

SPP-NTC-20137

SPP
Notification to Construct

May 26, 2011

Mr. Mel Perkins
Oklahoma Gas and Electric Co.
M/C 1103
Oklahoma City, OK 73101

RE: Notification to Construct for Transmission Service request resulting from Aggregate Transmission Service Study SPP-2009-AGP2-AFS-6

Dear Mr. Perkins,

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 Oklahoma Gas and Electric Co., as the Designated Transmission Owner, to construct the Network Upgrade(s).

On May 26, 2011, SPP concluded that the project(s) is required on the Oklahoma Gas and Electric Co. system to fulfill Transmission Service Requests as detailed in Aggregate Facility Study SPP-2009-AGP2-AFS-6.

New Network Upgrades

Project ID: 1134

Project Name: NORTHWEST 345/138/13.8KV TRANSFORMER CKT 1

RTO Determined Need Date for Project: 6/1/2017

Estimated In Service Date: 6/1/2017

Estimated Cost for Project: \$15,000,000

Network Upgrade ID: 11496

Network Upgrade Description: Install third 345/138 kV Bus Tie in Northwest Sub.

Categorization: Service Upgrade

Network Upgrade Specifications: All elements and conductor must have at least an emergency rating of 493 MVA, but are not limited to that amount.

Network Upgrade Justifications: SPP-2009-AGP2-AFS-6

Source of Funding for Network Upgrade: 100% Base Plan

Estimated Cost Source: OKGE

Date of Estimated Cost: 7/9/2010

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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 Estimated In-Service 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) if the Estimated In-Service Date is not feasible. Additionally, if it is anticipated that the completion of any Network Upgrade will be delayed past the Estimated In-Service Date, SPP requires a mitigation plan be filed within 60 days of 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 Oklahoma Gas and Electric Co.'s part to complete the approved Network Upgrade(s). For project tracking purposes, SPP requires Oklahoma Gas and Electric Co. 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, consistent with Section 20.1 and 32.10 of the SPP OATT, Oklahoma Gas and Electric Co. 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 the Project(s), and nothing in this letter 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, appearing to read "Carl Monroe".

Carl Monroe
Executive Vice President & COO



HELPING OUR MEMBERS WORK TOGETHER
TO KEEP THE LIGHTS ON... TODAY AND IN THE FUTURE

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Phone (501) 614-3218 • Fax: (501) 821-3198 • cmonroe@spp.org

cc: Lanny Nickell, Katherine Prewitt, Phil Crissup, Travis Hyde, Jacob Langthorn IV, Will Amos, Cindy Holman