

**SPP
Notification to Construct**

May 19, 2014

Mr. John Fulton
Southwestern Public Service Company
P.O. Box 1261
Amarillo, TX 79105

RE: Notification to Construct Approved High Priority 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 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: 30331

Project Name: Device - Eagle Creek 115 kV

Need Date for Project: 6/1/2015

Estimated Cost for Project: \$1,360,435

Network Upgrade ID: 50378

Network Upgrade Name: Eagle Creek 115 kV Cap Bank

Network Upgrade Description: Install 14.4-Mvar capacitor bank at Eagle Creek 115 kV bus.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Categorization: High priority

Network Upgrade Specification: Install 14.4 Mvar of capacitance at Eagle Creek 115 kV.

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

Estimated Cost for Network Upgrade (current day dollars): \$1,360,435

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS
Date of Estimated Cost: 2/24/2014

Project ID: 30649
Project Name: Multi - Andrews 230/115 kV Transformer and Andrews - NEF 115 kV Ckt 1
Need Date for Project: 6/1/2015
Estimated Cost for Project: \$13,611,658

Network Upgrade ID: 50881
Network Upgrade Name: Andrews 230/115 kV Ckt 1 Transformer
Network Upgrade Description: Install new 230/115 kV 288 MVA transformer at Andrews substation. Install any necessary terminal equipment.
Network Upgrade Owner: SPS
MOPC Representative(s): William Grant
TWG Representative: John Fulton
Categorization: High priority
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 288 MVA.
Network Upgrade Justification: To address needs identified in the HPILS.
Estimated Cost for Network Upgrade (current day dollars): \$9,503,243
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPS
Date of Estimated Cost: 2/21/2014

Network Upgrade ID: 50882
Network Upgrade Name: Andrews - NEF 115 kV Ckt 1
Network Upgrade Description: Construct new 2.1-mile 115 kV line from Andrews to National Enrichment Facility (NEF).
Network Upgrade Owner: SPS
MOPC Representative(s): William Grant
TWG Representative: John Fulton
Categorization: High priority
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 304 MVA.
Network Upgrade Justification: To address needs identified in the HPILS.
Estimated Cost for Network Upgrade (current day dollars): \$4,108,415
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPS
Date of Estimated Cost: 2/21/2014

Project ID: 30672
Project Name: Multi - Dollarhide - Toboso Flats 115 kV
Need Date for Project: 6/1/2018

Estimated Cost for Project: \$5,702,228

Network Upgrade ID: 50872

Network Upgrade Name: Toboso Flats 115 kV Substation

Network Upgrade Description: Construct new 115 kV Toboso Flats substation. Install any necessary 115 kV terminal equipment.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Categorization: High priority

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 304 MVA.

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

Estimated Cost for Network Upgrade (current day dollars): \$810,097

Cost Allocation of the Network Upgrade: Directly Assigned

Estimated Cost Source: SPS

Date of Estimated Cost: 2/21/2014

Network Upgrade ID: 50874

Network Upgrade Name: Dollarhide - Toboso Flats 115 kV Ckt 1

Network Upgrade Description: Construct new 7.4-mile 115 kV line from new Toboso Flats substation to Dollarhide.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Categorization: High priority

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 304 MVA.

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

Estimated Cost for Network Upgrade (current day dollars): \$4,892,131

Cost Allocation of the Network Upgrade: Directly Assigned

Estimated Cost Source: SPS

Date of Estimated Cost: 2/21/2014

Project ID: 30675

Project Name: Multi - China Draw – New Substation 115 kV

Need Date for Project: 6/1/2018

Estimated Cost for Project: \$14,707,442

Network Upgrade ID: 50869

Network Upgrade Name: China Draw – New Substation 115 kV Ckt 1

Network Upgrade Description: Construct new 4-mile 115 kV line form China Draw to new substation.

Network Upgrade Owner: SPS
MOPC Representative(s): William Grant
TWG Representative: John Fulton
Categorization: High priority
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 304 MVA.
Network Upgrade Justification: To address needs identified in the HPILS.
Estimated Cost for Network Upgrade (current day dollars): \$13,659,867
Cost Allocation of the Network Upgrade: Directly Assigned
Estimated Cost Source: SPS
Date of Estimated Cost: 2/21/2014

Network Upgrade ID: 50988
Network Upgrade Name: New Substation 115 kV Substation
Network Upgrade Description: Construct and install any necessary 115 kV equipment to connect new customer owner substation.
Network Upgrade Owner: SPS
MOPC Representative(s): William Grant
TWG Representative: John Fulton
Categorization: High priority
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 304 MVA.
Network Upgrade Justification: To address needs identified in the HPILS.
Estimated Cost for Network Upgrade (current day dollars): \$1,047,575
Cost Allocation of the Network Upgrade: Directly Assigned
Estimated Cost Source: SPS
Date of Estimated Cost: 2/21/2014

Project ID: 30694
Project Name: Multi - Ponderosa - Ponderosa Tap 115 kV
Need Date for Project: 6/1/2018
Estimated Cost for Project: \$9,796,438

Network Upgrade ID: 50877
Network Upgrade Name: Ponderosa 115 kV Substation
Network Upgrade Description: Construct new 115 kV Ponderosa substation. Install any necessary 115 kV terminal equipment.
Network Upgrade Owner: SPS
MOPC Representative(s): William Grant
TWG Representative: John Fulton
Categorization: High priority
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 304 MVA.

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

Estimated Cost for Network Upgrade (current day dollars): \$997,575

Cost Allocation of the Network Upgrade: Directly Assigned

Estimated Cost Source: SPS

Date of Estimated Cost: 2/21/2014

Network Upgrade ID: 50879

Network Upgrade Name: Ponderosa Tap 115 kV Substation

Network Upgrade Description: Tap the existing 115 kV line from Ochoa to Whitten to construct new 115 kV Ponderosa Tap substation. Install any necessary 115 kV terminal equipment.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Categorization: High priority

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 304 MVA.

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

Estimated Cost for Network Upgrade (current day dollars): \$4,071,449

Cost Allocation of the Network Upgrade: Directly Assigned

Estimated Cost Source: SPS

Date of Estimated Cost: 2/21/2014

Network Upgrade ID: 50923

Network Upgrade Name: Ponderosa - Ponderosa Tap 115 kV Ckt 1

Network Upgrade Description: Construct new 9.3-mile 115 kV line from new Ponderosa substation to new Ponderosa Tap substation.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Categorization: High priority

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 304 MVA.

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

Estimated Cost for Network Upgrade (current day dollars): \$4,727,414

Cost Allocation of the Network Upgrade: Directly Assigned

Estimated Cost Source: SPS

Date of Estimated Cost: 2/21/2014

Project ID: 30756

Project Name: Multi - Battle Axe - Road Runner 115 kV

Need Date for Project: 6/1/2018

Estimated Cost for Project: \$15,538,804

Network Upgrade ID: 50873
Network Upgrade Name: Battle Axe - Road Runner 115 kV Ckt 1
Network Upgrade Description: Construct new 18.9-mile 115 kV line from Road Runner to Battle Axe.
Network Upgrade Owner: SPS
MOPC Representative(s): William Grant
TWG Representative: John Fulton
Categorization: High priority
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 304 MVA.
Network Upgrade Justification: To address needs identified in the HPILS.
Estimated Cost for Network Upgrade (current day dollars): \$12,574,305
Cost Allocation of the Network Upgrade: Directly Assigned
Estimated Cost Source: SPS
Date of Estimated Cost: 2/21/2014

Network Upgrade ID: 50968
Network Upgrade Name: Battle Axe 115 kV Substation
Network Upgrade Description: Construct new 115 kV Battle Axe substation. Install any necessary 115 kV terminal equipment.
Network Upgrade Owner: SPS
MOPC Representative(s): William Grant
TWG Representative: John Fulton
Categorization: High priority
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 304 MVA.
Network Upgrade Justification: To address needs identified in the HPILS.
Estimated Cost for Network Upgrade (current day dollars): \$2,964,499
Cost Allocation of the Network Upgrade: Directly Assigned
Estimated Cost Source: SPS
Date of Estimated Cost: 2/21/2014

Project ID: 30777
Project Name: Sub - Oxy South Hobbs 115 kV
Need Date for Project: 6/1/2018
Estimated Cost for Project: \$308,657

Network Upgrade ID: 51059
Network Upgrade Name: Oxy South Hobbs 115 kV Substation
Network Upgrade Description: Tap existing 115 kV line from South Hobbs to the Switch 4J44 substation to construct new Oxy South Hobbs substation.
Network Upgrade Owner: SPS
MOPC Representative(s): William Grant

TWG Representative: John Fulton
Categorization: High priority
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 304 MVA.
Network Upgrade Justification: To address needs identified in the HPILS.
Estimated Cost for Network Upgrade (current day dollars): \$308,657
Cost Allocation of the Network Upgrade: Directly Assigned
Estimated Cost Source: SPS
Date of Estimated Cost: 3/19/2014

Project ID: 30824
Project Name: XFR - Potash Junction 230/115 kV Ckt 1
Need Date for Project: 6/1/2015
Estimated Cost for Project: \$3,320,942

Network Upgrade ID: 50821
Network Upgrade Name: Potash Junction 230/115 kV Ckt 1
Network Upgrade Description: Upgrade 230/115 kV transformer at Potash Junction to 250/288 MVA.
Network Upgrade Owner: SPS
MOPC Representative(s): William Grant
TWG Representative: John Fulton
Categorization: High priority
Network Upgrade Specification: All elements must have at least an emergency rating of 288 MVA.
Network Upgrade Justification: To address needs identified in the HPILS.
Estimated Cost for Network Upgrade (current day dollars): \$3,320,942
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPS
Date of Estimated Cost: 2/21/2014

Project ID: 30825
Project Name: Line - China Draw - Wood Draw 115 kV Ckt 1
Need Date for Project: 6/1/2018
Estimated Cost for Project: \$12,688,747

Network Upgrade ID: 50931
Network Upgrade Name: China Draw - Wood Draw 115 kV Ckt 1
Network Upgrade Description: Construct new 14-mile 115 kV line from China Draw to Wood Draw.
Network Upgrade Owner: SPS
MOPC Representative(s): William Grant
TWG Representative: John Fulton

Categorization: High priority

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 304 MVA.

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

Estimated Cost for Network Upgrade (current day dollars): \$12,688,747

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

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 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,



Lanny Nickell

Vice President, Engineering

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cc: Carl Monroe - SPP

Katherine Prewitt - SPP

William Grant - SPS