

SPP-NTC-200164

SPP
Notification to Construct

August 2, 2011

Mr. Mel Perkins
Oklahoma Gas and Electric Company
P.O. Box 321 M/C 1103
Oklahoma City, OK 73101

RE: Notification to Construct for Generation Interconnection Request, DISIS-2010-001 and GEN-2008-037

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 Company ("OG&E"), as the Designated Transmission Owner, to construct the Network Upgrades.

The Network Upgrade(s) is required on the OG&E system to fulfill the Generation Interconnection Request as detailed in Generation Interconnection Agreement DISIS-2010-001 and GEN-2008-037.

New Network Upgrades

Project ID: 30338
Project Name: Gracemont 138 kV line terminal addition
Estimated In Service Date: 10/15/2011
Estimated Cost for Project: \$871,896

Network Upgrade ID: 50385
Network Upgrade Description: Gracemont 138 kV line terminal addition
Categorization: Generation Interconnection Agreement Network Upgrade
Network Upgrade Specifications: 138 kV line terminal at existing Gracemont substation, including breaker, line relaying, disconnect switches and associated equipment, dead end structures, revenue metering with CT's and PT's.
Network Upgrade Justifications: DISIS-2010-001
Cost Allocation for Network Upgrade: Direct Assigned, eligible for credits per Attachment Z2
Estimated Cost Source: OG&E
Date of Estimated Cost: 12/14/2010

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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.

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 ability on OG&E's part to complete the approved Network Upgrade(s). For project tracking purposes, SPP requires OG&E 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 OG&E 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 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 blue ink that reads "Lanny Nickell".

Lanny Nickell
Vice President, Engineering
Phone (501) 614-3232 • Fax: (501) 821-3198 • lnickell@spp.org

cc: Carl Monroe, Katherine Prewitt, Phil Crissup (OG&E), Jacob Langthorn IV (OG&E),
Travis Hyde (OG&E)