

SPP-NTC-200278

**SPP
Notification to Construct**

May 19, 2014

Mr. Philip Crissup
Oklahoma Gas and Electric Co.
P.O. Box 321, M/C 903
Oklahoma City, OK 73101

RE: Notification to Construct Approved High Priority Upgrades

Dear Mr. Crissup,

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 Oklahoma Gas and Electric Co. ("OGE"), as the Designated Transmission Owner, ("DTO"), to construct the Network Upgrade(s). This NTC is conditioned upon OGE not ordering materials or beginning construction until:

- (1) the DTO submits a refined NTC-C Project Estimate ("CPE") to SPP that has a variance bandwidth of -20% to +20% that does not exceed the Study Estimate variance bandwidth of -30% to +30% as provided for in SPP's Business Practices; or
- (2) the SPP Board of Directors considers SPP's re-evaluation of a project that has a refined CPE from the DTO that exceeds the Study Estimate variance bandwidth of -30% to +30% as provided for in SPP's Business Practices.

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: 30622

Project Name: Multi - Knipe - SW Station - Linwood & Warwick Tap 138 kV Ckt 1

Need Date for Project: 6/1/2018

Estimated Cost for Project: \$28,572,000

Date of Estimated Cost: 2/24/2014

Estimated Cost Source: OGE

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Network Upgrade ID: 50805

Network Upgrade Name: SW Station - Warwick Tap 138 kV Ckt 1

Network Upgrade Description: Construct new 138 kV SW Station switching station. Construct new 13-mile 138 kV line from new SW Station switching station to Warwick Tap.

Network Upgrade Owner: OGE

MOPC Representative(s): Jacob Langthorn, IV

TWG Representative: Travis Hyde

Categorization: High priority

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 286 MVA.

Network Upgrade Justification: To address needs identified in the HPILS.

Cost Allocation of the Network Upgrade: Base Plan

Network Upgrade ID: 50806

Network Upgrade Name: Linwood - SW Station 138 kV Ckt 1

Network Upgrade Description: Construct new 18-mile 138 kV line from Linwood to new SW Station switching station.

Network Upgrade Owner: OGE

MOPC Representative(s): Jacob Langthorn, IV

TWG Representative: Travis Hyde

Categorization: High priority

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 286 MVA.

Network Upgrade Justification: To address needs identified in the HPILS.

Cost Allocation of the Network Upgrade: Base Plan

Network Upgrade ID: 50807

Network Upgrade Name: Knipe - SW Station 138 kV Ckt 1

Network Upgrade Description: Construct new 5-mile 138 kV line from Knipe to new SW Station switching station.

Network Upgrade Owner: OGE

MOPC Representative(s): Jacob Langthorn, IV

TWG Representative: Travis Hyde

Categorization: High priority

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 286 MVA.

Network Upgrade Justification: To address needs identified in the HPILS.

Cost Allocation of the Network Upgrade: Base Plan

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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. 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.

CPE

Please provide SPP a CPE by November 19, 2014, as described in SPP's Business Practice No. 7060 regarding Notification to Construct with Conditions. OGE shall advise SPP of any inability to provide the CPE by November 19, 2014, as soon as the inability becomes apparent.

Removal of Conditions

Upon notice by SPP of removal of the conditions contained in this NTC, SPP will issue the DTO a new NTC and the following will be applicable:

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

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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,



Lanny Nickell
Vice President, Engineering
Phone: (501) 614-3232 • Fax: (501) 482-2022 • lnickell@spp.org
cc: Carl Monroe - SPP
Katherine Prewitt - SPP
Jacob Langthorn, IV - OGE
Travis Hyde - OGE