



Control Number: 45291



Item Number: 2

Addendum StartPage: 0

PUBLIC UTILITY COMMISSION OF TEXAS
1701 N. CONGRESS AVENUE
AUSTIN, TEXAS 78701
(512) 936-7000

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PUBLIC UTILITY COMMISSION
FILING CLERK

(Commission Use Only)	
Docket No.	45291
File No.	_____

APPLICATION FOR SALE, TRANSFER OR MERGER

This form should be used by public utilities for:

1. seeking authority to sell, assign or lease a Certificate of Convenience and Necessity or any rights obtained under a certificate.
2. reporting the sale, acquisition, lease or rental by or to any public utility of any plant as an operating system or unit for a total consideration in excess of \$100,000;
3. reporting the merger or consolidation of two or more public utilities; and
4. reporting the purchase by one public utility of voting stock in another public utility.

See Sections 14.401, 14.102, and 37.154 of the Public Utility Regulatory Act

1. Proposed action or subject of report:

- Sale, transfer or lease of an entire Certificate of Convenience and Necessity
- Sale, transfer or lease of a portion of Applicant's service area or facilities to which it is certificated (including certificate rights)
- Sale, transfer or lease of a utility plant as an operating system or unit for more than \$100,000 (including certificate rights)
- Merger of public utilities
- Purchase by a public utility of voting stock in another public utility

List all counties in which the utility's service area will be affected by this transaction:

SPS's service area is not affected by the proposed transaction. The assets to be transferred are located in various counties in Kansas and Oklahoma. In Kansas, the assets are located in Finney County, Hamilton County, Kearney County, Stevens County, and Grant County. In Oklahoma, the assets are located in Texas County and Beckham County.

N

2. Applicant:

Southwestern Public Service Company ("SPS").

X

Applicant holds Certificate of Convenience and Necessity No. 30153

Applicant does not hold a certificate from the Public Utility Commission

The Applicant is the:

X Seller (transferor or lessor)

Purchaser (transferee or lessee)

The merged utility

Other (please explain):

Business Address: **600 South Tyler Street, Suite 2900**

Business Telephone: **1-800-895-4999**

(Street Address must be entered here - P.O. Box may also be entered)

(Area Code - Number)

Amarillo

Potter

Texas 79101

(City)

(County)

(State & Zip Code)

3. Applicant is a(n): **Corporation**

(Individual, Partnership, Corporation, Cooperative Corporation, Water Supply Corporation, Political Subdivision, Municipally-Owned Utility)

4. If applicable, list the names, addresses and office of all partners or all officers of Applicant.

NAME	OFFICE	ADDRESS
David T. Hudson	President	Southwestern Public Service Company 600 S. Tyler Street Amarillo, TX 79101
Ben Fowke	Chairman, CEO	Xcel Energy 414 Nicollet Mall Minneapolis, MN 55401
Teresa S. Madden	Executive Vice President, CFO	Same as above.
Kent T. Larson	Executive Vice President	Same as above.
Marvin E. McDaniel, Jr.	Executive Vice President	Same as above.
Scott M. Wilensky	Executive Vice President, General Counsel	Same as above.
Judy M. Poferl	Senior Vice President, Corporate Secretary	Same as above.
Jeffrey S. Savage	Senior Vice President, Controller	Same as above.
Brian J. Van Abel	Vice President, Treasurer	Same as above.
Patricia K. Drury	Assistant Secretary	Same as above.
Tara M. Heine	Assistant Secretary	Same as above.
Wendy B. Mahling	Assistant Secretary	Same as above.
Paul A. Johnson	Assistant Treasurer	Same as above.
Mary P. Schell	Assistant Treasurer	Same as above.

5. If applicable, list names, addresses and positions of Applicant's five largest shareholders.

Applicant is a wholly owned subsidiary of Xcel Energy Inc. ("Xcel Energy").

6. Applicant designates the following persons to be contacted with respect to any question regarding filing:

Evan D. Evans 600 S. Tyler Street, Ste. 2900 (Address)	Amarillo, Texas 79101 (City, State and Zip Code)	806-378-2930 (Area Code and Number)
Brooke A. Trammell 600 S. Tyler Street, Ste. 2400 (Address)	Amarillo, Texas 79101 (City, State and Zip Code)	806-378-2415 (Area Code and Number)

7. If Applicant is represented by an attorney: Stephen Fogel
 (Name of Attorney or Firm)
816 Congress Avenue, Ste. 1650 Austin, Texas 78701 512-478-7267
 (Address) (City, State and Zip Code) (Area Code and Number)

8. Does Applicant presently have a tariff on file with the Commission?

Yes. If yes, date of filing December 19, 2014 (Docket No. 42004)
 No. If no, attach a written schedule of present rate and services. (Use forms or format required by Commission's Tariff Clerk.)

If there are more than two parties to this transaction, please attach sheets providing the information required in Questions No. 9 through 16 for each party.

ENTITY #1

9. Please indicate the proposed effect of this transaction on rates to be charged affected customers:

- All customers will be charged the same rates as they were charged before the transaction.
- Some customers will be charged different rates than they were charged before the transaction. If so, please explain
- Applicant intends to file with the Commission an application to change rules of (some) (all) of its customers as a result of this transaction. If so, please explain
- Other. Please explain:
The transaction will have no immediate impact on rates to be charged to customers. If the proposed transaction closes, the costs associated with the facilities transferred to Xcel Energy Southwest Transmission Company, LLC will be removed from SPS's rate base in SPS's next base rate case, and SPS will no longer earn a return of and on those assets. However, the costs associated with the facilities will be recovered by XEST in accordance with the terms of Southwest Power Pool's Open Access Transmission Tariff, and SPS's retail customers will be responsible for paying their allocated share of those costs.

10. Other party to this transaction:

Hitchland Lamar LLC
 ("Hitchland Lamar")
 (Name)
 The other party holds Certificate of Convenience and Necessity No. _____
 The other party does not hold a Certificate of Convenience and Necessity.

Paul A. Johnson	Assistant Treasurer	Same as above
Mary P. Schell	Assistant Treasurer	Same as above

13. If applicable, list the names and addresses of other party's five (5) largest shareholders.

Hitchland Lamar is a wholly owned subsidiary of SPS.

14. The other party designates the following person(s) to be contacted with respect to any question regarding filing:

Evan D. Evans
600 S. Tyler Street, Ste. 2900 **Amarillo, Texas 79101** **806-378-2930**
 (Address) (City, State and Zip Code) (Area Code and Number)

Brooke A. Trammell
600 S. Tyler Street, Ste. 2400 **Amarillo, Texas 79101** **806-378-2415**
 (Address) (City, State and Zip Code) (Area Code and Number)

15. The other party has retained an engineer:

N/A
 (Name of Engineer or Firm)

 (Address) (City, State and Zip Code) (Area Code and Number)

16. The other party is represented by an attorney: Stephen Fogel
 (Name of Attorney or Firm)

816 Congress Ave, Suite 1650 Austin, TX 78701 512-478-7267
 (Address) (City, State and Zip Code) (Area Code and Number)

ENTITY #2

9. Please indicate the proposed effect of this transaction on rates to be charged affected customers:

_____ All customers will be charged the same rates as they were charged before the transaction.
 _____ Some customers will be charged different rates than they were charged before the transaction. If so, please explain

_____ Applicant intends to file with the Commission an application to change rules of (some) (all) of its customers as a result of this transaction. If so, please explain

Other. Please explain:
The transaction will have no immediate impact on rates to be charged to customers. If the proposed transaction closes, the costs associated with the facilities transferred to Xcel Energy Southwest Transmission Company, LLC will be removed from SPS's rate base in SPS's next base rate case, and SPS will no longer earn a return of and on those assets. However, the costs associated with the facilities will be recovered by XEST in accordance with the terms of Southwest Power Pool's Open Access Transmission Tariff, and SPS's retail customers will be responsible for paying their allocated share of those costs.

	President, General Counsel	
Judy M Pofert	Senior Vice President, Corporate Secretary	Same as above
Jeffrey S. Savage	Senior Vice President, Controller	Same as above
Brian J. Van Abel	Vice President, Treasurer	Same as above
Patricia K. Drury	Assistant Secretary	Same as above
Tara M. Heine	Assistant Secretary	Same as above
Wendy B. Mahling	Assistant Secretary	Same as above
Paul A. Johnson	Assistant Treasurer	Same as above
Mary P. Schell	Assistant Treasurer	Same as above

13. If applicable, list the names and addresses of other party's five (5) largest shareholders.

XEST is a wholly owned subsidiary of Xcel Energy Transmission Holding Company, LLC, which is a wholly owned subsidiary of Xcel Energy.

14. The other party designates the following person(s) to be contacted with respect to any question regarding filing:

Evan D. Evans 600 S. Tyler Street, Ste. 2900	Amarillo, Texas 79101	806-378-2930
(Address)	(City, State and Zip Code)	(Area Code and Number)

Brooke A. Trammell 600 S. Tyler Street, Ste. 2400	Amarillo, Texas 79101	806-378-2415
(Address)	(City, State and Zip Code)	(Area Code and Number)

15. The other party has retained an engineer:

	<u>N/A</u>	
(Address)	(Name of Engineer or Firm)	(Area Code and Number)
(Address)	(City, State and Zip Code)	(Area Code and Number)

16. The other party is represented by an attorney:

816 Congress Ave, Suite 1650	Stephen Fogel	512-478-7267
(Address)	(Name of Attorney or Firm)	(Area Code and Number)
(Address)	(City, State and Zip Code)	(Area Code and Number)

17. List all neighboring utilities, cities, political subdivisions, or other parties directly affected by this application. (Use separate sheet if needed).

None.

Applicant represents to the Public Utility Commission that each of the above parties and all other parties to this transaction were notified of the nature of this application and its filing with the Commission, and each of the above parties by that notification has an opportunity to protest the application (see page 9). Other parties to this transaction have been furnished copies of this application.

18. Please describe the nature of the transaction. Indicate if it involves the transfer of certificated facilities and/or service area:

SPS is proposing to contribute certain 345-kV transmission assets located in Oklahoma and Kansas to Hitchland Lamar. Specifically, SPS is proposing to contribute to Hitchland Lamar approximately 74 line-miles of transmission facilities in Oklahoma and approximately 159 line-miles of transmission facilities in Kansas. These transmission lines are referred to as Line J04, Line J05, Line J07, Line J11, and Line J12/J13. SPS is also proposing to transfer the Finney Switching Station, located in Kansas, and the Border Reactor Station, located in Oklahoma, along with the leases, easements, rights of way, and other property rights associated with those facilities. Those assets will be recorded on Hitchland Lamar's books at those assets' estimated net book value at the time of closing. SPS will then sell its interest in Hitchland Lamar to XEST at a price equal to the net book value of the assets owned by Hitchland Lamar, as provided in the Membership Interest Purchase Agreement between SPS and XEST. Please refer to the testimony of Evan D. Evans for details associated with the Membership Interest Purchase Agreement. Hitchland Lamar will then become a subsidiary of XEST and will be merged into XEST, with XEST remaining as the sole surviving entity.

19. If the transaction involves the transfer of certificated facilities and/or service areas, please describe the qualifications of the purchaser (or transferee) to provide adequate utility service:

Although SPS is proposing to transfer certain transmission assets to Hitchland Lamar and then to XEST, SPS will continue to operate and maintain the assets at all times in accordance with a Transmission Operations and Maintenance Agreement between SPS and XEST.

20. State the purchase price and/or other consideration for the transaction.

The initial transfer of the assets will be in the form of a contribution from SPS to its wholly owned subsidiary, Hitchland Lamar. The second transfer of the assets will occur through the purchase by XEST of SPS's interest in Hitchland Lamar. The purchase price of that interest will be equal to the net book value of Hitchland Lamar's assets at the time of the closing of the proposed transaction. The estimated net book value of those assets as of December 31, 2105 is \$103,370,314.

21. If applicable, state the original cost of plant to be sold or merged, as recorded on the books of the Seller (or merging companies):

The original cost of plant to be transferred is \$123,166,648.

22. If applicable, state the amount of accumulated depreciation and the date of the acquisition:

The accumulated depreciation on the assets to be transferred is \$19,796,334 as of December 31, 2015. The assets have not yet been transferred because one of the closing conditions is approval of the transaction by the Public Utility Commission of Texas and other regulatory authorities.

23. If applicable, state the amount recorded as plant acquisition adjustment on books of the selling company(ies): N/A

24. Complete the following proposed entries in books of purchasing (or surviving) company to record purchase (or merger):

Date: **December 31, 2015**

	Debit	Credit
Utility plant in service:	\$123,166,648	\$0
Plant acquisition adjustment	0	0
Extraordinary loss on purchase	0	0
Accumulated depreciation plant	0	19,796,334
Cash	0	103,370,314
Notes payable	0	0
Mortgage payable	0	0
Other list	0	0

25. If utility plant in service is traded for utility plant in service, give details of the original cost – accumulated depreciation, and reasons for or justification of the trade:

N/A

26. Provide analysis of tax consequences in transaction and recognition given in books of the parties concerned:

Please refer to the Direct Testimony of Lisa Perkett.

27. Describe the type of plant facilities, and number of connections affected by this application.

The specific assets to be transferred are:

Line J04: an approximately 0.75 mile 345-kV transmission line between SPS's Finney Switching Station and Sunflower Electric Corporation's Holcomb Substation in Finney County, Kansas

Line J05: an approximately 78.8 mile 345-kV transmission line segment between SPS's Finney Switching Station and the Colorado-Kansas state line near Structure 126. Line J05 is located in Hamilton County, Kearney County, and Finney County, Kansas.

Line J07: an approximately 117.5 mile 345-kV transmission line segment between the Texas-Oklahoma state line near Structure 506 and SPS's Finney Switching Station. Line J07 is located in Texas County, Oklahoma and

Stevens County, Grant County, Kearney County, and Finney County, Kansas.

Line J11: an approximately 6.2 mile 345-kV transmission line segment between the Texas-Oklahoma border near Structure 1103 and SPS's Border Reactor Station in Beckham County, Oklahoma.

Line J12/J13: an approximately 29.3 mile double circuit 345-kV transmission line segment from the Texas-Oklahoma state line to the change of ownership point with Oklahoma Gas & Electric Company at the Texas County-Beaver County line. Line J12/J13 is located in Texas County, Oklahoma.

Finney Switching Station, Border Reactor Station, and all associated property rights.

28. Describe the location of plant facilities involved in this application with respect to streets, highways, cities, known landmarks, water courses, coordinates of transmitter sites, etc.:

The specific assets to be transferred are shown on the map provided in Attachment WAG-4 to the Direct Testimony of William A. Grant.

29. Regarding the utility being sold, provide details of the following:

- a. Planned or needed capital improvements

None.

- b. Estimated cost of such improvements;

Not applicable.

- c. Whether required to make such improvements by a federal or state agency;

Not applicable.

- d. Any time limits imposed for such improvements.

Not applicable.

30. Please describe anticipated impact of this transaction on the quality of utility service. Please explain anticipated changes in quality of service.

There will be no reduction in the quality of utility service. SPS will continue to operate and maintain the facilities.

31. If a merger or combination is sought by this application, please provide the following:

- a. A balance sheet for each entity;
- b. An income statement for each entity;
- c. Articles of Incorporation of a newly created entity;
- d. A preliminary prospectus if stock of a newly created entity is to be publicly held.

Not applicable.

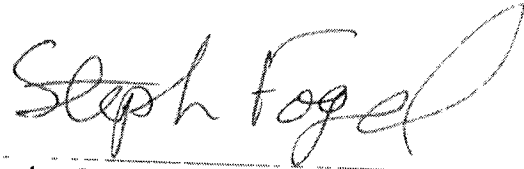
If the Affiant to this form is any person other than the sole owner, partner, officer of the applicant or its attorney, a properly verified Power of Attorney must be enclosed.

OATH

STATE OF TEXAS

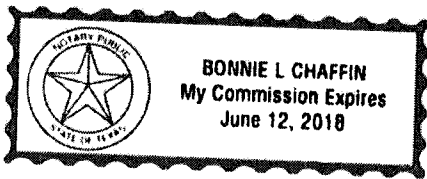
COUNTY OF TRAVIS

I, Stephen Fogel, being duly sworn, file this application as Assistant General Counsel for Xcel Energy Services Inc. I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application. I am also qualified and authorized to verify that all statements made and matters set forth therein with respect to the applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith, that notice of its filings was given to all other parties to the transaction and all neighboring utilities, and that this application does not duplicate any filing presently before the Commission.



Stephen Fogel

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State and County above-named, this 28th day of October, 2015.


Notary Public

The original and four (4) copies of this Application and all attachments should be submitted to:

PUBLIC UTILITY COMMISSION OF TEXAS
1701 N. Congress Avenue
Austin, Texas 78711