

SPP-NTC-200284

**SPP
Notification to Construct**

May 19, 2014

Mr. Alan Derichsweiler
Western Farmers Electric Cooperative
701 NE 7th Street
Anadarko, OK 73005

RE: Notification to Construct Approved High Priority Upgrades

Dear Mr. Derichsweiler,

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 Western Farmers Electric Cooperative ("WFEC"), as the Designated Transmission Owner, to construct the Network Upgrade(s).

On April 29, 2014, the SPP Board of Directors approved the High Priority Incremental Load Study ("HPILS"). The Network Upgrade(s) listed below were included in Appendix C of the HPILS report and are to be constructed.

New Network Upgrades

Project ID: 30628
Project Name: Device - Freedom 69 kV
Need Date for Project: 6/1/2015
Estimated Cost for Project: \$125,000

Network Upgrade ID: 50813
Network Upgrade Name: Freedom 69 kV Cap Bank
Network Upgrade Description: Install new 9.6-Mvar capacitor bank at Freedom 69 kV.
Network Upgrade Owner: WFEC
MOPC Representative(s): Alan Derichsweiler
TWG Representative: Tim Smith
Categorization: High priority
Network Upgrade Specification: Install at least 9.6 Mvar of capacitance at Freedom 69 kV.
Network Upgrade Justification: To address needs identified in the HPILS.
Estimated Cost for Network Upgrade (current day dollars): \$125,000

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Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: WFEC
Date of Estimated Cost: 2/21/2014

Project ID: 30629
Project Name: Line - Carmen - Eagle Chief 69 kV Ckt 1
Need Date for Project: 6/1/2015
Estimated Cost for Project: \$3,492,160

Network Upgrade ID: 50814
Network Upgrade Name: Carmen - Eagle Chief 69 kV Ckt 1 Reconductor
Network Upgrade Description: Reconductor 9-mile 69 kV line from Carmen to Eagle Chief to achieve a rating of 53/65 MVA.
Network Upgrade Owner: WFEC
MOPC Representative(s): Alan Derichsweiler
TWG Representative: Tim Smith
Categorization: High priority
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 65 MVA.
Network Upgrade Justification: To address needs identified in the HPILS.
Estimated Cost for Network Upgrade (current day dollars): \$3,492,160
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPP
Date of Estimated Cost: 2/28/2014

Project ID: 30635
Project Name: Device - Eagle Chief 69 kV
Need Date for Project: 6/1/2015
Estimated Cost for Project: \$190,000

Network Upgrade ID: 50817
Network Upgrade Name: Eagle Chief 69 kV Cap Bank
Network Upgrade Description: Install new 12-Mvar capacitor bank at Eagle Chief 69 kV.
Network Upgrade Owner: WFEC
MOPC Representative(s): Alan Derichsweiler
TWG Representative: Tim Smith
Categorization: High priority
Network Upgrade Specification: Install at least 12 Mvar of capacitance at Eagle Chief 69 kV.
Network Upgrade Justification: To address needs identified in the HPILS.
Estimated Cost for Network Upgrade (current day dollars): \$190,000

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Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: WFEC
Date of Estimated Cost: 2/21/2014

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 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 WFEC's part to complete the approved Network Upgrade(s). For project tracking, SPP requires WFEC to submit status updates of the Network Upgrade(s) quarterly in conjunction with the SPP Board of Directors meetings. However, WFEC 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,

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Lanny Nickell
Vice President, Engineering
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cc: Carl Monroe - SPP
Katherine Prewitt - SPP
Tim Smith - WFEC
Ron Cunningham - WFEC