

SPP
Notification to Construct

September 10, 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 ("SPS"), as the Designated Transmission Owner, to construct the Network Upgrade(s).

On January 29, 2013, the SPP Board of Directors approved the Network Upgrade(s) listed below to be constructed as part of the 2013 Integrated Transmission Planning Near-Term Assessment. On February 20, 2013, SPP issued SPS the Notification to Construct with Conditions ("NTC-C") No. 200213.

On August 30, 2013, SPP received SPS's NTC-C Project Estimate(s) ("CPE") for the Network Upgrade(s) specified in the NTC-C No. 200215. SPP approved the CPE(s) as meeting the requirements of Condition No. 1 of the NTC-C, and notified SPS that SPP would issue an NTC for the Network Upgrade(s).

Upgrades with Modifications

Previous NTC Number: 200215

Previous NTC Issue Date: 2/20/2013

Project ID: 30469

Project Name: Multi - Kilgore Switch - South Portales - Market St. - Portales 115 kV

Need Date for Project: 6/1/2018

Estimated Cost for Project: \$27,029,587

Network Upgrade ID: 50563

Network Upgrade Name: Kilgore Switch - South Portales 115 kV Ckt 1

Network Upgrade Description: Build new 5.3-mile 115 kV line from the switching station east of Kilgore substation to South Portales and install necessary terminal equipment.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Reason for Change: The CPE(s) for this project was determined to meet the requirements of Condition No. 1 of NTC-C No. 200215. Therefore, the conditions of the project are removed.

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 175 MVA.

Network Upgrade Justification: To address the overload of Portales 115/69 kV transformers for the outage of the parallel Portales 115/69 kV transformer.

Estimated Cost for Network Upgrade (current day dollars): \$5,136,476

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 8/30/2013

Network Upgrade ID: 50564

Network Upgrade Name: Market St. - South Portales 115 kV Ckt 1

Network Upgrade Description: Build new 6-mile 115 kV line from South Portales to Market St. and install necessary terminal equipment.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Reason for Change: The CPE(s) for this project was determined to meet the requirements of Condition No. 1 of NTC-C No. 200215. Therefore, the conditions of the project are removed.

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 175 MVA.

Network Upgrade Justification: To address the overload of Portales 115/69 kV transformers for the outage of the parallel Portales 115/69 kV transformer.

Estimated Cost for Network Upgrade (current day dollars): \$6,498,682

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 8/30/2013

Network Upgrade ID: 50565

Network Upgrade Name: Market St. - Portales 115 kV Ckt 1

Network Upgrade Description: Build new 10.4-mile 115 kV line from Market St. to Portales and install necessary terminal equipment.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Reason for Change: The CPE(s) for this project was determined to meet the requirements of Condition No. 1 of NTC-C No. 200215. Therefore, the conditions of the project are removed.

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 175 MVA.

Network Upgrade Justification: To address the overload of Portales 115/69 kV transformers for the outage of the parallel Portales 115/69 kV transformer.

Estimated Cost for Network Upgrade (current day dollars): \$15,394,429

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 8/30/2013

Previous NTC Number: 200215

Previous NTC Issue Date: 2/20/2013

Project ID: 772

Project Name: Line - Carlisle - Wolfforth 230 kV

Need Date for Project: 6/1/2017

Estimated Cost for Project: \$32,429,240

Network Upgrade ID: 11017

Network Upgrade Name: Carlisle Interchange - Wolfforth Interchange 230 kV Ckt 1

Network Upgrade Description: Build new 16.8-mile 230 kV line from Carlisle to Wolfforth South and install necessary terminal equipment.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Reason for Change: The CPE(s) for this project was determined to meet the requirements of Condition No. 1 of NTC-C No. 200215. Therefore, the conditions of the project are removed.

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 478 MVA.

Network Upgrade Justification: To address the overload of Indiana - Stanton 115 kV Ckt 1 for the outage of Carlisle Interchange - Tuco Interchange 230 kV Ckt 1.

Estimated Cost for Network Upgrade (current day dollars): \$32,429,240

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 8/30/2013

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. 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.

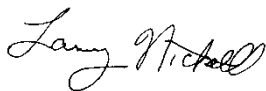
Notification of Progress

On an ongoing basis, please keep SPP advised of any inability on SPS's part to complete the approved Network Upgrade(s). For project tracking, SPP requires SPS to submit status updates of 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.

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 - SPS