

**SPP-NTC-200167**

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

April 9, 2012

Mr. Paul Hassink  
American Electric Power  
212 E. 6th St.  
Tulsa, OK 74119

RE: Notification to Construct Approved ITPNT Network Upgrades

Dear Mr. Hassink,

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 American Electric Power ("AEP"), as the Designated Transmission Owner, to construct the Network Upgrade(s).

On January 31, 2012, the SPP Board of Directors approved the Network Upgrade(s) listed below to be constructed as part of the 2012 Integrated Transmission Planning Near-Term ("ITPNT") Assessment.

**New Network Upgrades**

**Project ID:** 502

**Project Name:** Line - Northwest Henderson - Poynter 69 kV

**Need Date for Project:** 6/1/2014

**Estimated Cost for Project:** \$7,214,837

**Network Upgrade ID:** 10647

**Network Upgrade Name:** Northwest Henderson - Poynter 69 kV Ckt 1

**Network Upgrade Description:** Reconductor 3.25-mile Northwest Henderson - Poynter 69 kV line with 1272 ACSR.

**Network Upgrade Owner:** AEP

**MOPC Representative:** Paul Johnson, Richard Ross, Raja Sundararajan, Matt Vermillion

**TWG Representative:** Matthew McGee

**Categorization:** Regional reliability

**Network Upgrade Specification:** All elements and conductor must have at least an emergency rating of 143 MVA, but are not limited to that amount.

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**Network Upgrade Justification:** To address the overload of Northwest Henderson - Poynter 69 kV for the loss of Evenside - Northwest Henderson 69 kV.

**Estimated Cost for Network Upgrade (current day dollars):** \$7,214,837

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

**Estimated Cost Source:** AEP

**Date of Estimated Cost:** 11/15/2011

**Project ID:** 503

**Project Name:** Line - Diana - Perdue 138 kV

**Need Date for Project:** 6/1/2013

**Estimated Cost for Project:** \$926,970

**Network Upgrade ID:** 10648

**Network Upgrade Name:** Diana - Perdue 138 kV Ckt 1

**Network Upgrade Description:** Replace two breakers, jumpers, and wave traps at Perdue substation. Replace wave traps at Diana substation.

**Network Upgrade Owner:** AEP

**MOPC Representative:** Paul Johnson, Richard Ross, Raja Sundararajan, Matt Vermillion

**TWG Representative:** Matthew McGee

**Categorization:** Regional reliability

**Network Upgrade Specification:** All elements and conductor must have at least an emergency rating of 303 MVA, but are not limited to that amount.

**Network Upgrade Justification:** To address overload of Diana - Perdue 138 kV due to the loss Harrison - Liberty Tap 138 kV line, Liberty Tap - New Gladewater 138 kV line, and other various contingencies.

**Estimated Cost for Network Upgrade (current day dollars):** \$926,970

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

**Estimated Cost Source:** AEP

**Date of Estimated Cost:** 9/27/2011

**Project ID:** 1012

**Project Name:** Line - Diana - Perdue 138 kV Reconductor

**Need Date for Project:** 6/1/2014

**Estimated Cost for Project:** \$17,359,447

**Network Upgrade ID:** 11331

**Network Upgrade Name:** Diana - Perdue 138 kV Ckt 1 #2

**Network Upgrade Description:** Rebuild 21.85-mile Diana to Perdue 138 kV line. Replace switches, jumpers, and upgrade CT ratios at Diana and Perdue substations.

Upgrade relay settings at Diana substation.

**Network Upgrade Owner:** AEP

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**MOPC Representative:** Paul Johnson, Richard Ross, Raja Sundararajan, Matt Vermillion

**TWG Representative:** Matthew McGee

**Categorization:** Regional reliability

**Network Upgrade Specification:** All elements and conductor must have at least an emergency rating of 478 MVA, but are not limited to that amount.

**Network Upgrade Justification:** To address the overload of Diana - Perdue 138 kV for the outage of the Harrison Road - Liberty City Tap 138 kV line or a portion of the Pirkey - Easton - Knox 138 kV line.

**Estimated Cost for Network Upgrade (current day dollars):** \$17,359,447

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

**Estimated Cost Source:** AEP

**Date of Estimated Cost:** 9/27/2011

**Project ID:** 30346

**Project Name:** Sub - Cornville 138 kV

**Estimated Cost for Project:** \$38,420,803 (this project cost contains Network Upgrades not included in this NTC)

**Network Upgrade ID:** 50438

**Network Upgrade Name:** Cornville 138 kV

**Network Upgrade Description:** Upgrade the Cornville 138 kV bus to breaker-and-a-half configuration in preparation for the 138 kV line conversion to Lindsay Water substation.

**Network Upgrade Owner:** AEP

**MOPC Representative:** Paul Johnson, Richard Ross, Raja Sundararajan, Matt Vermillion

**TWG Representative:** Matthew McGee

**Categorization:** Regional reliability

**Network Upgrade Specification:** Install breaker-and-a-half scheme.

**Network Upgrade Justification:** To address the low voltages in the Lindsay Water Flood 69 kV area under normal conditions or due to the loss of the Cornville 138/69 kV transformer.

**Need Date for Network Upgrade:** 6/1/2012

**Estimated Cost for Network Upgrade (current day dollars):** \$19,998,928

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

**Estimated Cost Source:** AEP

**Date of Estimated Cost:** 12/22/2011

**Project ID:** 30354

**Project Name:** Device - Coweta 69 kV Capacitor

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**Need Date for Project:** 6/1/2014  
**Estimated Cost for Project:** \$1,318,601

**Network Upgrade ID:** 50405  
**Network Upgrade Name:** Coweta 69 kV  
**Network Upgrade Description:** Install 6 Mvar capacitor at Coweta 69 kV.  
**Network Upgrade Owner:** AEP  
**MOPC Representative:** Paul Johnson, Richard Ross, Raja Sundararajan, Matt Vermillion  
**TWG Representative:** Matthew McGee  
**Categorization:** Regional reliability  
**Network Upgrade Specification:** Install at least 6 Mvar of capacitance.  
**Network Upgrade Justification:** To address the low voltages near Coweta 69 kV for the loss of the Tulsa Southeast 138/69 kV transformer.  
**Estimated Cost for Network Upgrade (current day dollars):** \$1,318,601  
**Cost Allocation of the Network Upgrade:** Base Plan  
**Estimated Cost Source:** AEP  
**Date of Estimated Cost:** 11/15/2011

### **Upgrades with Modifications**

**Previous NTC Number:** 20122  
**Previous NTC Issue Date:** 2/14/2011  
**Project ID:** 882  
**Project Name:** Line - Carthage - Rock Hill 69 kV Ckt 1 rebuild  
**Need Date for Project:** 6/1/2013  
**Estimated Cost for Project:** \$10,920,454

**Network Upgrade ID:** 11171  
**Network Upgrade Name:** Carthage - Rock Hill 69 kV Ckt 1 #2  
**Network Upgrade Description:** Rebuild or reconductor 11.4-mile Rock Hill - Carthage line from 336 ACSR to 1272 ACSR and remove switches in middle of line. Upgrade breaker, switches, CT ratios, and relay settings at Carthage substation. Upgrade jumpers, switches, CT ratios, and relay settings at Rock Hill substation.  
**Network Upgrade Owner:** AEP  
**MOPC Representative:** Paul Johnson, Richard Ross, Raja Sundararajan, Matt Vermillion  
**TWG Representative:** Matthew McGee  
**Reason for Change:** The 2012 ITPNT analysis determined this project would be required in summer 2013.  
**Categorization:** Regional reliability

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**Network Upgrade Specification:** All elements and conductor must have at least an emergency rating of 143 MVA, but are not limited to that amount.

**Network Upgrade Justification:** To address the overload of Rock Hill - Carthage 69 kV for the loss of Beckville - Louisiana Pacific 69 kV.

**Estimated Cost for Network Upgrade (current day dollars):** \$10,920,454

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

**Estimated Cost Source:** AEP

**Date of Estimated Cost:** 11/15/2011

**Withdrawal of Upgrades**

**Previous NTC Number:** 20122

**Previous NTC Issue Date:** 2/14/2011

**Project ID:** 546

**Project Name:** Multi - Hobart Junction - Southwest Station 138 kV

**Network Upgrade ID:** 10695

**Network Upgrade Name:** Carnegie - Hobart Junction 138 kV Ckt 1

**Network Upgrade Description:** Rebuild the 26.2-mile Carnegie - Hobart Jct. 138 kV line from 397 ACSR to 1272 ACSR. Replace 3 switches, wavetraps and jumpers. Reset CTs and relays.

**Reason for Change:** The 2012 ITPNT analysis determined that this project would not be required in years 2012-2017.

**Network Upgrade ID:** 10696

**Network Upgrade Name:** Carnegie - Southwest Station 138 kV Ckt 1

**Network Upgrade Description:** Reconnector the 14.37-mile Southwest Station - Carnegie 138 kV line from 397 ACSR to 1272 ACSR. Replace wavetraps and jumpers.

**Reason for Change:** The 2012 ITPNT analysis determined that this project would not be required in years 2012-2017.

**Withdrawal of Network Upgrade**

AEP has been made aware of all Network Upgrades withdrawn through SPP's expansion plan process. This letter is the formal notification to stop any further work on the withdrawn Network Upgrade(s), collect any cost associated with the withdrawn Network Upgrade(s), and provide any cost information to SPP.

**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 and an updated  $\pm$  20% cost estimate, NTC Project Estimate, in

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the Standardized Cost Estimate Reporting Template 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 once 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.

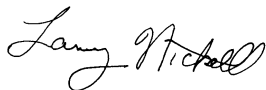
**Notification of Progress**

Please keep SPP advised of any inability on AEP's part to complete the approved Network Upgrade(s). For project tracking purposes, SPP requires AEP to submit status updates for the Network Upgrade(s) quarterly, in conjunction with the SPP Board of Directors meetings. However, AEP 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 "Lanny Nickell".

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

cc: Carl Monroe - SPP  
Katherine Prewitt - SPP

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Bob Bradish - American Electric Power  
Paul Johnson - American Electric Power  
Richard Ross - American Electric Power  
Raja Sundararajan - American Electric Power  
Matt Vermillion - American Electric Power  
Scott Rainbolt - American Electric Power  
Matt McGee - American Electric Power