

SPP-NTC-200326

**iSPP
Notification to Construct**

February 18, 2015

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

RE: Notification to Construct Approved Reliability Network Upgrades

Dear Mr. Fulton,

Pursuant to Section 3.3 of the Southwest Power Pool, Inc. ("SPP") Membership Agreement and Attachments O and Y 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 January 27, 2015, the SPP Board of Directors approved the Network Upgrade(s) listed below to be constructed as part of the 2015 Integrated Transmission Planning ("ITP") Near-Term Assessment.

New Network Upgrades

Project ID: 30817

Project Name: Line - Canyon West - Dawn - Panda - Deaf Smith 115 kV Ckt 1 Rebuild

Need Date for Project: 4/1/2018

Estimated Cost for Project: \$17,398,248

Network Upgrade ID: 51109

Network Upgrade Name: Canyon West - Dawn 115 kV Ckt 1 Rebuild

Network Upgrade Description: Rebuild 13.7-mile 115 kV line from Canyon West to Dawn.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 273 MVA.

Network Upgrade Justification: To address the overload of Deaf Smith County

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Interchange - Panda Hereford 115 kV Ckt 1 for the loss of Bushland Interchange - Deaf Smith County Interchange 230 kV Ckt 1.

Estimated Cost for Network Upgrade (current day dollars): \$8,110,872

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPP

Date of Estimated Cost: 12/1/2014

Network Upgrade ID: 51110

Network Upgrade Name: Dawn - Panda 115 kV Ckt 1 Rebuild

Network Upgrade Description: Rebuild 8.4-mile 115 kV line from Dawn to Panda.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 273 MVA.

Network Upgrade Justification: To address the overload of Deaf Smith County Interchange - Panda Hereford 115 kV Ckt 1 for the loss of Bushland Interchange - Deaf Smith County Interchange 230 kV Ckt 1.

Estimated Cost for Network Upgrade (current day dollars): \$5,737,375

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPP

Date of Estimated Cost: 12/1/2014

Network Upgrade ID: 51111

Network Upgrade Name: Deaf Smith - Panda 115 kV Ckt 1 Rebuild

Network Upgrade Description: Rebuild 3.5-mile 115 kV line from Deaf Smith to Panda.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 273 MVA.

Network Upgrade Justification: To address the overload of Deaf Smith County Interchange - Panda Hereford 115 kV Ckt 1 for the loss of Bushland Interchange - Deaf Smith County Interchange 230 kV Ckt 1.

Estimated Cost for Network Upgrade (current day dollars): \$3,550,001

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPP

Date of Estimated Cost: 12/1/2014

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Project ID: 30866

Project Name: Sub - Amarillo South 230 kV Terminal Upgrades

Need Date for Project: 4/1/2020

Estimated Cost for Project: \$27,142

Network Upgrade ID: 51170

Network Upgrade Name: Amarillo South 230 kV Terminal Upgrades

Network Upgrade Description: Replace wave trap at Amarillo South to increase the rating of the 230 kV line from Amarillo South to Swisher County.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 520 MVA.

Network Upgrade Justification: To address the overload of Amarillo South Interchange - Swisher County Interchange 230 kV Ckt 1 for the loss of Newhart - Potter County Interchange 230 kV Ckt 1.

Estimated Cost for Network Upgrade (current day dollars): \$27,142

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPP

Date of Estimated Cost: 12/1/2014

Project ID: 30875

Project Name: Line - PCA Interchange - Quahada 115 kV Ckt 1 Rebuild

Need Date for Project: 6/1/2016

Estimated Cost for Project: \$6,736,917

Network Upgrade ID: 51189

Network Upgrade Name: PCA Interchange - Quahada 115 kV Ckt 1 Rebuild

Network Upgrade Description: Rebuild 11.1-mile 115 kV line from PCA Interchange to Quahada.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 239 MVA.

Network Upgrade Justification: To address the overload of PCA Interchange - Quahada 115 kV Ckt 1 for the loss of Cunningham Station - Potash Junction Interchange 230 kV Ckt 1.

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Estimated Cost for Network Upgrade (current day dollars): \$6,736,917
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPP
Date of Estimated Cost: 12/1/2014

Project ID: 30888
Project Name: XFR - Lynn County 115/69 kV Ckt 1 Transformer
Need Date for Project: 6/1/2019
Estimated Cost for Project: \$1,850,000

Network Upgrade ID: 51206
Network Upgrade Name: Lynn County 115/69 kV Ckt 1 Transformer
Network Upgrade Description: Replace 115/69 kV transformer at Lynn County substation.
Network Upgrade Owner: SPS
MOPC Representative(s): William Grant
TWG Representative: John Fulton
Categorization: Regional reliability
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 84 MVA.
Network Upgrade Justification: To address the overload of the Lynn County Interchange 115/69 kV Ckt 1 transformer for the loss of Lynn County Interchange 115/69 kV Ckt 2 transformer.
Estimated Cost for Network Upgrade (current day dollars): \$1,830,575
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPP
Date of Estimated Cost: 12/1/2014

Network Upgrade ID: 51270
Network Upgrade Name: Lynn County 115 kV Terminal Upgrades
Network Upgrade Description: Install 115 kV terminal equipment at Lynn County substation necessary to replace 115/69 kV transformer.
Network Upgrade Owner: SPS
MOPC Representative(s): William Grant
TWG Representative: John Fulton
Categorization: Regional reliability
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 84 MVA.
Network Upgrade Justification: To address the overload of the Lynn County Interchange 115/69 kV Ckt 1 transformer for the loss of Lynn County Interchange 115/69 kV Ckt 2 transformer.

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Estimated Cost for Network Upgrade (current day dollars): \$19,425
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPP
Date of Estimated Cost: 12/1/2014

Project ID: 30893
Project Name: Device - Texas County 115 kV Cap Bank
Need Date for Project: 6/1/2019
Estimated Cost for Project: \$822,140

Network Upgrade ID: 51213
Network Upgrade Name: Texas County 115 kV Cap Bank
Network Upgrade Description: Install one (1) additional 14.4-MVAR capacitor bank at Texas County 115 kV substation.
Network Upgrade Owner: SPS
MOPC Representative(s): William Grant
TWG Representative: John Fulton
Categorization: Regional reliability
Network Upgrade Specification: Install 14.4 MVAR of capacitance at Texas County 115 kV substation.
Network Upgrade Justification: To address low voltage at Eve Regulator 69 kV in the base case.
Estimated Cost for Network Upgrade (current day dollars): \$822,140
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPP
Date of Estimated Cost: 12/1/2014

Project ID: 30894
Project Name: Device - Cargill 115 kV Cap Bank
Need Date for Project: 6/1/2019
Estimated Cost for Project: \$822,140

Network Upgrade ID: 51214
Network Upgrade Name: Cargill 115 kV Cap Bank
Network Upgrade Description: Install one (1) 14.4-MVAR capacitor bank at Cargill 115 kV substation.
Network Upgrade Owner: SPS
MOPC Representative(s): William Grant
TWG Representative: John Fulton
Categorization: Regional reliability
Network Upgrade Specification: Install 14.4 MVAR of capacitance at Cargill 115 kV substation.

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Network Upgrade Justification: To address low voltages at Cargill, Deaf Smith REC, and Friona Sub 115 kV for the loss of Deaf Smith REC #6 - Hereford Interchange 115 kV Ckt 1 or Curry County Interchange - Deaf Smith REC #20 115 kV Ckt 1.

Estimated Cost for Network Upgrade (current day dollars): \$822,140

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPP

Date of Estimated Cost: 12/1/2014

Withdrawal of Upgrades

Previous NTC Number: 200214

Previous NTC Issue Date: 2/20/2013

Project ID: 30429

Project Name: Line - Crosby - Floyd 115 kV Ckt 1

Network Upgrade ID: 50522

Network Upgrade Name: Crosby - Floyd 115 kV Ckt 1

Network Upgrade Description: Rebuild 25.8-mile 115 kV line from Crosby to Floyd Ckt 1.

Reason for Change: The 2015 ITPNT Assessment determined the Network Upgrade is no longer required.

Withdrawal of Network Upgrade

SPS has been made aware of all Network Upgrades withdrawn through the expansion plan process. This letter is the formal notification to stop any further work on this Network Upgrade(s), collect any cost associated with the Network Upgrade(s), and provide this information to SPP.

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, 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 the SPP OATT 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

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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,

A handwritten signature in cursive script that reads "Lanny Nickell".

Lanny Nickell
Vice President, Engineering
Phone: (501) 614-3232 • Fax: (501) 482-2022 • lnickell@spp.org

cc: Carl Monroe - SPP
Antoine Lucas - SPP
William Grant - SPS