

SPP-NTC-200366

**SPP
Notification to Construct**

January 12, 2016

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

RE: Notification to Construct for Transmission Service Request resulting from Aggregate Transmission Service Study 2013-AG3-AFS-6

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 Upgrades.

On April 1, 2015, SPP concluded that the project(s) is required on the SPS system to fulfill Transmission Service Requests as detailed in Aggregate Facility Study 2013-AG3-AFS-6. On December 18, 2015, SPP received all executed Transmission Service Agreements from the customers associated with 2013-AG3-AFS-6.

New Network Upgrades

Project ID: 30988
Project Name: Sub - Eddy Co. 230 kV Bus Tie
Need Date for Project: 10/1/2017
Estimated In-Service Date: 12/15/2018
Estimated Cost for Project: \$9,485,379

Network Upgrade ID: 51408
Network Upgrade Name: Eddy Co. 230 kV Bus Tie
Network Upgrade Description: Reconfigure 230 kV bus tie at Eddy Co. substation to convert to a double bus and breaker scheme.
Network Upgrade Owner: SPS
Categorization: Transmission Service
Network Upgrade Specification: Reconfigure 230 kV bus tie at Eddy Co. substation to

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convert to a double bus and breaker scheme.

Network Upgrade Justification: 2013-AG3-AFS-6

Estimated Cost for Network Upgrade (current day dollars): \$9,485,379

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 4/1/2015

Commitment to Construct

Please provide to SPP a written commitment to construct the Network Upgrade(s) within 90 days of the date of this Notification to Construct, 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 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 Estimated In-Service 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 Upgrades(s) if the Estimated In-Service Date is not feasible. Additionally, if it is anticipated that the completion of any Network Upgrade will be delayed past the Estimated In-Service Date, SPP requires a mitigation plan be filed within 60 days of 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(s) Schedule as the inability becomes apparent.

All terms and conditions of the SPP OATT and the SPP Membership Agreement shall apply to this project(s) and nothing in this letter shall carry such terms and conditions.

Don't hesitate to contact me if you have questions or comments about these requests. Thank you

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for the important role that you play in maintaining the reliability of our electric grid.

Sincerely,



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