

NEWS RELEASE

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Joint transmission project benefits Xcel Energy customers

\$64 million Hitchland-Woodward line taps cheaper power supplies, boosts reliability

AMARILLO, Texas – The first of two major electric transmission connections from Xcel Energy's Texas-New Mexico service area to Oklahoma is now in service, a key step in Xcel Energy's <u>Power for the Plains</u> capital investment plan to improve the reliability of the regional power grid and to tap additional power supplies in the east.

Work has been completed on the 345-kilovolt double-circuit transmission line running from an Xcel Energy facility near Hitchland in northern Hansford County, Texas, to Woodward, Okla. Xcel Energy built the \$64 million project in partnership with Oklahoma Gas and Electric Company (OG&E).

A second major connection project is the TUCO-to-Oklahoma 345-kilovolt transmission line, also a joint Xcel Energy-OG&E project, scheduled for completion this fall. This line runs almost 200 miles from the TUCO Substation north of Abernathy, Texas, to Woodward, Okla.

The two large connection projects are among 21 critical improvements grouped in the Power for the Plains enhancement project, which was launched after a 2010 Southwest Power Pool (SPP) study. SPP is the regional transmission organization overseeing grid reliability in portions of eight south-central states, including the Texas Panhandle-South Plains region and eastern New Mexico. Of these 21 projects, nine have been completed.

"Much in the same way the interstate highways opened up new markets and brought more choices to Americans, these lines will provide more options for purchasing power that is often less expensive than power sources closer to home," said David Hudson, president and CEO of Southwestern Public Service Company, an Xcel Energy company.

With new connections such as the Hitchland-to-Woodward line, Xcel Energy can idle less efficient plants in the off-peak season and import greater supplies of less expensive power from neighboring power plants, Hudson said. And in the summer peak season, the company will have access to more power to meet peak demand even when all the area generating resources are being used.

The Hitchland-Woodward line and others like it also boost the reliability of the area grid, offering more alternatives to move power around the area in the event of outages on other major lines. Additionally, the new lines provide more export capacity for wind energy generated from area wind farms, Hudson said.

The Power for the Plains project is now expanding in scope as dozens of new projects are being announced for eastern New Mexico and the southwestern section of Xcel Energy's Texas service area. The energy and mining sectors are expanding rapidly in these areas, driving the need for dozens of additional line and substation projects that were identified in SPP's recent High Priority Incremental Load Study.

The SPP board approved 44 notices to construct totaling \$557 million at an April 29 board meeting. The projects will include:

- Upgrades and modifications to nine existing substations
- Construction of 12 new substations
- Construction of 149 miles of new 115-kilovolt transmission lines
- Construction of 245 miles of new 345-kilovolt transmission lines

Information and maps for all the Power for the Plains projects can be located at www.powerfortheplains.com.

Xcel Energy (NYSE: XEL) is a major U.S. electricity and natural gas company with regulated operations in eight Western and Midwestern states. Xcel Energy provides a comprehensive portfolio of energy-related products and services to 3.5 million electricity customers and 1.9 million natural gas customers through its regulated operating companies. Company headquarters are located in Minneapolis. More information is available at www.xcelenergy.com.