

SPP-NTC-200384

**SPP
Notification to Construct**

April 20, 2016

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 November 16, 2015, SPP concluded that the Network Upgrade(s) below are required on the SPS system to fulfill delivery point request(s) as detailed in the Delivery Point Network Study for delivery point request DPA-2013-JUNE-342.

New Network Upgrades

Project ID: 30444

Project Name: Device - Cochran 115 kV Cap Bank

Need Date for Project: 6/1/2016

Estimated Cost for Project: \$1,833,655

Network Upgrade ID: 50539

Network Upgrade Name: Cochran 115 kV Cap Bank

Network Upgrade Description: Install 28.8-MVAR capacitor bank at Cochran 115 kV (two 14.4-MVAR stages).

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Categorization: Regional reliability

Network Upgrade Specification: Install 28.8-MVAR capacitor bank at Cochran 115 kV (two 14.4-MVAR stages).

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Network Upgrade Justification: DPA-2013-JUNE-342
Estimated Cost for Network Upgrade (current day dollars): \$1,833,655
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPS
Date of Estimated Cost: 3/16/2016

Project ID: 30971
Project Name: Multi - Cochran - Whiteface 115 kV
Need Date for Project: 6/1/2016
Estimated Cost for Project: \$2,721,459

Network Upgrade ID: 51358
Network Upgrade Name: Cochran - Whiteface Tap 115 kV Ckt 1 Rebuild
Network Upgrade Description: Rebuild 4.5-mile 69 kV line from Cochran to Whiteface Tap to 115 kV standards (operated at 69 kV).
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 50 MVA.
Network Upgrade Justification: DPA-2013-JUNE-342
Estimated Cost for Network Upgrade (current day dollars): \$2,721,459
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPS
Date of Estimated Cost: 3/16/2016

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.

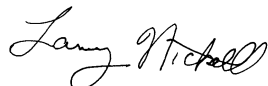
Notification of Progress

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 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
William Grant - SPS