

SPP-NTC-200184

SPP
Notification to Construct with Conditions

April 9, 2012

Mr. John Fulton
Southwestern Public Service Company
P.O. Box 1261
Amarillo, TX 79105

RE: Notification to Construct Approved ITP10 Network Upgrades

Dear Mr. Fulton,

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 Southwestern Public Service Company ("SPS"), as the Designated Transmission Owner ("DTO"), to construct the Network Upgrade(s). This NTC is Conditioned upon SPS not ordering materials or beginning construction until:

(1) the DTO submits a refined project cost estimate (CPE) to SPP that has a variance bandwidth of -20% to +20% that does not exceed the Study Estimate variance bandwidth of -30% to +30% as provided for in SPP's Business Practices; **or**

(2) the SPP Board of Directors considers SPP's re-evaluation of a project that has a refined project cost estimate (CPE) from the DTO that exceeds the Study Estimate variance bandwidth of -30% to +30% as provided for in SPP's Business Practices.

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 10-Year ("ITP10") Assessment.

New Network Upgrades

Project ID: 1140

Project Name: Multi - Tuco - Stanton 345 kV

Need Date for Project: 6/1/2018

Estimated Cost for Project: \$37,490,796

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Date of Estimated Cost: 10/25/2011

Estimated Cost Source: SPS

Network Upgrade ID: 11502

Network Upgrade Name: Tuco - New Deal 345/115 kV Transformer

Network Upgrade Description: Install 345/115 kV transformer between Tuco and new 115 kV substation (New Deal).

Network Upgrade Owner: SPS

MOPC Representative: William Grant

TWG Representative: John Fulton

Categorization: ITP10

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 474 MVA, but are not limited to that amount.

Network Upgrade Justification: To address loading on the Tuco 230/115 kV Interchange transformers Ckt 1 and 2 for the outage of the parallel transformer.

Cost Allocation of the Network Upgrade: Base Plan

Network Upgrade ID: 11503

Network Upgrade Name: Tuco - Tuco New Deal 345 kV Ckt 1

Network Upgrade Description: Build new 15-mile 345 kV line between Tuco and high side of new transformer between Tuco and Stanton.

Network Upgrade Owner: SPS

MOPC Representative: William Grant

TWG Representative: John Fulton

Categorization: ITP10

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 1792 MVA, but are not limited to that amount.

Network Upgrade Justification: To address loading on the Tuco 230/115 kV Interchange transformers Ckt 1 and 2 for the outage of the parallel transformer.

Cost Allocation of the Network Upgrade: Base Plan

Network Upgrade ID: 11504

Network Upgrade Name: New Deal - Stanton 115 kV Ckt 1

Network Upgrade Description: Build new 17-mile 115 kV line between Stanton and low side of new transformer between Tuco and Stanton.

Network Upgrade Owner: SPS

MOPC Representative: William Grant

TWG Representative: John Fulton

Categorization: ITP10

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 192 MVA, but are not limited to that amount.

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Network Upgrade Justification: To address loading on the Tuco 230/115 kV Interchange transformers Ckt 1 and 2 for the outage of the parallel transformer.
Cost Allocation of the Network Upgrade: Base Plan

Project ID: 30355
Project Name: Line - Grassland - Wolfforth 230 kV
Need Date for Project: 3/1/2018
Estimated Cost for Project: \$50,068,309

Network Upgrade ID: 50404
Network Upgrade Name: Grassland - Wolfforth 230 kV Ckt 1
Network Upgrade Description: Build new 230 kV line from Wolfforth to Grassland, and install terminal equipment at Grassland and Wolfforth substations.
Network Upgrade Owner: SPS
MOPC Representative: William Grant
TWG Representative: John Fulton
Categorization: ITP10
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 the Lubbock South to Woodrow 115 kV and Woodrow to Lynn County 115 kV line for the outage of the Jones to Grassland 230 kV line.
Estimated Cost for Network Upgrade (current day dollars): \$50,068,309
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPS
Date of Estimated Cost: 11/10/2011

Project ID: 30376
Project Name: Multi - Tuco - Amoco - Hobbs 345 kV
Need Date for Project: 1/1/2020
Estimated Cost for Project: \$181,415,883
Date of Estimated Cost: 11/15/2011
Estimated Cost Source: SPS

Network Upgrade ID: 50447
Network Upgrade Name: Amoco - Tuco 345 kV Ckt 1
Network Upgrade Description: Build new 67-mile 345 kV line from Tuco to Amoco.
Network Upgrade Owner: SPS
MOPC Representative: William Grant
TWG Representative: John Fulton
Categorization: ITP10

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Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 1792 MVA, but are not limited to that amount.

Network Upgrade Justification: Identified in ITP10 primarily as an economic project.

Cost Allocation of the Network Upgrade: Base Plan

Network Upgrade ID: 50451

Network Upgrade Name: Amoco 345/230 kV Transformer Ckt 1

Network Upgrade Description: Install new 345/230 kV transformer at Amoco.

Network Upgrade Owner: SPS

MOPC Representative: William Grant

TWG Representative: John Fulton

Categorization: ITP10

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 448 MVA, but are not limited to that amount.

Network Upgrade Justification: Identified in ITP10 primarily as an economic project.

Cost Allocation of the Network Upgrade: Base Plan

Network Upgrade ID: 50452

Network Upgrade Name: Hobbs 345/230 kV Transformer Ckt 1

Network Upgrade Description: Install new 345/230 kV transformer at Hobbs.

Network Upgrade Owner: SPS

MOPC Representative: William Grant

TWG Representative: John Fulton

Categorization: ITP10

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 448 MVA, but are not limited to that amount.

Network Upgrade Justification: Identified in ITP10 primarily as an economic project.

Cost Allocation of the Network Upgrade: Base Plan

Network Upgrade ID: 50457

Network Upgrade Name: Amoco - Hobbs 345 kV Ckt 1

Network Upgrade Description: Build new 100 mile Amoco - Hobbs 345 kV line. Expand the Hobbs substation.

Network Upgrade Owner: SPS

MOPC Representative: William Grant

TWG Representative: John Fulton

Categorization: ITP10

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 1792 MVA, but are not limited to that amount.

Network Upgrade Justification: Identified in ITP10 primarily as an economic project.

Cost Allocation of the Network Upgrade: Base Plan

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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.

NTC-C Project Estimate (CPE)

Please provide SPP a NTC-C Project Estimate (CPE) by February 28, 2013, as described in SPP's Business Practices regarding Notification to Construct with Conditions. SPS shall advise SPP of any inability to provide the CPE by February 28, 2013 as soon as the inability becomes apparent.

Removal of Conditions

Upon notice by SPP of removal of the conditions contained in this NTC, SPP will issue the DTO a new NTC and the following will be applicable:

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

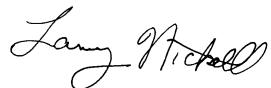
Please keep SPP advised of any inability on SPS's part to complete the approved Network Upgrade(s). For project tracking purposes, SPP requires SPS to submit status updates for the Network Upgrade(s) quarterly in conjunction with the SPP Board of Directors meetings. However, SPS shall also advise SPP 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
Vice President, Engineering
Phone: (501) 614-3232 • Fax: (501) 821-3198 • lnickell@spp.org

cc: Carl Monroe - SPP
Katherine Prewitt - SPP
William Grant - Southwestern Public Service Company