

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

IN THE MATTER OF SOUTHWESTERN PUBLIC	)	
SERVICE COMPANY'S APPLICATION FOR	)	
AUTHORITY TO: (1) ISSUE UP TO \$250 MILLION	)	
OF FIRST MORTGAGE BONDS DURING 2021;	)	
(2) RECOVER CERTAIN REFUNDING COSTS;	)	
AND (3) ENTER INTO AGREEMENTS IN	)	CASE No. 20-00236UT
SUPPORT OF INTEREST RATE HEDGING	)	
INCLUDING INTEREST RATE LOCKS AND	)	
SWAPS.	)	
	)	
SOUTHWESTERN PUBLIC SERVICE COMPANY,	)	
APPLICANT.	)	
	)	

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**NOTICE TO SPS CUSTOMERS**

**NOTICE** is hereby given that:

The following matters pertaining to the above-captioned case are pending before the New Mexico Public Regulation Commission ("Commission"):

1. On December 18, 2020, SPS filed its Application with the Commission requesting approvals and authorizations pertaining to securities. First, SPS requests approval and authorization to issue and sell up to \$250,000,000 first mortgage bonds (the "FMBs") during 2021. According to the Application, the aggregate net proceeds from the potential sale of the \$250,000,000 FMBs would be used by SPS for utility purposes permitted under NMSA 1978, § 62-6-6, including among others, for the repayment of short-term debt initially used to fund previous utility capital expenditures and the flexibility to call outstanding debt if deemed economical to the company and customers. SPS states that the requested

authority would give it flexibility to enter the financial markets that are timely with SPS's capital needs.

2. SPS requests pre-approval of certain costs associated with refunding SPS higher coupon bonds if the redemption results in maintaining or lowering SPS's embedded cost of debt. The refunding costs would be amortized over the life of the new bonds and would include the redemption make whole premiums, unamortized underwriting costs and expenses associated with any long-term debt that it refunds prior to maturity.

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

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

5. 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, by January 7, 2021.

B. Staff shall, and any intervenors may, file direct testimony by January 4, 2021.

C. Rebuttal testimony may be filed by noon MT January 8, 2021.

D. A public hearing will be held beginning at 9:00 MT on January 11, 2021. Due to restrictions and safety precautions for the Covid-19 pandemic, the hearing will be held remotely via the Zoom videoconferencing platform instead of in person. Participation in the evidentiary hearing shall be limited to party-participants (*i.e.* counsel, witnesses, and other representatives of the parties), the Commissioners, and other Commission personnel. Zoom invitations to the evidentiary hearing shall be sent in due course to participants, parties and all witnesses whose pre-filed testimony the parties seek to admit into evidence. Access to the hearing will be available to the public via live streaming on YouTube provided on the Commission's website at [www.nmprc.state.nm.us](http://www.nmprc.state.nm.us). The hearing 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. The procedural dates and requirements provided herein are subject to further Order of the Commission or Hearing Examiner.

7. Interested persons should contact the Commission for confirmation of the hearing date, time and place at (505) 690-4191 because hearings are occasionally rescheduled.

8. The Commission's Rules of Procedure found at 1.2.2 NMAC will apply to this case unless modified by order of the Commission or Hearing Examiner. A copy of such Rules may be obtained from the offices of the Commission and are available online at the official NMAC website <http://www.srca.nm.gov/nmac-home/>.

9. A. Any interested person may appear at the time and place of hearing and make an oral comment via Zoom pursuant to 1.2.2.23(F) NMAC without becoming an intervenor. Such comments will not be considered as evidence in this case. Persons interested in providing public comment must request a Zoom invitation by e-mailing Ana Kippenbrock at [ana.kippenbrock@state.nm.us](mailto:ana.kippenbrock@state.nm.us) by no later than 5:00 pm MT on January 8, 2021. Public comments shall be limited to 3 minutes per speaker.

B. Interested persons may also submit written comments, which shall reference NMPRC Case No. 20-00236-UT, to the Commission via its Records Bureau's email address at: [prc.records@state.nm.us](mailto:prc.records@state.nm.us). However, as noted above, pursuant to 1.2.2.23(F) NMAC, comments will not be considered as evidence in this proceeding.

10. Since the evidentiary hearings shall be held through a videoconference, the parties will be required to electronically distribute in advance of the hearing date the exhibits they propose to offer at the hearing to all parties, the Hearing Examiner, and the court reporter. The requirements for such

submissions shall be set forth in a subsequent prehearing order issued by the Hearing Examiner in due course.

11. Any interested person may examine SPS's Application, exhibits and related papers filed in this case on the Commission's website at

<https://edocket.nmprc.state.nm.us>; SPS's Website

[https://www.xcelenergy.com/company/rates\\_and\\_regulations/filings](https://www.xcelenergy.com/company/rates_and_regulations/filings); or at the

offices of SPS at the following address:

Southwestern Public Service Company  
c/o Mike McLeod  
111 East Fifth Street  
Post Office Box 1937  
Roswell, New Mexico 88201  
Telephone: 575.625.5499

12. Anyone filing pleadings, documents or testimony in this case shall serve copies thereof on all parties of record and the Commission Staff via e-mail or as required by the Commission or the Hearing Examiner. Any such filings shall also be sent to the Hearing Examiner via e-mail at [Elizabeth.Hurst@state.nm.us](mailto:Elizabeth.Hurst@state.nm.us) and shall include versions created in Microsoft Word if available. Any such filings shall be e-mailed on the date they are filed with the Commission.

13. Anyone filing pleadings, testimony, and other documents in this case shall, until further notice, comply with the Commission's Electronic Filing Policy, as amended from time to time. This includes electronic filings in pdf format, with electronic signatures by e-mail to [prc.records@state.nm.us](mailto:prc.records@state.nm.us) within regular business hours on the due date in order to be considered as being 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 am to 5:00 pm MT. Pleadings, testimony and other documents shall also be served on all parties of record and Staff in the way or ways specified by the Hearing Examiner.

14. The Commission has assigned Case No. 20-00236-UT to this proceeding, and all correspondence and other communications shall refer to this case number.

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

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

**I S S U E D** at Santa Fe, New Mexico this 18<sup>th</sup> day of December 2020.

**NEW MEXICO PUBLIC REGULATION COMMISSION**

/s/Elizabeth C. Hurst

Elizabeth C. Hurst,  
Hearing Examiner