

SPP Notification to Construct

June 30, 2010

SPP-NTC-20102

Mr. Noman Williams
Mid-Kansas Electric Company
301 W. 13th Street
Hays, KS 67601

RE: Notification to Construct Approved Priority Projects

Dear Mr. Williams,

Pursuant to Section 3.3 of the Southwest Power Pool, Inc. ("SPP") Membership Agreement and Attachment O, Section VIII, of the SPP Open Access Transmission Tariff ("OATT"), SPP provides this Notification to Construct ("NTC") directing Mid-Kansas Electric Company ("MKEC"), as the Designated Transmission Owner, to construct the Network Upgrades.

During their April 27, 2010 meeting, the SPP Board of Directors approved the Group 2 Priority Projects as presented in the SPP Priority Projects, Rev. 1 report with the provision that NTC letters for the projects would not be issued until the Federal Electric Reliability Corporation ("FERC") made a favorable ruling on the Highway/Byway cost allocation methodology. On June 17, 2010, FERC issued Order 131 FERC ¶ 61,252 approving the Highway/Byway cost allocation methodology. On June 23, 2010, the SPP Board of Directors authorized issuance of NTCs for the Priority Projects.

New Network Upgrades

Project ID: 943

Project Name: Line – Woodward District EHV - Comanche County 345 kV double circuit*

Estimated In-Service Date for Project: 12/31/2014

Estimated Cost for Project: \$108,227,500 (cost for entire project including all entities)

Estimated Cost Source: Oklahoma Gas and Electric Co. ("OGE") and Westar Energy, Inc. ("WR")

Date of Cost Estimate: October 2009

Network Upgrade ID: 11248, 11249

Network Upgrade Description: Double circuit 345 kV line from the new Comanche County substation to the OGE interception point.

Network Upgrade Owner: MKEC

MOPC Representative: Tom Hestermann

TWG Representative: Noman Williams

Categorization: High priority

Network Upgrade Specification: Build 345 kV double circuit transmission; 3,000 amp or greater capacity for each circuit, from the new Comanche County substation to the OGE interception point from the Woodward District EHV substation. The total mileage of this Woodward District EHV-Comanche County line is 55 miles. MKEC and OGE shall decide who shall build how much of these Network Upgrades and shall provide such information, along with specific cost estimates for each Designated Transmission Owner's portion of the Network Upgrades, to SPP in its response to this NTC.

Network Upgrade Justification: Priority Projects

Estimated In-Service Date for Network Upgrade: 12/31/2014

Estimated Cost for Network Upgrade (current day dollars): To be provided by Designated Transmission Owner(s)

Cost Allocation of the Network Upgrade: Base Plan

Project ID: 945

Project Name: Line – Spearville - Comanche County - Medicine Lodge - Wichita 345 kV double circuit*

Estimated In-Service Date for Project: 12/31/2014

Estimated Cost for Project: \$356,300,000 (cost for entire project including all entities)

Estimated Cost Source: ITC Great Plains and WR

Date of Cost Estimate: October 2009 (WR and ITC Great Plains) and June 2010 (ITC Great Plains)

Network Upgrade ID: 11252, 11253

Network Upgrade Description: Double circuit 345 kV line from the new Comanche County substation to the Sunflower Electric Power Corp. ("SEPC") interception point from the Spearville substation.

Network Upgrade Owner: MKEC

MOPC Representative: Tom Hestermann

TWG Representative: Noman Williams

Categorization: High priority

Network Upgrade Specification: Build double circuit 345 kV transmission; 3,000 amp or greater capacity for each circuit, from the new Comanche County substation to the SEPC interception point from the Spearville substation. The total mileage of this Spearville-Comanche County line is 55 miles. MKEC and SEPC shall decide who shall build how much of these Network Upgrades and shall provide such information, along with specific cost estimates for each Designated Transmission Owner's portion of the Network Upgrades, to SPP in its response to this NTC. Build a new Comanche County switching station with the necessary breakers and terminal equipment for connecting the Spearville-Medicine Lodge 345 kV double circuit transmission lines and connecting to the Woodward District EHV 345 kV double circuit transmission lines.

Network Upgrade Justification: Priority Projects
Estimated In-Service Date for Network Upgrade: 12/31/2014
Estimated Cost for Network Upgrade (current day dollars): To be provided by Designated Transmission Owner(s)
Cost Allocation of the Network Upgrade: Base Plan

Network Upgrade ID: 11254, 11255
Network Upgrade Description: Double circuit 345 kV line from the new Comanche County substation to the Medicine Lodge 345 kV substation.
Network Upgrade Owner: MKEC
MOPC Representative: Tom Hestermann
TWG Representative: Noman Williams
Categorization: High priority
Network Upgrade Specification: Build 55 miles of double circuit 345 kV transmission; 3,000 amp or greater capacity for each circuit, from the new Comanche County substation to the new Medicine Lodge 345 kV substation. Build a new Medicine Lodge 345 kV substation with the necessary breakers and terminal equipment.
Network Upgrade Justification: Priority Projects
Estimated In-Service Date for Network Upgrade: 12/31/2014
Estimated Cost for Network Upgrade (current day dollars): \$100,610,500
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: ITC Great Plains
Date of Cost Estimate: October 2009

Network Upgrade ID: 11260
Network Upgrade Description: Medicine Lodge 345/138 kV transformer
Network Upgrade Owner: MKEC
MOPC Representative: Tom Hestermann
TWG Representative: Noman Williams
Categorization: High priority
Network Upgrade Specification: Install a 400 MVA 345/138 kV transformer at the Medicine Lodge 345 kV substation.
Network Upgrade Justification: Priority Projects
Estimated In-Service Date for Network Upgrade: 12/31/2014 (To be placed in-service after replacement of Medicine Lodge 138/115 kV transformer)
Estimated Cost for Network Upgrade (current day dollars): \$4,379,000
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: ITC Great Plains
Date of Cost Estimate: June 2010

Network Upgrade ID: 11256, 11257
Network Upgrade Description: Double circuit 345 kV line from the Medicine Lodge 345 kV substation to the WR interception point from the Wichita substation.

Network Upgrade Owner: MKEC

MOPC Representative: Tom Hestermann

TWG Representative: Noman Williams

Categorization: High priority

Network Upgrade Specification: Build 345 kV double circuit transmission, 3,000 amp or greater capacity for each circuit, from the Medicine Lodge 345 kV substation to the WR interception point from the Wichita substation. The total mileage of this Medicine Lodge-Wichita line is 70 miles. MKEC and WR shall decide who shall build how much of these Network Upgrades and shall provide such information, along with specific cost estimates for each Designated Transmission Owner's portion of the Network Upgrades, to SPP in its response to this NTC.

Network Upgrade Justification: Priority Projects

Estimated In-Service Date for Network Upgrade: 12/31/2014

Estimated Cost for Network Upgrade (current day dollars): To be provided by Designated Transmission Owner(s)

Cost Allocation of the Network Upgrade: Base Plan

* These projects may be revised in early 2011 to require the projects be built at a higher voltage.

Commitment to Construct

Please provide to SPP a written commitment to construct the Network Upgrade(s) within 90 days of the date of this Notification to Construct, pursuant to Attachment O, Section VIII.6 of the SPP OATT, in addition to providing a construction schedule for the Network Upgrade(s). Failure to provide a written commitment to construct as required by Attachment O could result in the Network Upgrade(s) being assigned to another entity.

Coordination with Neighbors

MKEC is responsible for coordinating these jointly owned projects with other constructing Designated Transmission Owners. Coordination includes, but is not limited to, construction specifications, facility ratings, interception location, and construction timing.

Notification of Commercial Operation

Please submit a notification of commercial operation for each listed Network Upgrade to SPP as soon as the Network Upgrade is complete and in-service. Please provide SPP with the actual costs of the Network Upgrade(s) as soon as possible after completion of construction. This will facilitate the timely billing by SPP based on actual costs.

Notification of Progress

On an ongoing basis, please keep SPP advised of any inability on MKEC's part to complete the approved Network Upgrade(s). For project tracking purposes, SPP requires MKEC to submit updates on the status of the Network Upgrade(s) on a quarterly basis in conjunction with the SPP Board of Directors meetings. However, MKEC shall also advise SPP of any inability to comply with the Project Schedule as soon as the inability becomes apparent.

All terms and conditions of the SPP OATT and the SPP Membership Agreement shall apply to these Projects, and nothing in this NTC shall vary such terms and conditions.

Don't hesitate to contact me if you have questions or comments regarding these instructions. Thank you for the important role that you play in maintaining the reliability of our electric grid.

Sincerely,

A handwritten signature in black ink that reads 'Bruce A. Rew'.

Bruce Rew
Vice President, Engineering
Phone (501) 614-3214 • Fax: (501) 821-3198 • BRew@spp.org

cc: Carl Monroe, Les Dillahunty, Katherine Prewitt, Tom Hestermann, Clarence Stuppes, Al Tamimi, OGE-Mel Perkins, OGE-Jacob Langthorn IV, OGE-Phil Crissup, OGE-Travis Hyde, WR-Tom Stuchlik, WR-Don Taylor