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Mr. Lanny Nickell, Vice President
Southwest Power Pool
201 Worthen Drive
Little Rock, AR 72223-4936

February 23, 2015

RE: Response to SPP-NTC-200309, dated December 3, 2014

Dear Mr. Nickell:

Southwestern Public Service Company ("SPS") hereby responds to the Southwest Power Pool ("SPP") Notification to Construct ("NTC") dated December 3, 2014, referred to as SPP-NTC-200309, Notification to Construct Approved High Priority Upgrades. The NTC 200309 refers to SPP's approval of SPS's NTC-C Project Estimate(s) for the Network Upgrade(s) specified in the NTC-C No. 200283. As detailed below, this response will constitute SPS's commitment, under Attachment O, Section VI of the SPP Open Access Transmission Tariff, to construct the projects identified in the SPP issued NTC No. 200309.

The SCERT estimates have been provided separately through TAGIT.

As SPS completes its detailed design and engineering and internal capital budgeting processes for the upgrade, updated project scheduling information will be provided to the SPP through the Quarterly Tracking reports.

As with any Transmission Owner receiving an SPP NTC for new transmission projects, SPS's commitment to construct the SPP-NTC-200309 project listed below also includes its intent to work with SPP to review the scope and configuration of any project should the subsequent development of a future contingency or change in circumstance affect the design, scope, or need for a project as currently planned. Such contingencies could include, but would not be limited to, SPS's obtaining all necessary local, state, and federal governmental approvals, the necessary corporate governance approvals within Xcel Energy for the related capital expenditures, adequate regulatory treatment that ensure cost recovery, or the option to assign the construction of a project(s) to an SPS affiliate, with SPP's approval. Also, wholesale customers on the SPS system are changing their system resource and operation plans, which may drive additional SPS work with SPP to address any relevant changes in circumstance which may affect certain associated projects.

The projects identified in SPP-NTC-200309 are:

Upgrades with Modifications

Upgrade ID: 50447

Upgrade Description: Construct new 107-mile 345 kV line from Tuco to Yoakum. Install any necessary 345 kV terminal equipment at Yoakum associated with new 345/230 kV transformer.

Upgrade ID: 50451

Upgrade Description: Install new 354/230 kV 644 MVA transformer at Yoakum substation. Install any necessary 230 kV terminal equipment.

Upgrade ID: 50452

Upgrade Description: Expand existing Hobbs substation to accommodate 345 kV terminals. Install 345/230 kV 644 MVA transformer at Hobbs.

Upgrade ID: 50457

Upgrade Description: Construct new 52-mile 345 kV line from Hobbs to Yoakum.

Upgrade ID: 50708

Upgrade Description: Construct new 40-mile 345 kV line operated at 230 kV from Potash Junction to Road Runner.

Upgrade ID: 50709

Upgrade Description: Construct new 230 kV Road Runner substation, tapping the existing 115 kV line from Red Bluff to Agave Hills. Construct substation to accommodate future 345 kV line terminal from Potash Junction. Install new 230/115 kV 288 MVA transformer at new Road Runner substation. Install any necessary terminal equipment.

Upgrade ID: 50851

Upgrade Description: Construct new Kiowa 345 kV substation adjacent to Potash Junction. 345 kV bus will be ring, expandable to minimum 6 line or transformer terminals. Install terminal equipment as needed.

Upgrade ID: 50875

Upgrade Description: Construct new 47.2-mile 345 kV line from Kiowa to Hobbs.

Upgrade ID: 50852

Upgrade Description: Install new 345/115 kV 448 MVA transformer at new North Loving substation. Install any necessary 115 kV terminal equipment.

Upgrade ID: 50854

Upgrade Description: Install 345 kV line terminals at North Loving substation for Kiowa and China Draw. Install any necessary 345 kV terminal equipment necessary to install 345/115 kV 448 MVA transformer at North Loving.

Upgrade ID: 50819

Upgrade Description: Construct new 18.2-mile 345 kV line from North Loving to China Draw.

Upgrade ID: 50820

Upgrade Description: Construct new 20.4-mile 345 kV line from new Kiowa substation to North Loving.

Upgrade ID: 50849

Upgrade Description: Install new 345/115 kV 448 MVA transformer at new China Draw substation. Install any necessary 115 kV terminal equipment and ring/breaker and a half 115 kV bus for 4 line or transformer terminals.

Upgrade ID: 50850

Upgrade Description: Construct 345 kV ring bus, expandable to breaker and a half for 6 line or transformer terminals at China Draw.

Upgrade ID: 50862

Upgrade Description: Install new 345/115 kV 448 MVA transformer at new Road Runner substation. Install any necessary 115 kV terminal equipment.

Upgrade ID: 50863

Upgrade Description: Convert 230 kV Road Runner substation to 345 kV. Install any necessary 345 kV terminal equipment.

Upgrade ID: 50868

Upgrade Description: Install 345/115 kV 448 MVA transformer at Kiowa substation.

Upgrade ID: 50871

Upgrade Description: Construct 1-mile of double circuit structures from the new Kiowa substation to Potash Junction. Construct Circuit 1 with 345 kV conductor and Circuit 2 with 115 kV conductor.

Upgrade ID: 50924

Upgrade Description: Convert Livingston Ridge from 69 kV to 115 kV. Install any necessary 115 kV terminal equipment.

Upgrade ID: 50925

Upgrade Description: Construct new 115 kV Sage Brush substation with 3 ring bus configuration. Install any necessary 115 kV terminal equipment.

Upgrade ID: 50926

Upgrade Description: Construct new 13.9-mile 115 kV line from Livingston Ridge to new Sage Brush substation.

Upgrade ID: 50927

Upgrade Description: Construct new 115 kV Lagarto substation. Install any necessary 115 kV terminal equipment.

Upgrade ID: 50928

Upgrade Description: Construct new 10.4-mile 115 kV line from new Lagarto substation to new Sage Brush substation.

Upgrade ID: 50951

Upgrade Description: Construct new 115 kV Cardinal substation. Install any necessary 115 kV terminal equipment.

Upgrade ID: 50967

Upgrade Description: Construct new 17.5-mile 115 kV line from Lagarto to Cardinal.

Upgrade ID: 50870

Upgrade Description: Construct new 9.5-mile 115 kV line from Hopi Sub to North Loving 115 kV.

Upgrade ID: 50883

Upgrade Description: Construct new 19.7-mile 115 kV line from North Loving to China Draw.

Finally, SPS would note that, to the extent that any significant changes in future loads or load forecasts occur that may affect the planned configurations or need for new upgrade project numbers 50447, 50451, 50452, 50457, 50708, 50709, 50851, 50875, 50852, 50854, 50819, 50820, 50849, 50850, 50862, 50863, 50868, 50871, 50924, 50925, 50926, 50927, 50928, 50951, 50967, 50870 and 50883, SPS will work with SPP to re-evaluate these projects. Additionally, for any project where SPS shows an in-service date beyond the desired Need Date reflected in the NTC, SPS will provide mitigations within 60 days of the date of this letter.

Should there be any questions, please feel free to contact Mr. John Fulton of SPS.

Sincerely,



David Hudson
President, SPS

Cc: Jody Holland – SPP
Teresa Mogensen, Ian Benson, Bruce Cude, Bill Grant, Gerald Deaver, David Hudson,
Tony Jandro – Xcel Energy