

SPP-NTC-20127

SPP
Notification to Construct

February 14, 2011

Mr. Paul Malone
Nebraska Public Power District
P.O. Box 608
York, NE 68467

RE: Notification to Construct Approved Reliability Network Upgrades

Dear Mr. Malone,

Pursuant to Section 3.3 of the Southwest Power Pool, Inc. (“SPP”) Membership Agreement and Attachment O, Section VI, of the SPP Open Access Transmission Tariff (“OATT”), SPP provides this Notification to Construct (“NTC”) directing Nebraska Public Power District (“NPPD”), as the Designated Transmission Owner, to construct the Network Upgrade(s).

On January 25, 2011, the Southwest Power Pool (“SPP”) Board of Directors approved the Network Upgrade(s) listed below to be constructed.

New Network Upgrades

Project ID: 30286

Project Name: XFR – Stegall 345/230 kV transformer Ckt 2

Need Date for Project: 6/1/2015

Estimated Cost for Project: \$8,000,000

Network Upgrade ID: 50320

Network Upgrade Description: Add second parallel 345/230 kV 3-winding transformer at Stegall.

Network Upgrade Owner: NPPD

MOPC Representative: Paul Malone

TWG Representative: Randy Lindstrom

Categorization: Regional reliability

Network Upgrade Specification: Install transformer of 400 MVA emergency rating.

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Network Upgrade Justification: To address low voltage at Victory Hill for the loss of Stegall 345/230 kV transformer Ckt 1.

Need Date for Network Upgrade: 6/1/2015

Estimated Cost for Network Upgrade (current day dollars): \$8,000,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Commitment to Construct

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

Mitigation Plan

The Need Date represents the timing required for the Network Upgrade(s) to address the identified need. Your prompt attention is required in the formulation and approval of any necessary mitigation plans for the Network Upgrade(s) included in the Network Upgrade(s) if the Need Date is not feasible. Additionally, if it is anticipated that the completion of any Network Upgrade will be delayed past the Need Date, SPP requires a mitigation plan be filed within 60 days of the determination of expected delays.

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 these Network Upgrades as soon as possible after completion of construction. This will facilitate the timely billing by SPP based on actual costs.

Notification of Progress

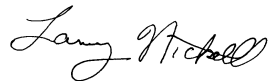
On an ongoing basis, please keep SPP advised of any inability on NPPD's part to complete the approved Network Upgrade(s). For project tracking purposes, SPP requires NPPD to submit updates on the status of the Network Upgrade(s) on a quarterly basis in conjunction with the SPP Board of Directors meetings. However, NPPD 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.

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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,



Lanny Nickell
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cc: Carl Monroe, Katherine Prewitt, Randy Lindstrom