

SPP-NTC-200220

**SPP
Notification to Construct**

March 11, 2013

Mr. Paul Malone
Nebraska Public Power District
P.O. Box 608
York, NE 68467

RE: Notification to Construct Approved ITP10 Network Upgrades

Dear Mr. Malone,

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 Nebraska Public Power District ("NPPD"), as the Designated Transmission Owner ("DTO"), 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 10-Year ("ITP10"). On April 9, 2012, SPP issued NPPD the Notification to Construct with Conditions ("NTC-C") No. 200186.

On February 19, 2013, SPP received NPPD's NTC-C Project Estimate(s) ("CPE") for the Network Upgrade(s) specified in the NTC-C No. 200186. SPP approved the CPE(s) as meeting the requirements of Condition No. 1 of the NTC-C, and an NTC would therefore be automatically issued for the Network Upgrade(s).

New Network Upgrades

Project ID: 30374
Project Name: Multi - Hoskins - Neligh 345 kV
Need Date for Project: 3/1/2019
Estimated Cost for Project: \$98,697,720
Date of Estimated Cost: 2/19/2013
Estimated Cost Source: NPPD

SPP-NTC-200220**Network Upgrade ID:** 50621**Network Upgrade Name:** Neligh 115 kV Terminal Upgrades**Network Upgrade Description:** Install necessary terminal equipment at the 115 kV bus in the new Neligh substation.**Network Upgrade Owner:** NPPD**MOPC Representative(s):** Paul Malone**TWG Representative:** Randy Lindstrom**Categorization:** ITP10**Network Upgrade Specification:** All elements and conductor must have at least an emergency rating of 474 MVA.**Network Upgrade Justification:** To address the overload of the Battle Creek - County Line 115 kV line for the outage of Albion - Petersburg 115 kV line. To address overloads in the Neligh area during contingencies in the Neligh area. During review by the DTO, this Upgrade ID was created to separate the 115 kV terminal equipment from Upgrade ID No. 50441. The cost of this Network Upgrade was included in the original cost of Upgrade ID No. 50441.**Cost Allocation of the Network Upgrade:** Base Plan**Upgrades with Modifications****Previous NTC Number:** 200186**Previous NTC Issue Date:** 4/9/2012**Project ID:** 30374**Project Name:** Multi - Hoskins - Neligh 345 kV**Need Date for Project:** 3/1/2019**Estimated Cost for Project:** \$98,697,720**Date of Estimated Cost:** 2/19/2013**Estimated Cost Source:** NPPD**Network Upgrade ID:** 50440**Network Upgrade Name:** Hoskins - Neligh 345 kV Ckt 1**Network Upgrade Description:** Build a new 41-mile 345 kV line from Hoskins to Neligh.**Network Upgrade Owner:** NPPD**MOPC Representative(s):** Paul Malone**TWG Representative:** Randy Lindstrom**Reason for Change:** The CPE(s) for this project was determined to meet the requirements of Condition No. 1 of the NTC-C No. 200186. Therefore, the conditions of the project are removed.**Categorization:** ITP10**Network Upgrade Specification:** All elements and conductor must have at least an

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emergency rating of 1792 MVA.

Network Upgrade Justification: To address overloads of the Battle Creek to County Line 115 kV line for the outage of Albion - Petersburg 115 kV line. To address overloads in the Neligh area during contingencies in the Neligh area.

Estimated Cost for Network Upgrade (current day dollars): \$68,774,278

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Date of Estimated Cost: 2/19/2013

Network Upgrade ID: 50441

Network Upgrade Name: Neligh 345/115 kV Substation

Network Upgrade Description: Build new substation at Neligh. Install a new 345/115 kV transformer and all necessary 345 kV equipment at Neligh.

Network Upgrade Owner: NPPD

MOPC Representative(s): Paul Malone

TWG Representative: Randy Lindstrom

Reason for Change: The CPE(s) for this project was determined to meet the requirements of Condition No. 1 of the NTC-C No. 200186. Therefore, the conditions of the project are removed.

Categorization: ITP10

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 474 MVA.

Network Upgrade Justification: To address the overload of the Battle Creek - County Line 115 kV line for the outage of Albion - Petersburg 115 kV line. To address overloads in the Neligh area during contingencies in the Neligh area.

Cost Allocation of the Network Upgrade: Base Plan

Previous NTC Number: 200186

Previous NTC Issue Date: 4/9/2012

Project ID: 30375

Project Name: Multi - Gentleman - Cherry Co. - Holt Co. 345 kV

Need Date for Project: 1/1/2018

Estimated Cost for Project: \$313,376,623

Network Upgrade ID: 50442

Network Upgrade Name: Cherry Co. - Gentleman 345 kV Ckt 1

Network Upgrade Description: Build new 110-mile 345 kV line from Gerald Gentleman Station substation to new Cherry County substation. This upgrade is contingent upon approval from Western Area Power Administration ("WAPA") to tap the Grand Island - Fort Thompson 345 kV line.

Network Upgrade Owner: NPPD

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MOPC Representative(s): Paul Malone

TWG Representative: Randy Lindstrom

Reason for Change: The CPE(s) for this project was determined to meet the requirements of Condition No. 1 of the NTC-C No. 200186. Therefore, the conditions of the project are removed.

Categorization: ITP10

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 1792 MVA.

Network Upgrade Justification: Identified in ITP10 primarily as a renewable policy project.

Estimated Cost for Network Upgrade (current day dollars): \$139,090,440

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Date of Estimated Cost: 2/19/2013

Network Upgrade ID: 50444

Network Upgrade Name: Cherry Co. Substation 345 kV

Network Upgrade Description: Build new Cherry County 345 kV substation and install necessary terminal equipment. This upgrade is contingent upon approval from WAPA to tap the Grand Island - Fort Thompson 345 kV line.

Network Upgrade Owner: NPPD

MOPC Representative(s): Paul Malone

TWG Representative: Randy Lindstrom

Reason for Change: The CPE(s) for this project was determined to meet the requirements of Condition No. 1 of the NTC-C No. 200186. Therefore, the conditions of the project are removed.

Categorization: ITP10

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 1792 MVA.

Network Upgrade Justification: Identified in ITP10 primarily as a renewable policy project.

Estimated Cost for Network Upgrade (current day dollars): \$11,896,383

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Date of Estimated Cost: 2/19/2013

Network Upgrade ID: 50445

Network Upgrade Name: Cherry Co. - Holt Co. 345 kV Ckt 1

Network Upgrade Description: Build new 117-mile 345 kV line from new Cherry County substation to new Holt County substation. This upgrade is contingent upon approval from WAPA to tap the Grand Island - Fort Thompson 345 kV line.

SPP-NTC-200220**Network Upgrade Owner:** NPPD**MOPC Representative(s):** Paul Malone**TWG Representative:** Randy Lindstrom**Reason for Change:** The CPE(s) for this project was determined to meet the requirements of Condition No. 1 of the NTC-C No. 200186. Therefore, the conditions of the project are removed.**Categorization:** ITP10**Network Upgrade Specification:** All elements and conductor must have at least an emergency rating of 1792 MVA.**Network Upgrade Justification:** Identified in ITP10 primarily as a renewable policy project.**Estimated Cost for Network Upgrade (current day dollars):** \$146,065,000**Cost Allocation of the Network Upgrade:** Base Plan**Estimated Cost Source:** NPPD**Date of Estimated Cost:** 2/19/2013**Network Upgrade ID:** 50446**Network Upgrade Name:** Holt Co. Substation 345 kV**Network Upgrade Description:** Build new Holt County 345 kV substation tap on the Grand Island - Fort Thompson 345 kV line owned by WAPA. Install necessary terminal equipment at new substation. This upgrade is contingent upon approval from WAPA to tap the Grand Island - Fort Thompson 345 kV line.**Network Upgrade Owner:** NPPD**MOPC Representative(s):** Paul Malone**TWG Representative:** Randy Lindstrom**Reason for Change:** The CPE(s) for this project was determined to meet the requirements of Condition No. 1 of the NTC-C No. 200186. Therefore, the conditions of the project are removed.**Categorization:** ITP10**Network Upgrade Specification:** All elements and conductor must have at least an emergency rating of 1792 MVA.**Network Upgrade Justification:** Identified in ITP10 primarily as a renewable policy project.**Estimated Cost for Network Upgrade (current day dollars):** \$16,324,800**Cost Allocation of the Network Upgrade:** Base Plan**Estimated Cost Source:** NPPD**Date of Estimated Cost:** 2/19/2013**Commitment to Construct**

Please provide to SPP a written commitment to construct the Network Upgrade(s) within 90 days

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of the date of this NTC, pursuant to Attachment O, Section VI.6 of the SPP OATT, in addition to providing a construction schedule. 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 for 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.

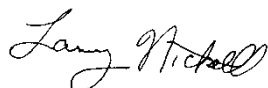
Notification of Progress

On an ongoing basis, please keep SPP advised of any inability on NPPD's part to complete the approved Network Upgrade(s). For project tracking, SPP requires NPPD to submit status updates of the Network Upgrade(s) quarterly in conjunction with the SPP Board of Directors meetings. However, NPPD 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

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cc: Carl Monroe - SPP
Katherine Prewitt - SPP
Randy Lindstrom - NPPD