

SPP-NTC-200339

SPP
Notification to Construct

March 17, 2015

Mr. Shawn Robinson
American Electric Power
212 E. 6th St.
Tulsa, OK 74119

RE: Notification to Construct Approved Reliability Network Upgrades

Dear Mr. Robinson,

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 American Electric Power ("AEP") as agent for Public Service Company of Oklahoma, Southwestern Electric Power Company and AEP Oklahoma Transmission Company, as the Designated Transmission Owner, to construct the Network Upgrade(s).

On July 29, 2013, SPP concluded that the Network Upgrade(s) below are required on the AEP system to fulfill delivery point request(s) as detailed in the Delivery Point Network Study for delivery point request DPA-2013-March-296.

New Network Upgrades

Project ID: 30762

Project Name: Multi - Ellerbe Road - Lucas 69 kV

Need Date for Project: 3/1/2019

Estimated Cost for Project: \$7,282,123

Network Upgrade ID: 51034

Network Upgrade Name: Ellerbe Road - Lucas 69 kV Ckt 1 Rebuild

Network Upgrade Description: Rebuild existing 3.2-mile 69 kV line from Ellerbe Road to Lucas.

Network Upgrade Owner: AEP

MOPC Representative(s): Paul Johnson, Richard Ross, Terri Gallup

TWG Representative: Matthew McGee

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an

SPP-NTC-200339

emergency rating of 119 MVA.

Network Upgrade Justification: To address a potential overload identified in the Delivery Point Network Study for request DPA-2013-March-296.

Estimated Cost for Network Upgrade (current day dollars): \$6,629,465

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: AEP

Date of Estimated Cost: 2/6/2015

Network Upgrade ID: 51035

Network Upgrade Name: Ellerbe Road - Lucas 69 kV Terminal Upgrades

Network Upgrade Description: Replace jumpers at 69 kV substations Ellerbe Road and Lucas. Replace relay panel at Ellerbe Road. Change relay setting at Lucas.

Network Upgrade Owner: AEP

MOPC Representative(s): Paul Johnson, Richard Ross, Terri Gallup

TWG Representative: Matthew McGee

Categorization: Regional reliability

Network Upgrade Specification: All elements must have at least an emergency rating of 119 MVA.

Network Upgrade Justification: To address a potential overload identified in the Delivery Point Network Study for request DPA-2013-March-296.

Estimated Cost for Network Upgrade (current day dollars): \$652,658

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: AEP

Date of Estimated Cost: 2/6/2015

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 determination of expected delays.

SPP-NTC-200339

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 AEP's part to complete the approved Network Upgrade(s). For project tracking, SPP requires AEP to submit status updates of the Network Upgrade(s) quarterly in conjunction with the SPP Board of Directors meetings. However, AEP 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 "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
Bob Bradish - AEP
Paul Johnson - AEP
Richard Ross - AEP
Terri Gallup - AEP
Scott Rainbolt - AEP
Matt McGee - AEP