

SPP-NTC-200277

**SPP**  
**Notification to Construct**

May 19, 2014

Mr. Paul Malone  
Nebraska Public Power District  
P.O. Box 608  
York, NE 68467

RE: Notification to Construct Approved High Priority Upgrades

Dear Mr. Malone,

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 Nebraska Public Power District ("NPPD"), 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:** 30567

**Project Name:** Device - Spalding 115 kV Cap Bank

**Need Date for Project:** 6/1/2015

**Estimated Cost for Project:** \$600,000

**Network Upgrade ID:** 50705

**Network Upgrade Name:** Spalding 115 kV Cap Bank

**Network Upgrade Description:** Install second 15-Mvar capacitor bank at Spalding 115 kV substation.

**Network Upgrade Owner:** NPPD

**MOPC Representative(s):** Paul Malone

**TWG Representative:** Randy Lindstrom

**Categorization:** High priority

**Network Upgrade Specification:** Install at least 15 Mvar of capacitance at Spalding 115 kV.

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

**SPP-NTC-200277**

**Estimated Cost for Network Upgrade (current day dollars):** \$600,000  
**Cost Allocation of the Network Upgrade:** Base Plan  
**Estimated Cost Source:** NPPD  
**Date of Estimated Cost:** 2/21/2014

**Project ID:** 30678  
**Project Name:** XFR - Thedford 345/115 kV  
**Need Date for Project:** 6/1/2016  
**Estimated Cost for Project:** \$10,236,800

**Network Upgrade ID:** 50889  
**Network Upgrade Name:** Thedford 345/115 kV Transformer  
**Network Upgrade Description:** Install new 345/115 kV 400 MVA transformer at Thedford substation. Install any necessary 115 kV terminal equipment.  
**Network Upgrade Owner:** NPPD  
**MOPC Representative(s):** Paul Malone  
**TWG Representative:** Randy Lindstrom  
**Categorization:** High priority  
**Network Upgrade Specification:** All elements must have at least an emergency rating of 400 MVA.  
**Network Upgrade Justification:** To address needs identified in the HPILS.  
**Estimated Cost for Network Upgrade (current day dollars):** \$9,306,000  
**Cost Allocation of the Network Upgrade:** Base Plan  
**Estimated Cost Source:** NPPD  
**Date of Estimated Cost:** 2/21/2014

**Network Upgrade ID:** 51002  
**Network Upgrade Name:** Thedford 345 kV Terminal Upgrades  
**Network Upgrade Description:** Install any necessary 345 kV terminal equipment at Thedford associated with new 345/115 kV transformer.  
**Network Upgrade Owner:** NPPD  
**MOPC Representative(s):** Paul Malone  
**TWG Representative:** Randy Lindstrom  
**Categorization:** High priority  
**Network Upgrade Specification:** All elements must have at least an emergency rating of 400 MVA.  
**Network Upgrade Justification:** To address needs identified in the HPILS.  
**Estimated Cost for Network Upgrade (current day dollars):** \$930,800  
**Cost Allocation of the Network Upgrade:** Base Plan  
**Estimated Cost Source:** NPPD  
**Date of Estimated Cost:** 2/21/2014

**SPP-NTC-200277**

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

**SPP-NTC-200277**

Lanny Nickell  
Vice President, Engineering  
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cc: Carl Monroe - SPP  
Katherine Prewitt - SPP  
Randy Lindstrom - NPPD