

ATTACHMENT A
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) **CASE NO. 24-00043-UT**
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, 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.

Second, SPS 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.

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

Finally, the 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 backup liquidity to its commercial paper program or for short-term direct bank borrowings, if needed.

2. The Commission is required by law to act promptly on SPS's Application.
3. 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 March 1, 2024.
 - B. Staff shall, and any intervenors may, file direct testimony by March 1, 2024.
 - C. Rebuttal testimony may be filed by March 5, 2024.
 - D. A public hearing will be held beginning at 9:00 AM Mountain Time on March 8, 2024, 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.

4. 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 comments shall be taken at the beginning of the public hearing in this matter on March 8, 2024 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 March 8, 2024, 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. 24-00043-UT, to prc.records@prc.nm.gov. Public comments, whether oral or written, shall not be considered as evidence in this proceeding.

5. The public hearing set for March 8, 2024, 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.

6. Additional details regarding this proceeding and its procedural requirements are set forth in the Hearing Examiner's February 13, 2024 Procedural Order.

7. 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 at the discretion of the Hearing Examiner.

8. 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>.

9. 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, or 790 S. Buchanan Street, Amarillo, Texas, 79109. 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. All inquiries concerning this matter should refer to Case No. 24-00043-UT.

10. 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 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.

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

12. ANY PERSON WITH A DISABILITY REQUIRING ACCOMODATION TO PARTICIPATE IN THIS PROCEEDING SHOULD CONTACT THE COMMISSION AT 505-690-4191 AT LEAST 5 DAYS PRIOR TO THE COMMENCEMENT OF THE PUBLIC HEARING.

ISSUED under the seal of the Commission at Santa Fe, New Mexico this 13th day of February 2024.

NEW MEXICO PUBLIC REGULATION COMMISSION



Elizabeth C. Hurst

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