

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF SOUTHWESTERN)
PUBLIC SERVICE COMPANY'S INTERIM)
REPORT ON ITS PARTICIPATION IN THE)
SOUTHWEST POWER POOL REGIONAL)
TRANSMISSION ORGANIZATION,) Case No. 13-00____-UT
)
SOUTHWESTERN PUBLIC SERVICE)
COMPANY)
)
Respondent.)
)**

**SOUTHWESTERN PUBLIC SERVICE COMPANY'S
INTERIM REPORT AND REQUEST FOR PERMANENT APPROVAL TO
PARTICIPATE IN THE SOUTHWEST POWER POOL REGIONAL
TRANSMISSION ORGANIZATION
AND
MOTION TO ESTABLISH AN UP-TO-DATE OFFICIAL SERVICE LIST**

I. Statement of Requested Relief

1. In Case No. 07-00390-UT,¹ the New Mexico Public Regulation Commission ("Commission") granted approval for Southwestern Public Service Company ("SPS") to participate in the Southwest Power Pool ("SPP") regional transmission organization for a five-year interim period that ends on February 2, 2015 ("Interim Period").² The February 2nd Order also directed SPS to file an Interim Report

¹ *In the Matter of an Investigation into the Prudence of Southwestern Public Service Company's Participation in the Southwest Power Pool Regional Transmission Organization*, Case No. 07-00390-UT, Final Order Approving Certification of Stipulation (Feb. 2, 2010) ("February 2nd Order").

² *Id.*, at Finding and Conclusion 1, Ordering Paragraph A, and Exhibit 1 (Certification of Stipulation—"Certification") at Finding and Conclusion 5, Ordering Paragraph A, and Attachment A (Uncontested Stipulation—"Stipulation") at Section 2.

regarding SPS's continued participation in the SPP by February 4, 2013.³ Thus, SPS now files its Interim Report, which demonstrates significant costs savings for SPS's New Mexico retail customers as a result of SPS's participation in the SPP. Based upon these benefits, as well as other SPP-related benefits discussed in the Interim Report, SPS requests that the Commission grant approval for SPS to participate in the SPP on a permanent basis. Specifically, SPS requests that the Commission:

- (a) find that this Interim Report satisfies SPS's reporting obligation under Section 4 of the Stipulation;
- (b) find that the benefits resulting from SPS's participation in the SPP outweigh the costs of such participation and, thus, support SPS's participation in the SPP on a permanent basis; and
- (c) grant permanent approval of SPS's participation in the SPP, including the transfer of SPS's retail load to the SPP Regional Open Access Transmission Tariff ("OATT").

II. Jurisdiction

2. The Commission has jurisdiction over the matters presented in this case under: (1) the Public Utility Act (NMSA 1978, §§ 62-13-1 *et seq.*, "PUA") and, in particular, Sections 62-6-12(A)(4) and (B) and 62-6-13 NMSA 1978; and (2) Sections 2 and 4 of the Stipulation.

³ *Id.*, at Stipulation Section 4.

III. SPS General Information and Identification of Affected Parties

3. SPS, a New Mexico corporation, is a fully integrated generation, transmission, and distribution utility serving approximately 376,000 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. Approximately 100,000 of those retail customers are located in New Mexico. 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.

4. SPS is a public utility in New Mexico as defined in Section 62-3-3(G) of the PUA, which provides retail electric service to the public within New Mexico under the tariffs on file with and approved by the Commission.

5. 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 Tyler and Sixth Street, Post Office Box 1261, Amarillo, Texas 79170.

6. 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 2005.⁴ In addition to SPS, Xcel Energy is the parent company

⁴ 18 C.F.R. Part 366.

of three other rate-regulated utility operating companies,⁵ a regulated natural gas pipeline company, 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,⁶ and other legal entities.

7. This application affects SPS and all of its New Mexico retail customers.

IV. Authorized Representatives, Service of Documents, and Filings in this Case

8. SPS requests that its following corporate representatives and attorneys receive all notices, pleadings, discovery requests and responses, and all other documents related to this case:

Brooke Trammell
Regulatory Case Specialist
Southwestern Public Service Company
600 Tyler Street, 24th Floor
Post Office Box 1261
Amarillo, TX 79105-1261
806.378.2415
Fax: 806.378.2820
brooke.a.trammell@xcelenergy.com

Jeffrey L. Fornaciari, Esq.
Hinkle, Hensley, Shanor & Martin, LLP
P.O. Box 2068
Santa Fe, NM 87504-2068
(505) 982-4554
(505) 982-8623 (fax)
jfornaciari@hinklelawfirm.com

⁵ Northern States Power Company, a Minnesota corporation; Northern States Power Company, a Wisconsin corporation; and Public Service Company of Colorado, a Colorado corporation.

⁶ Xcel Energy Services Inc.

Stephen Fogel, Esq.
Xcel Energy Services Inc.
816 Congress Avenue, Suite 1650
Austin, TX 78701-2471
(806) 640-6621 or (512).478-7267
(512).478-9232 (fax)
stephen.e.fogel@xcelenergy.com

V. Background Information Regarding Case No. 07-00390-UT, the Interim Report, and the Interim Period

9. In Case No. 07-00390-UT, the Commission considered whether SPS's membership in the SPP is beneficial to SPS's New Mexico retail customers. In addition, the Commission considered SPS's request for approval to transfer its New Mexico retail load to the Network Integration Transmission Service ("NITS") under the SPP OATT. SPS provided extensive testimony, evidence, and cost benefit analyses to demonstrate that the cost saving benefits in SPS's purchased power, fuel and labor costs, as well as other qualitative benefits such as increased reliability of electric service, greatly outweighed the costs SPS incurs to participate in the SPP.

10. Numerous parties participated in the proceeding and, after substantial negotiation, the parties entered into the Stipulation. Among other items, the Stipulation provided: (1) approval of SPS's participation in the SPP on an interim basis of five years from the date of the Commission's order approving the Stipulation (the February 2nd Order); and (2) no opposition to the transfer of SPS's New Mexico retail load to NITS under the SPP OATT. The Stipulation was certified by the Hearing Examiner on

December 9, 2009 and was approved by the Commission in its February 2nd Order. Thus, the five-year Interim Period ends on February 2, 2015.

11. Section 4 of the Stipulation requires SPS to file and serve on the Commission's Utility Division Staff ("Staff") and the Intervenors in Case No. 07-00390-UT an Interim Report two years before the end of the Interim Period, that is, by February 4, 2013.⁷ As part of the Interim Report, SPS is required to provide a comparison of: (1) actual production costs from participation in the SPP EIS market to an estimate of SPS's energy costs absent SPS's participation in the EIS Market; and (2) SPS's estimated production costs from participation in the EIS Market to an estimate of SPS's energy costs absent participation in the EIS Market. In addition, SPS is authorized to document other benefits and identify additional costs or other burdens related to SPS's continued participation in the SPP.

12. Under Section 2 of the Stipulation, the Commission's interim approval for SPS to participate in the SPP becomes permanent if the Commission does not issue an order to terminate or extend the interim approval by the end of the Interim Period, February 2, 2015. Permanent approval for SPS's participation in the SPP also could occur through a Commission order issued by February 2, 2015 granting permanent approval.

⁷ Two years before the end of the Interim Period falls on a Saturday, February 2, 2013. Under Rule 1.2.2.8(L) NMAC, the Interim Report is due on the next succeeding business day, Monday, February 4, 2013.

VI. Interim Report

13. In support of this request for permanent approval to participate in the SPP, SPS is concurrently filing its Interim Report, consisting of the direct testimony and associated attachments of SPS witnesses William A. Grant and Ruth M. Sakya, which is incorporated by reference into this Request. The Interim Report, specifically Mr. Grant's direct testimony, establishes the substantial cost savings SPS's New Mexico retail customers have experienced since the February 2nd Order as a result of SPS's participation in the SPP compared to non-participation in the SPP. The Interim Report, again Mr. Grant's direct testimony, also estimates the substantial cost savings SPS's New Mexico retail customers are expected to realize in the future due to SPS's participation in the SPP.

VII. Notice

14. On the same day SPS files this Request and Interim Report with the Commission, SPS will serve copies of this Request and Interim Report on Staff, the New Mexico Attorney General, and all of the other parties to and counsel of record in Case No 07-00390-UT.

15. Consistent with the notice provided in Case No. 07-00390-UT, SPS proposes to provide notice of the hearing in this case in a newspaper of general circulation in every New Mexico county in which SPS's provides retail service.⁸ SPS's

⁸ See Certification at pages 6-7 and Findings and Conclusions I and 4. 2nd Order at

Proposed Notice to Customers is provided as Attachment No. 1 to this Request and Interim Report.

VI. Hearing Examiner, Settlement Mediator, and Procedural Schedule

16. SPS requests that the Commission appoint: (a) a Hearing Examiner for this case; and (b) a settlement mediator to preside over settlement conference(s). SPS further requests that the Commission or the Hearing Examiner establish a procedural schedule for this case and that the procedural schedule include a provision for settlement conference(s).

VII. Motion to Establish an Up-to-date Service List

17. SPS requests that the Commission adopt the service list reflected in SPS's Certificate of Service, which accompanies this Request and Interim Report. SPS's Certificate of Service lists all parties from Case No. 07-00390-UT, but certain of SPS's and other parties' counsel and personnel have changed since the Commission issued its February 2nd Order. Thus, SPS's Certificate of Service has been updated to reflect those changes. For example, SPS's authorized representative, case manager, and in-house counsel in this case are different from the SPS personnel listed in the service list from Case No. 07-00390-UT. Thus, to ensure that all parties and their current personnel and counsel receive timely notice of filings in this case, SPS asks that the Commission use the service list reflected in SPS's Certificate of Service.

VIII. Conclusion and Prayer for Relief

For the reasons set out in this Request and Interim Report, SPS respectfully requests that the Commission enter its order granting all approvals, authorizations, variances, and other relief that are necessary for SPS to participate in the SPP on a permanent basis. Specifically SPS requests the Commission:

- (a) find that this Interim Report satisfies SPS's reporting obligation under Section 4 of the Stipulation;
- (b) find that the benefits resulting from SPS's participation in the SPP membership outweigh the costs of such participation and, thus, support SPS's participation in the SPP on a permanent basis;
- (c) grant permanent approval of SPS's participation in the SPP, including the transfer of SPS's retail load to the SPP OATT;
- (d) approve SPS's proposed method and form of notice as set out in paragraph 15 of this Request and Interim Report;
- (e) appoint a Hearing Examiner and Settlement Mediator, and establish a procedural schedule, as set out in paragraph 16 of this Request and Interim Report;
- (f) adopt the service list in SPS's Certificate of Service as described in paragraph 17 of the Request and Interim Report; and

- (g) grant SPS such other and further relief, including all necessary variances and waivers, to which it has shown itself to be entitled.

Respectfully submitted,

HINKLE, HENSLEY, SHANOR & MARTIN, LLP



Jeffrey L. Fornaciari, Esq.
Post Office Box 2068
Santa Fe, NM 87504-2068
505.982.4554

XCEL ENERGY SERVICES INC.

Stephen Fogel, Esq.
816 Congress Avenue, Suite 1650
Austin, TX 78701-2471
806.640.6621 or 512.478.7267

**ATTORNEYS FOR SOUTHWESTERN PUBLIC
SERVICE COMPANY**

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF SOUTHWESTERN)
PUBLIC SERVICE COMPANY'S INTERIM)
REPORT ON ITS PARTICIPATION IN THE)
SOUTHWEST POWER POOL REGIONAL)
TRANSMISSION ORGANIZATION,) Case No. 13-00 ____ -UT
)
SOUTHWESTERN PUBLIC SERVICE)
COMPANY)
)
Respondent.)
_____)**

PROPOSED NOTICE TO CUSTOMERS

NOTICE is given by the New Mexico Public Regulation Commission (“Commission”) of the following:

1. On February 4, 2013, Southwestern Public Service Company (“SPS”), doing business as Xcel Energy, filed an Interim Report regarding its participation in the Southwest Power Pool (“Power Pool”) and a request for permanent approval to participate in the Power Pool. As directed by the Commission, SPS is providing the following information regarding its Interim Report and request for permanent approval.

2. On February 2, 2010, in Case No. 07-00390-UT, the Commission granted approval for SPS to participate in the Power Pool for a five-year interim period that ends on February 2, 2015 (“Interim Period”). The Commission’s February 2, 2010 Order also directed SPS to file an Interim Report regarding SPS’s continued participation in the Power Pool.

3. SPS has now filed its Interim Report, which demonstrates significant costs savings for SPS's New Mexico retail customers in the past and expected in the future as a result of SPS's participation in the Power Pool. As part of its Interim Report, SPS has requested that the Commission approve SPS's participation in the Power Pool on a permanent basis.

4. The Commission's interim approval for SPS to participate in the Power Pool becomes permanent if the Commission does not issue an order to terminate or extend the interim approval by the end of the Interim Period, February 2, 2015. Permanent approval for SPS's participation in the Power Pool also could occur through a Commission order issued by February 2, 2015 granting permanent approval.

5. SPS's Interim Report and request for permanent approval to participate in the Power Pool affects all of SPS's New Mexico retail customers.

6. The present procedural schedule established by the Commission for this proceeding is as follows:

- a. Any person desiring to become a party to this case must file a Motion for Leave to Intervene in conformity with Rules 1.2.2.23(A) and 1.2.2.23(B) NMAC on or before _____.
- b. A settlement conference is scheduled on _____, 2013, and _____ has been appointed Settlement Mediator in the case and will conduct the settlement conference.
- c. The Commission Staff shall, and any Intervenors may, file direct testimony or affidavits on or before _____.
- d. Rebuttal testimony may be filed on or before _____.

e. A public hearing will be held beginning _____ at _____ a.m. at the offices of the Commission, P.E.R.A. Building, 1120 Paseo De Peralta, Santa Fe, New Mexico, (or such other location as the Commission may designate) to hear and receive testimony, exhibits, arguments, and any other appropriate matters relevant to this proceeding.

7. The procedural dates and requirements currently set in this case are subject to further Order of the Commission or the Hearing Examiner. Interested persons should contact the Commission for confirmation of the hearing date, time, and place because hearings are occasionally rescheduled.

8. The Commission has assigned Case No. 13-00____-UT to this filing and inquiries should refer to that case number.

9. Any interested person may obtain further information about this case and examine the Interim Report and request for permanent approval together with any exhibits and related papers that may be filed in this case by contacting:

Southwestern Public Service Company
Mike McLeod
111 East Fifth Street
Roswell, NM 88201
Telephone: (575) 625-5499

or

Southwestern Public Service Company
Brooke Trammell, Case Specialist
Regulatory Administration
P.O. Box 1261
Amarillo, TX 79105
Telephone: (806) 378-2415

or the

New Mexico Public Regulation Commission
P.E.R.A. Building
1120 Paseo De Peralta
Santa Fe, NM 87504-1269
Telephone: 1-888-427-5772.

10. The Commission's Rules of Procedure, 1.2.2.1 NMAC, *et seq.*, shall apply to this proceeding unless modified by order of the Commission or the Hearing Examiner. A copy of such Rules may be obtained from the offices of the Commission.

11. Any person desiring to become a party to this case must file a Motion for Leave to Intervene in conformity with 1.2.2.23(A) and 1.2.2.23(B) NMAC on or before the date ordered by the Commission and shown in Paragraph 6.a above.

12. Any interested person may appear at the time and place of hearing and make a written or oral comment as allowed under 1.2.2.23(F) NMAC without becoming an Intervenor. Interested persons may also send written comments, which shall reference Case No. 12-00350-UT, to the Commission at the address set out above. However, comments governed by this paragraph will not be considered as evidence in this case.

13. Anyone filing pleadings or pre-filed testimony will serve copies through U.S. mail and electronically on all parties of record, Commission Utility Division Staff, and the Hearing Examiner. Any person whose testimony has been pre-filed will attend the hearing and submit to examination under oath. No person shall testify at the hearing unless that person has pre-filed testimony in accordance with this Notice and the Hearing Examiner's Orders. If you file documents in person, the location for filing is the Commission's address listed in Paragraph 9. If you mail documents to the Commission,

they shall be sent to the Commission at the following address: P.O. Box 1269, Santa Fe, NM 87504-1269.

14. Any person with a disability requiring special assistance in order to participate in this proceeding should contact the Commission as soon as possible prior to the commencement of the hearing.

ISSUED at Santa Fe, New Mexico, this _____ day of _____, 2013.

NEW MEXICO PUBLIC REGULATION COMMISSION
