

## **SPP** **Notification to Construct**

June 30, 2010

SPP-NTC-20099

Mr. John Fulton  
Southwestern Public Service Company  
PO Box 1261  
Amarillo, TX 79170

*RE: Notification to Construct Approved Priority Projects*

Dear Mr. Fulton,

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 Southwestern Public Service Company (“SPS”), as the Designated Transmission Owner, to construct the Network Upgrades.

During the 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:** 940

**Project Name:** Line – Hitchland - Woodward District EHV 345 kV double circuit\*

**Estimated In-Service Date for Project:** 06/30/2014

**Estimated Cost for Project:** \$247,005,793 (cost for entire project including all entities)

**Estimated Cost Source:** SPS and Oklahoma Gas and Electric Co. (“OGE”)

**Date of Cost Estimate:** October 2009 (OGE and SPS) and March 2010 (SPS)

**Network Upgrade ID:** 11241, 11242

**Network Upgrade Description:** Double circuit 345 kV line from the Hitchland substation to the OGE interception point from the Woodward District EHV substation.

**Network Upgrade Owner:** SPS

**MOPC Representative:** William Grant

**TWG Representative:** John Fulton

**Categorization:** High priority

**Network Upgrade Specification:** Build 345 kV double circuit transmission; 3,000 amp or greater capacity for each circuit, from the Hitchland substation to the OGE interception point from the Woodward District EHV substation. The total mileage of this Hitchland-Woodward District EHV line is 121 miles. OGE and SPS 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. For the new Woodward-Hitchland lines, upgrade the Hitchland substation with the necessary breakers and terminal equipment.

**Network Upgrade Justification:** Priority Projects

**Estimated In-Service Date for Network Upgrade:** 06/30/2014

**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:** 11243

**Network Upgrade Description:** Hitchland 345/230 kV transformer ckt 2

**Network Upgrade Owner:** SPS

**MOPC Representative:** William Grant

**TWG Representative:** John Fulton

**Categorization:** High priority

**Network Upgrade Specification:** Install a second 560 MVA 345/230 kV transformer at the Hitchland substation.

**Network Upgrade Justification:** Priority Projects

**Estimated In-Service Date for Network Upgrade:** 06/30/2014

**Estimated Cost for Network Upgrade (current day dollars):** \$8,883,760

**Cost Allocation of the Network Upgrade:** Base Plan

**Estimated Cost Source:** SPS

**Date of Cost Estimate:** March 2010

\*This project may be revised in early 2011 to require the project 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**

SPS 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 SPS's part to complete the approved Network Upgrade(s). For project tracking purposes, SPP requires SPS submit updates on the status of the Network Upgrade(s) on a quarterly basis in conjunction with the SPP Board of Directors meetings. SPS 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 this Project, 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, William Grant, OGE-Mel Perkins,  
OGE-Phil Crissup, OGE-Jacob Langthorn VI, OGE-Travis Hyde