2017
	(Unaudited)	(Thousands of Dollars)	
Balance Sheet Data:			
Current assets.....	\$	\$ 362,303	\$ 399,772
Property, plant and equipment, net.....		5,946,395	5,095,609
Other assets.....		387,086	393,163
Total assets	\$	\$ 6,695,784	\$ 5,888,544
Short-term debt		42,000	—
Borrowings under utility money pool arrangement		—	—
Other current liabilities		6,276	7,141
Total current liabilities.....		483,964	421,645
Deferred credits and other liabilities		1,549,124	1,506,595
Long-term debt		2,126,070	1,829,941
Common stockholder’s equity.....		2,536,626	2,130,363
Total liabilities and equity	\$	\$ 6,695,784	\$ 5,888,544

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 _____ and our Quarterly Reports on Form 10-Q for the quarterly periods 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 related disclosures in compliance with generally accepted accounting principles requires the application of accounting rules and guidance, as well as the use of estimates. The 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 on the results reported even if the nature of the accounting policies applied have not changed. The following is a list of accounting policies and estimates that are most significant to the portrayal of our financial condition and results, and that require management’s most difficult, subjective or complex judgments. Each of these has a higher potential likelihood of resulting in materially different reported amounts under different conditions or using different assumptions. Each critical accounting policy has been discussed with the audit committee of Xcel Energy’s board of directors.

Regulatory Accounting

We are a rate-regulated entity that is subject to the accounting for regulated operations, which provides that rate-regulated entities account for and report assets and liabilities consistent with the recovery of those incurred costs in rates, if the competitive environment makes it 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____ and _____, 20____, we had recorded regulatory assets of \$ _____ million and \$ _____ million, respectively. As of _____, 20____ and _____, 20____, we had recorded regulatory liabilities of \$ _____ million and \$ _____ million, respectively. We are subject to regulation that varies from jurisdiction to jurisdiction. If future recovery of costs, in any such jurisdiction, ceases to be probable, we would be required to charge these assets to current net income or other comprehensive income. In assessing the probability of recovery of recognized regulatory assets, there are 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 the 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 rates. Changes in tax laws and rates may affect recorded deferred tax assets and liabilities and our effective tax rates in the future. The Tax Cuts and Jobs Act reduced the federal income tax rate from 35 percent to 21 percent, significantly impacting the recorded amounts of

deferred tax assets and liabilities and reducing the effective tax rate applicable to future periods. At this time, due to the inherent uncertainty of future legislation, any potential resulting impact cannot be reasonably estimated.

Effective tax rates are highly impacted by assumptions. Effective tax rate calculations are revised every quarter based on best available year end tax assumptions (income levels, deductions, credits, etc.); adjusted in the following year after returns are filed, with the tax accrual estimates being trued-up to the actual amounts claimed on the tax returns; and further adjusted after examinations by taxing authorities have been completed.

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 effective tax rates. The forecasted effective tax rates reflect a number of estimates including forecasted annual income, permanent tax adjustments and tax credits.

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. The change in the unrecognized tax benefits needs to be reasonably estimated based on evaluation of the nature of uncertainty, the nature of the event that could cause the change and an estimated range of reasonably possible changes. Management will use prudent business judgment to derecognize appropriate amounts of tax benefits at any period end, and as new developments occur. Unrecognized tax benefits can be recognized as issues are favorably resolved and loss exposures decline.

We may adjust our unrecognized tax benefits and interest accruals to the updated estimates as disputes with the Internal Revenue Service and state tax authorities are resolved. 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 costs are based on an actuarial calculation that includes a number of key assumptions, most notably the annual return level that pension 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 costs are attributable to its operating subsidiaries, including us.

Pension costs are expected to [_____]. 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 20 percent per year. As these differences between the actual investment returns and the expected investment returns are incorporated into the market-related value, the differences are recognized in pension cost over the expected average remaining years of service for active employees.

Based on current assumptions and the recognition of past investment gains and losses, currently it is projected that the pension costs recognized for financial reporting purposes will [increase][decrease] from an expense of \$ _____ million in 20____ and \$ _____ million in 20____ to an expense of \$ _____ million in 20____ and \$ _____ million in 20____, of which \$ _____ million in 20____ and \$ _____ million in 20____ is expected to be attributed to us. The expected [increase][decrease] in the 20____ expense is primarily due to [_____] [the continued phase in of unrecognized plan losses primarily resulting from the market decline in 2008.]

In 2014, the Society of Actuaries published a new mortality table (RP-2014) that increased the overall life expectancy of males and females. In 2014, Xcel Energy adopted this mortality table, with modifications, based on its population and specific experience. During 2017, a new projection table was released (MP-2017). Xcel Energy evaluated the updated projection table and concluded that the methodology currently in use and adopted in 2016 is consistent with the recently updated 2017 table and continues to be representative of Xcel Energy's population.

At December 31, 20____, Xcel Energy set the rate of return on assets used to measure pension costs at _____ percent, which is a _____ basis point decrease from December 31, 20____. The rate of return used to measure postretirement

health care costs of _____ percent at December 31, 20____ is a _____ basis point increase from December 31, 20____. Xcel Energy’s ongoing investment strategy is based on plan-specific investment recommendations that seek to minimize potential investment and interest rate risk as a plan’s funded status increases over time. The investment recommendations result in a greater percentage of interest rate sensitive securities being allocated to specific plans having relatively higher funded status ratios and a greater percentage of growth assets being allocated to plans having relatively lower funded ratios.

Xcel Energy set the discount rates used to value the December 31, 20____ pension and postretirement health care obligations at _____ percent and _____ percent, which represent a _____ basis point and _____ basis point decrease from December 31, 20____, respectively. 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 Citigroup Pension Liability Discount Curve and the Citigroup Above Median Curve. At December 31, 20____, these reference points supported the selected rate. In addition to these reference points, Xcel Energy also reviews general actuarial survey data to assess the reasonableness of the discount rate selected.

The following are the pension funding contributions, both voluntary and required, made by Xcel Energy for 20____ through 20____. In January 20____, contributions of \$_____ million were made across four of Xcel Energy’s pension plans, of which \$_____ million was attributable to us. In 20____, contributions of \$_____ million were made across four of Xcel Energy’s pension plans, of which \$_____ million was attributable to us. In 20____, contributions of \$_____ million were made across three of Xcel Energy’s pension plans, of which \$_____ million was attributable to us. For future years, we anticipate contributions will be made as necessary. For future years, Xcel Energy and we anticipate contributions will be made as necessary.

If alternative assumptions were used at December 31, 20____, a 1% change would result in the following impact on our 20____ pension expense:

	Pension Costs	
	+1%	-1%
	(Millions of Dollars)	
Effect on December 31, 20____ Benefit Obligations:		
Rate of Return	\$	\$
Discount Rate		

Effective December 31, 20____, the initial medical trend assumption was [increased][decreased] from _____ percent to _____ percent. The ultimate trend assumption was [increased][decreased] from _____ percent to _____ percent. The period until the ultimate rate is reached is two years. Xcel Energy bases its medical trend assumption on the long-term cost [inflation][deflation] expected in the health care market, considering the levels projected and recommended by industry experts, as well as recent actual medical cost [increases][decreases] experienced by Xcel Energy’s retiree medical plan. Xcel Energy contributed \$_____ million and \$_____ million during 20____ and 20____, respectively, to the postretirement health care plans, of which \$_____ million in 20____ and \$_____ million in 20____ were attributed to us. 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:

- Texas, New Mexico and 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 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 our last 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 , along with expenses and contributions as reported on our Quarterly Report on Form 10-Q for the quarterly period ended , 20 , reflect management’s best estimates and judgments of the impact of these factors as of , 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, 20 and our Quarterly Report on Form 10-Q for the quarterly period ended , 20 .

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

	____ months ended		Year ended	
	20	20	2018	2017
	(Unaudited)			
	(Millions of Dollars)			
Net cash provided by operating activities	\$	\$	\$ 446.3	\$ 470.5

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	
	20	20	2018	2017
	(Unaudited)			
	(Millions of Dollars)			
Net cash used in investing activities	\$	\$	\$ (955.9)	\$ (616.1)

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	
	20	20	2018	2017
	(Unaudited)			
	(Millions of Dollars)			
Net cash provided by financing activities	\$	\$	\$ 542.8	\$ 155.6

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 continuing review and modification. Actual utility capital expenditures may vary from the estimates due to changes in electric and natural gas 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
(Thousands of Dollars)					
Long-term debt, principal and interest payments ⁽¹⁾	\$	\$	\$	\$	\$
Operating leases ⁽²⁾⁽³⁾					
Unconditional purchase obligations ⁽⁴⁾					
Other long-term obligations, including current portion ⁽⁵⁾					
Payments to vendors in process	-				
Short-term debt	-				
Total contractual cash obligations ⁽⁶⁾⁽⁷⁾⁽⁸⁾	\$	\$	\$	\$	\$

- (1) Includes interest payments over the term of the debt. Interest is calculated using the applicable interest rate at December 31, 20 and outstanding principal for each investment with the term ending at each instrument's maturity.
- (2) Under some leases, we must sell or purchase the property that we lease if we choose to terminate before the scheduled lease expiration date. Most of our vehicle and equipment leases have these terms. As of December 31, 20 , the amount that we would have to pay if we chose to terminate the leases was approximately \$ million. In addition, at the end of the equipment lease terms, each lease must be extended, equipment purchased for the greater of the fair value or unamortized value of equipment or sold to a third party with us making up any deficiency between the sales price and the unamortized value.
- (3) Included in operating lease payments are \$ million, \$ million, \$ million, and \$ million for less than one year, one to three years, three to five years, and after five years, respectively, pertaining to purchase power agreements that were accounted for as operating leases.
- (4) We have contracts providing for the purchase and delivery of a significant portion of our current coal and natural gas requirements. We have entered into agreements with utilities and other energy suppliers for purchased power to meet system load and energy requirements, replace generation from company-owned units under maintenance and during outages, and meet operating reserve obligations. Certain contractual purchase obligations are adjusted on indices. The effects of price changes are mitigated through cost of energy adjustment mechanisms.
- (5) Other long-term obligations relate primarily to amounts associated with technology agreements as well as uncertain tax positions.
- (6) We also have the outstanding authority under operating and maintenance contracts to purchase up to approximately \$ million of goods and services through the year 20 , in addition to the amounts disclosed in this table and in the forecasted capital expenditures.

- (7) In January 20 , Xcel Energy contributed \$ million, to four of its pension plans, of which \$ million was allocated to us. Obligations of this type are dependent on several factors, including management discretion, and therefore, they are not included in the table.
- (8) Xcel Energy expects to contribute approximately \$ million to the postretirement health care plans during 20 , of which [\$ would be attributable to us][amounts attributable to us would be immaterial]. Obligations of this type are dependent on several factors, including management discretion, and therefore they are not included in the table.

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 . We have the right to request an extension of the revolving termination date for two additional one year periods, subject to majority bank group approval. The credit facility serves as a back-up for our commercial paper and letters of credit. After considering outstanding commercial paper and letters of credit, as of , 20 , we had \$ million available under this 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 4.50% 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____ and _____, 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. [_____] retired mortgage securities were used as the basis for the issuance of the first mortgage bonds.

Interest Payments

Each first mortgage bond 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, except for the price to the public and issue date and, if applicable, the interest accrual date, 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.

Optional Redemption

We may redeem the first mortgage bonds 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”)), in whole or in part, at a “make whole” redemption price equal to the greater of (1) 100% of the principal amount of first mortgage bonds being redeemed or (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.

“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 mail 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 do not provide for any sinking fund.

Form and Denomination

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 \$1,000 and integral multiples in excess thereof.

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.

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 UNITED STATES 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, or the “Code”, Treasury regulations promulgated thereunder, or “Treasury Regulations”, administrative pronouncements of the U.S. Internal Revenue Service, or “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 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, 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 offer price set forth on the front cover hereof 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:

- securities dealers or brokers, or traders in securities electing mark-to-market treatment;
- banks, thrifts, or other financial institutions;
- an accrual method taxpayer required to recognize income no later than when such income is taken into account for financial accounting purposes;
- 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;
- partnerships or other pass-through entities and investors therein;
- persons required to pay the alternative minimum tax;
- certain former citizens or residents of the United States;
- persons deemed to sell the first mortgage bonds under the constructive sale provisions of the Code;
- U.S. persons who invest in foreign corporations that are classified as “passive foreign investment companies” or “controlled foreign corporations” for U.S. federal income tax purposes that purchase the first mortgage bonds; 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 U.S. 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 U.S. 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 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 will generally 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.

THE 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.

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

Payments of Interest. It is expected, and this discussion assumes, that the first mortgage bonds will be issued with no more than de minimis original issue discount for U.S. federal income tax purposes. Therefore, 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, Retirement or Other Taxable Disposition of First Mortgage Bonds. Upon the sale, retirement or other taxable disposition of first mortgage bonds, a U.S. Holder generally will recognize U.S.-source gain or loss equal to the difference between the amount realized upon the sale, retirement or other taxable disposition (other than amounts representing accrued and unpaid 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 its initial purchase price reduced by any cash payments previously received in respect of the first mortgage bonds (other than 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, 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. person 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. person’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. person’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 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

Subject to the discussion 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 the 30% U.S. federal withholding tax (or a lower applicable treaty rate, if applicable) and U.S. federal income tax, 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 Non-U.S. Holder is not a controlled foreign corporation related, directly or indirectly, to us through stock ownership;
- the interest is not considered contingent interest under section 871(h)(4)(A) of the Code and Treasury Regulations thereunder;
- the interest is not effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States; and
- the certification requirement has been fulfilled with respect to the beneficial owner, as discussed below.

The certification requirement referred to in the subsection “— Payments of Interest” above will be fulfilled if (i) the beneficial owner of the first mortgage bonds certifies on IRS Form W-8BEN or W-8BEN-E, as applicable, or other successor form, under penalties of perjury, that such beneficial owner is not a U.S. person and provides its name and address, and (ii) the beneficial owner files IRS Form W-8BEN or W-8BEN-E, as applicable, or other successor form with 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 files with the paying agent a statement that it has received the IRS Form W-8BEN or W-8BEN-E, as applicable, or other 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.

Sale, Retirement, or Other Taxable Dispositions 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, 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).

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, 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 regular 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 “Certain U.S. Federal Income Tax Considerations — 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 certificates described above, such a Non-U.S. Holder will be required to provide to the paying agent a properly executed IRS Form W-8ECI or other 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 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 payor; (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) in certain circumstances, 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 of non-U.S. status (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 will include gross proceed payments from the sale, redemption or other disposition of (including principal payments with respect to) any property of a type that can produce U.S.-source fixed, determinable and periodic income after December 31, 2018, even if the payment would otherwise not be subject to U.S. nonresident withholding tax (e.g., because it is capital gain). An intergovernmental agreement between the United States and an applicable foreign country, or future Treasury regulations, may modify these requirements. We will not be obligated to make any “gross up” or additional payments in respect of amounts withheld on the first mortgage bonds if we determine that we must so withhold in order to comply with FATCA in respect of the amounts described above. Under certain circumstances, a Non-U.S. Holder might be eligible for refunds or credits of such taxes. Non-U.S. 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.

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 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 reallow, 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 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 failed settlement. Purchasers of the first mortgage bonds who wish to trade the first mortgage bonds on the date of this prospectus supplement or the next two succeeding business days 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.

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.

Conflicts of Interest

Certain of the underwriters or their affiliates may hold a portion of our outstanding commercial paper that we intend to repay 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 Baker Daniels LLP, Minneapolis, Minnesota, counsel for our company. Certain legal matters relating to the first mortgage bonds will be passed upon by [_____], for the underwriters.

§

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

PROSPECTUS SUPPLEMENT

, 20

Joint Book-Running Managers

[_____]

[_____]

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF SOUTHWESTERN)	
PUBLIC SERVICE COMPANY’S APPLICATION)	
FOR AUTHORITY TO: (1) ISSUE UP TO \$750)	
MILLION OF FIRST MORTGAGE BONDS)	
DURING 2024; (2) RECOVER CERTAIN)	
REFUNDING COSTS; (3) ENTER INTO)	
AGREEMENTS IN SUPPORT OF INTEREST RATE)	CASE NO. 24-00____-UT
HEDGING INCLUDING INTEREST RATE LOCKS)	
AND SWAPS; AND (4) TO EXTEND)	
AUTHORIZATION TO ISSUE NOTES UNDER)	
REVOLVING CREDIT AGREEMENT FOR AN)	
ADDITIONAL TWO YEARS; AND (5) INCREASE)	
THE MAXIMUM AMOUNT OF NOTES ISSUABLE)	
UNDER ITS CREDIT AGREEMENT TO)	
\$700,000,000.)	
)	
SOUTHWESTERN PUBLIC SERVICE COMPANY,)	
)	
APPLICANT.)	
)	

CERTIFICATE OF SERVICE

I CERTIFY that a true and correct copy of *Southwestern Public Service Company’s Application for Authority to Issue Securities and the Direct Testimony of Patricia L. Martin* was electronically sent to each of the following on this 9th day of February 2024:

SPS	
Brooke Trammell	Brooke.A.Trammell@xcelenergy.com;
Erika Kane	Erika.M.Kane@xcelenergy.com;
Stephanie Houle	Stephanie.G.Houle@xcelenergy.com;
Jeremiah Cunningham	Jeremiah.W.Cunningham@xcelenergy.com;
Cindy Baeza	Cindy.Baeza@xcelenergy.com;
FEA	
Capt Marcus Duffy	marcus.duffy.3@us.af.mil;
Maj Holly L. Buchanan	holly.buchanan.1@us.af.mil;
Mr. Thomas A. Jernigan	thomas.jernigan.3@us.af.mil;
Mrs. Ebony Payton	ebony.payton.ctr@us.af.mil;
TSgt Rafael Franjul	rafael.franjul@us.af.mil;

COG	
Michael J. Moffett	mmoffett@cmtisantafe.com;
CCAE	
Cara Lynch Charles de Saillan Don Hancock	Lynch.Cara.NM@gmail.com; desaillan.ccae@gmail.com; sricdon@earthlink.net;
CCSA	
Joseph Yar Kevin Cray Shawna Tillberg	joseph@velardeyar.com; kevin@communitysolaraccess.org; shawna@velardeyar.com;
LES	
Joan E. Drake Michael Gorman Perry Robinson Sally D. Wilhelms Susan E. Miller	jdrake@modrall.com; mgorman@consultbai.com; Perry.Robinson@urenco.com; swilhelms@consultbai.com; susan.miller@modrall.com;
NMLCG	
Adele Lee Austin Rueschhoff Austin W. Jensen Nikolas Stoffel Thorvald A. Nelson	aclee@hollandhart.com; darueschhoff@hollandhart.com; awjensen@hollandhart.com; nsstoffel@hollandhart.com; tnelson@hollandhart.com;
NMAG	
Andrea Crane Doug Gegax Gideon Elliot Sydnee Wright	ctcolumbia@aol.com; dgegax@nmsu.edu; gelliot@nmag.gov; swright@nmag.gov;
OPL	
Katherine Coleman Melissa Trevino Michael McMillin Phillip G. Oldham Ryan Pfefferle O'Melveny & Myers Service	kcoleman@omm.com; melissa_trevino@oxy.com; mmcmillin@omm.com; poldham@omm.com; ryan_pfefferle@oxy.com; ommeservice@omm.com;
SC	
Dru Spiller Jason Marks Joshua Smith	dru.spiller@sierraclub.org; lawoffice@jasonmarks.com; joshua.smith@sierraclub.org;

Stephanie Dzur	Stephanie@Dzur-Law.com;
Walmart	
Jocelyn Barrett-Kapin	jbarrettkapin@montand.com;
Randy S. Bartell	rbartell@montand.com;
Steve W. Chriss	Stephen.Chriss@walmart.com;
WRA	
Aaron Gould	aaron.gould@westernresources.org;
Caitlin Evans	caitlin.evans@westernresources.org;
Cydney Beadles	cydney.beadles@westernresources.org;
PRC Legal Division / Utilities / OGC	
Bamadou Ouattara	Bamadou.Ouattara@prc.nm.gov;
Bradford Borman	Bradford.Borman@prc.nm.gov;
Ed Rilkoff	Ed.rilkoff@prc.nm.gov;
Elisha Leyba-Tercero	Elisha.Leyba-Tercero@prc.nm.gov;
Edison Jimenez	edison.jimenez@prc.nm.gov;
Georgette Ramie	georgette.ramie@prc.nm.gov;
John Bogatko	John.Bogatko@prc.nm.gov;
Ryan Friedman	Ryan.friedman@prc.nm.gov;
PRC Office of General Counsel	
LaurieAnn Santillanes	Laurieann.santillanes@prc.nm.gov;
Hearing Examiner	
Ana Kippenbrock	Ana.Kippenbrock@prc.nm.gov;

Respectfully submitted,
/s/ Cindy Baeza
Cindy Baeza
Southwestern Public Service Company
790 S. Buchanan, 7th Floor
Amarillo, TX 79101
(806) 513-1478
Cindy.Baeza@xcelenergy.com