

SPP-NTC-200241

**SPP
Notification to Construct**

February 19, 2014

Mr. Jeff Tullis
Grand River Dam Authority
P.O. Box 1128
Pryor, OK 74119

RE: Notification to Construct Approved Reliability Network Upgrades

Dear Mr. Tullis,

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 Grand River Dam Authority ("GRDA"), as the Designated Transmission Owner, to construct the Network Upgrade(s).

On January 28, 2014, the SPP Board of Directors approved the Network Upgrade(s) listed below to be constructed as part of the 2014 Integrated Transmission Planning ("ITP") Near-Term Assessment.

New Network Upgrades

Project ID: 30438

Project Name: Line - Kerr - 412 Sub 161 kV Ckt 1

Need Date for Project: 6/1/2017

Estimated Cost for Project: \$161,100

Network Upgrade ID: 50533

Network Upgrade Name: Kerr - 412 Sub 161 kV Ckt 1 Terminal Upgrades

Network Upgrade Description: Replace 1200 Amp switch with a 2000 Amp switch at Kerr substation 161 kV bus.

Network Upgrade Owner: GRDA

MOPC Representative(s): Mike Stafford

TWG Representative: Joe Fultz

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 432 MVA.

Network Upgrade Justification: To address the overload on Kerr 412 Sub 161 kV Ckt 1

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for outage of Flint Creek - Tonnece 345 kV Ckt 1, Tonnece - GRDA1 345 kV Ckt 1, and Tonnece 345/161 kV transformer (GRDA-OPGD-05).

Estimated Cost for Network Upgrade (current day dollars): \$161,100

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: GRDA

Date of Estimated Cost: 12/3/2013

Project ID: 30440

Project Name: Line - 412 Sub - Kansas Tap 161 kV Ckt 1

Need Date for Project: 6/1/2018

Estimated Cost for Project: \$161,100

Network Upgrade ID: 50535

Network Upgrade Name: 412 Sub - Kansas Tap 161 kV Ckt 1 Terminal Upgrades

Network Upgrade Description: Replace 1200 Amp switch with a 2000 Amp switch at Kansas Tap substation 161 kV bus.

Network Upgrade Owner: GRDA

MOPC Representative(s): Mike Stafford

TWG Representative: Joe Fultz

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 432 MVA.

Network Upgrade Justification: To address the overload of 412 Sub - Kansas Tap Sub 161 kV Ckt 1 for the outage of Flint Creek - Tonnece 345 kV Ckt 1, Tonnece - GRDA1 345 kV Ckt 1, and Tonnece 345/161 kV transformer (GRDA-OPGD-05).

Estimated Cost for Network Upgrade (current day dollars): \$161,100

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: GRDA

Date of Estimated Cost: 12/3/2013

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, 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 for formulation and approval of any necessary

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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.

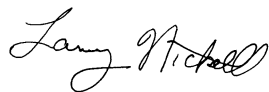
Notification of Progress

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