

SPP
Notification to Construct

January 18, 2013

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

RE: Notification to Construct Approved Reliability 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, as the Designated Transmission Owner, to construct the Network Upgrade(s).

On January 18, 2013, SPP concluded that the project(s) is required on the Southwestern Public Service Company system to fulfill delivery point request(s) as detailed in Delivery Point Network Study DPA-2011-September-095.

New Network Upgrades

Project ID: 30410

Project Name: Line - Bowers - Canadian 69 kV Rebuild

Need Date for Project: 6/1/2012

Estimated Cost for Project: \$36,280,573

Network Upgrade ID: 50503

Network Upgrade Name: Bowers - Canadian 69 kV Rebuild

Network Upgrade Description: Rebuild 49-mile 69 kV line between Bowers and Canadian with 795 ACSR conductor.

Network Upgrade Owner: Southwestern Public Service Company

MOPC Representative: William Grant

TWG Representative: John Fulton

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 69 MVA.

SPP-NTC-200190

Network Upgrade Justification: To address unexpected load growth in the SPS/Golden Spread Electric Coop. area as identified in AQ study DPA-2011-September-095.

Estimated Cost for Network Upgrade (current day dollars): \$36,280,573

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: Southwestern Public Service Company

Date of Estimated Cost: 1/8/2013

Project ID: 30411

Project Name: XFR - Howard 115/69 kV Transformers

Need Date for Project: 12/1/2012

Estimated Cost for Project: \$4,370,433

Network Upgrade ID: 50504

Network Upgrade Name: Howard 115/69 kV Transformer Ckt 1

Network Upgrade Description: Replace existing Howard 115/69 kV transformer with new 84 MVA transformer.

Network Upgrade Owner: Southwestern Public Service Company

MOPC Representative: William Grant

TWG Representative: John Fulton

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 84 MVA.

Network Upgrade Justification: To address unexpected load growth in the SPS/Golden Spread Electric Coop. area as identified in AQ study DPA-2011-September-095.

Estimated Cost for Network Upgrade (current day dollars): \$1,663,397

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: Southwestern Public Service Company

Date of Estimated Cost: 12/27/2012

Network Upgrade ID: 50591

Network Upgrade Name: Howard 115/69 kV Transformer Ckt 2

Network Upgrade Description: Install second Howard 115/69 kV transformer.

Network Upgrade Owner: Southwestern Public Service Company

MOPC Representative: William Grant

TWG Representative: John Fulton

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 84 MVA.

Network Upgrade Justification: To address unexpected load growth in the SPS/Golden Spread Electric Coop. area as identified in AQ study DPA-2011-September-095.

Estimated Cost for Network Upgrade (current day dollars): \$2,707,036

Cost Allocation of the Network Upgrade: Base Plan

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Estimated Cost Source: Southwestern Public Service Company
Date of Estimated Cost: 12/27/2012

Project ID: 30412
Project Name: Device - Kingsmill 115 kV Capacitors
Need Date for Project: 6/1/2013
Estimated Cost for Project: \$1,383,765

Network Upgrade ID: 50505
Network Upgrade Name: Kingsmill 115 kV Capacitors
Network Upgrade Description: Add two banks of 7.2 Mvar capacitors at the Kingsmill Interchange 115 kV substation.
Network Upgrade Owner: Southwestern Public Service Company
MOPC Representative: William Grant
TWG Representative: John Fulton
Categorization: Regional reliability
Network Upgrade Specification: Install at least 14.4 Mvar of capacitance.
Network Upgrade Justification: To address unexpected load growth in the SPS/Golden Spread Electric Coop. area as identified in AQ study DPA-2011-September-095.
Estimated Cost for Network Upgrade (current day dollars): \$1,383,765
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: Southwestern Public Service Company
Date of Estimated Cost: 1/8/2013

Project ID: 30413
Project Name: XFR - Grapevine 230/115 kV Transformer Ckt 1
Need Date for Project: 6/1/2014
Estimated Cost for Project: \$4,249,540

Network Upgrade ID: 50506
Network Upgrade Name: Grapevine 230/115kV Transformer Ckt 1
Network Upgrade Description: Replace 230/115 kV transformer at Grapevine substation with 250 MVA transformer.
Network Upgrade Owner: Southwestern Public Service Company
MOPC Representative: William Grant
TWG Representative: John Fulton
Categorization: Regional reliability
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 250 MVA.
Network Upgrade Justification: To address unexpected load growth in the SPS/Golden Spread Electric Coop. area as identified in AQ study DPA-2011-September-095.

SPP-NTC-200190

Estimated Cost for Network Upgrade (current day dollars): \$4,249,540
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: Southwestern Public Service Company
Date of Estimated Cost: 12/5/2012

Project ID: 30414
Project Name: Device - Howard 115 kV Capacitors
Need Date for Project: 6/1/2014
Estimated Cost for Project: \$1,181,643

Network Upgrade ID: 50507
Network Upgrade Name: Howard 115 kV Capacitors
Network Upgrade Description: Add two banks of 14.4 Mvar capacitors at the Howard 115 kV substation.
Network Upgrade Owner: Southwestern Public Service Company
MOPC Representative: William Grant
TWG Representative: John Fulton
Categorization: Regional reliability
Network Upgrade Specification: Install at least 28.8 Mvar of capacitance.
Network Upgrade Justification: To address unexpected load growth in the SPS/Golden Spread Electric Coop. area as identified in AQ study DPA-2011-September-095.
Estimated Cost for Network Upgrade (current day dollars): \$1,181,643
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: Southwestern Public Service Company
Date of Estimated Cost: 12/27/2012

Upgrades with Modifications

Previous NTC Number: 200166
Previous NTC Issue Date: 4/9/2012
Project ID: 805
Project Name: Multi - Bowers - Howard 115 kV Ckt 1
Need Date for Project: 6/1/2013
Estimated Cost for Project: \$25,557,920

Network Upgrade ID: 11067
Network Upgrade Name: Bowers Interchange 115/69 kV Transformer Ckt 2
Network Upgrade Description: Install second 115/69 kV transformer at Bowers.
Network Upgrade Owner: Southwestern Public Service Company
MOPC Representative: William Grant
TWG Representative: John Fulton

SPP-NTC-200190

Reason for Change: Load increase in the area required the Need Date to be advanced from 6/1/2016 to 6/1/2013.

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 96 MVA.

Network Upgrade Justification: To address the unexpected load growth in the SPS/Golden Spread Electric Coop area as identified in AQ study DPA-2011-September-095.

Estimated Cost for Network Upgrade (current day dollars): \$2,980,329

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: Southwestern Public Service Company

Date of Estimated Cost: 9/3/2012

Network Upgrade ID: 50453

Network Upgrade Name: Bowers - Howard 115 kV

Network Upgrade Description: Build new 38-mile 115 kV line from Bowers Interchange - Howard. At Bowers, install 115 kV breaker positions to serve the new transmission line, converting to a three-breaker ring configuration.

Network Upgrade Owner: Southwestern Public Service Company

MOPC Representative: William Grant

TWG Representative: John Fulton

Reason for Change: Load increase in the area required the Need Date to be advanced from 6/1/2016 to 6/1/2013.

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 199 MVA.

Network Upgrade Justification: To address unexpected load growth in the SPS/Golden Spread Electric Coop area as identified in AQ study DPA-2011-September-095.

Estimated Cost for Network Upgrade (current day dollars): \$22,577,591

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: Southwestern Public Service Company

Date of Estimated Cost: 9/3/2012

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 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 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.

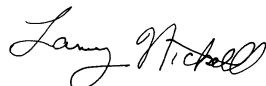
Notification of Progress

On an ongoing basis, please keep SPP advised of any inability on Southwestern Public Service Company's part to complete the approved Network Upgrade(s). For project tracking purposes, SPP requires Southwestern Public Service Company to submit status updates of the Network Upgrade(s) quarterly in conjunction with the SPP Board of Directors meetings. However, Southwestern Public Service Company 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) 482-2022 • lnickell@spp.org

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