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Omaha NE 68102-2247

Mohamad I. Doghman
Vice President

September 27, 2010

Mr. Bruce Rew
Vice President, Engineering
Southwest Power Pool
415 N. McKinley, Suite 140
Little Rock, AR 72205-3020

RE: Notification to Construct, SPP-NTC-20098

Dear Mr. Rew:

This letter is provided in response to your letter dated June 30, 2010, directing the Omaha Public Power District ("OPPD"), as the Designated Transmission Owner, to construct a Network Upgrade as part of Group 2 Priority Projects approved by the SPP Board of Directors.

Pursuant to Section 3.3 of the SPP Membership Agreement and Attachment O, Section VIII of the SPP Open Access Transmission Tariff ("OATT"), OPPD notifies SPP that it will construct the Nebraska portion of SPP's referenced Project ID: 939, designated as Network Upgrade ID: 11240, as more specifically described below.

The referenced project was identified by SPP in the Notification to Construct (SPP-NTC-20098) ("NTC") as follows:

Project ID: 939

Project Name: Line – Nebraska City - Maryville - Sibley 345 kV

Estimated In-Service Date for Project: 06/01/2017

Estimated Cost for Project: \$352,700,000 (current day dollar cost for entire project including all entities)

Estimated Cost Source: OPPD and Kansas City Power & Light Company ("KCPL")

Date of Cost Estimate: September 2010.

OPPD's designated portion of the project was described in the NTC, in part, as follows:

Network Upgrade ID: 11240

Network Upgrade Description: 345 kV from the Nebraska City substation to the KCPL interception point.

Network Upgrade Owner: OPPD

Network Upgrade Specification: With respect to the Network Upgrade Specification referenced in the NTC for Network Upgrade ID: 11240, OPPD states as follows: OPPD will build 345kV transmission; 3,000 amp or greater capacity, from the Nebraska City substation (Sub 3458) to the KCPL interception point from the new Maryville 345kV substation. OPPD also will upgrade the Nebraska City substation with the necessary equipment. OPPD and KCPL GMO (hereinafter, "GMO") have agreed that GMO will build the portion of the upgrade within Missouri (approximately 65 miles) and OPPD will build the portion of the upgrade within Nebraska (approximately 5 miles).

Estimated In-Service Date/Cost: The estimated in-service date for Network Upgrade ID: 11240 is 06/01/2017, and the estimated cost for the Network Upgrade (current day dollars) is \$19,500,000. The cost allocation for this Network Upgrade is Base Plan, as stated in the NTC.

As the constructing utility for this Network Upgrade ID: 11240, OPPD will provide SPP with the following items:

1. Provide project status updates. As requested in the NTC, OPPD anticipates updates will be provided on a quarterly basis. OPPD also will advise SPP of any inability to complete Network Upgrade ID: 11240.
2. OPPD will submit a notification of commercial operation for this Network Upgrade once it is complete and in-service.
3. OPPD will submit the total actual cost for Network Upgrade ID: 11240 once it is available, following completion of construction.

OPPD wishes to point out that if the final route for the Nebraska portion of this project differs significantly from the current assumptions, then the project costs for this portion of the project likely will be increased. Furthermore, as required by Nebraska law, OPPD will own the transmission facilities and right-of-way for Network Upgrade ID: 11240 (i.e.—the Nebraska portion of the project). We also note that the Nebraska portion of the project may need review by the Nebraska Power Review Board. Finally, OPPD plans to remain as the constructing utility if OPPD changes its membership status within SPP or withdraws its membership in SPP. OPPD's agreement to construct is conditioned on its obtaining full cost recovery for Network Upgrade ID: 11240 through the OATT or through other cost recovery methods provided pursuant to law or agreement between SPP and OPPD.

Please feel free to contact me with any questions.

Sincerely,



Mohamad Doghman
Vice President—T&D Engineering & Operations, OPPD

cc: OPPD: Dan Lenihan, David Ried, Larry Ciecior, Tim Nissen, Landy Jacobsen, Dave Insinger
SPP: Carl Monroe, Les Dellahunty, Katherine Prewitt, Steve Purdy,
SPPprojecttracking@spp.org
GMO: Harold Wyble, Mike Degendorf, Todd Fridley, Steve Gilkey, Bill Herdegen, Royce McMahon, Charles Locke, Patty Denny