

Siting and Land Rights

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June 25, 2015

Julie Wicker Wildlife Habitat Assessment Program Wildlife Division Texas Parks and Wildlife Department 4200 Smith School Road Austin, Texas 78744

Dear Ms. Wicker:

Southwestern Public Service Company (SPS), a subsidiary of Xcel Energy Inc., has filed an application with the Public Utility Commission of Texas (PUC or Commission) to amend its Certificate of Convenience and Necessity in order to construct and operate a new 345-kilovolt (kV) single-circuit transmission line within Yoakum and Gaines Counties, Texas and certain upgrades described below (Proposed Project) (Application of Southwestern Public Service Company to Amend a Certificate of Convenience and Necessity (CCN) for a Proposed 345-kV Transmission Line Within Yoakum and Gaines Counties, Texas) – Docket No. 44726. SPS is requesting the approval of the Commission for the Proposed Project. The Proposed Project is needed for reliability purposes associated with increased SPS network loads.

The Proposed Project will involve the construction of a new 345-kv single-circuit transmission line that will begin at the existing Yoakum County Substation located in Yoakum County, approximately six miles southeast of the city of Plains, and will extend generally southwest until it reaches the Texas State Line in either Yoakum County or Gaines County, depending on the route selected. The Yoakum County Substation will be expanded and will require upgrades including the addition of a 345/230-kV 560 MVA transformer, and a 345-kV bus that will accommodate the connection of the 345-kV transmission line. This Proposed Project represents the Texas portion of the Yoakum to Hobbs Project, which is part of a larger TUCO to Yoakum to Hobbs Project. The Southwest Power Pool ("SPP") identified the Proposed Project as needed for reliability to alleviate loading violations on the underlying network and voltage violations due to insufficient power supply to network load additions. The SPP has issued a Notification to Construct for the Proposed Project.

The proposed 345-kV single-circuit transmission line will be constructed using primarily two-pole H-frame steel structures for tangents and light angles. High angle structures and dead-end structures will be three-pole steel structures. The proposed 345-kv single-circuit transmission line will be constructed entirely on new right-of-way with a proposed easement width of 150 feet. In some circumstances, a wider easement may be necessary, however these locations and easement widths cannot be determined until the selected route is surveyed. In addition to the permanent easement, for construction purposes, SPS proposes a temporary easement of 50-feet with a 300 ft. x 300 ft. temporary easement for angles greater than 45 degrees.

The proposed 345-kV single-circuit transmission line is presented with 13 alternative routes consisting of a combined 40 links and is estimated to be approximately 20 to 48 miles depending on which route is selected.

Depending on the route chosen, the total cost of the Proposed Project, including the transmission line and substation costs, is estimated to be between approximately \$35.4 million and \$70.0 million.

Enclosed for your review is a copy of the application, which includes the Environmental Assessment of the proposed project.

If you have any questions or need additional information, please call Lance Kenedy or James Bagley.

Sincerely,

Sean L. Frederiksen, Supervisor

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Enclosures