

SPP-NTC-200380

**SPP
Notification to Construct**

April 20, 2016

Mr. Jeff Tullis
Grand River Dam Authority
P.O. Box 1128
Pryor, OK 74119

RE: Notification to Construct for Transmission Service Request resulting from Aggregate Transmission Service Study SPP-2014-AG1-AFS-6

Dear Mr. Tullis,

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 Grand River Dam Authority ("GRDA"), as the Designated Transmission Owner, to construct the Network Upgrades.

On December 2, 2015, SPP issued NTC No. 200358 to GRDA to construct Network Upgrade(s) required on the GRDA system to fulfill Transmission Service Requests as detailed in Aggregate Facility Study SPP-2014-AG1-AFS-6. On February 25, 2016, GRDA requested that an alternative solution(s) be evaluated.

Upgrades with Modifications

Previous NTC Number: 200358

Previous NTC Issue Date: 12/2/2015

Project ID: 30984

Project Name: Sub - Claremore 161/69 kV Terminal Upgrades

Need Date for Project: 6/1/2021

Estimated In-Service Date: 6/1/2021

Estimated Cost for Project: \$675,000

Network Upgrade ID: 51392

Network Upgrade Name: Claremore 161 kV Terminal Upgrades

Network Upgrade Description: Install 161 kV ring bus at Claremore substation to increase the rating of the Claremore 161/69 kV Ckt 1 Transformer.

Network Upgrade Owner: GRDA

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Reason for Change: GRDA informed SPP that an alternate solution at a reduced cost could be implemented to achieve the required rating.

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 171 MVA.

Network Upgrade Justification: 2014-AG1-AFS-6

Estimated Cost for Network Upgrade (current day dollars): \$335,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: GRDA

Date of Estimated Cost: 2/25/2016

Network Upgrade ID: 51393

Network Upgrade Name: Claremore 69 kV Terminal Upgrades

Network Upgrade Description: Replace 69 kV switches at Claremore substation to increase the rating of the Claremore 161/69 kV Ckt 1 Transformer and Claremore 161/69 kV Ckt 2 Transformer.

Network Upgrade Owner: GRDA

Reason for Change: GRDA informed SPP that an alternate solution at a reduced cost could be implemented to achieve the required rating.

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 171 MVA.

Network Upgrade Justification: 2014-AG1-AFS-6

Estimated Cost for Network Upgrade (current day dollars): \$340,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: GRDA

Date of Estimated Cost: 2/25/2016

Withdrawal of Upgrades

Previous NTC Number: 200358

Previous NTC Issue Date: 12/2/2015

Project ID: 30984

Project Name: Sub - Claremore 161/69 kV Terminal Upgrades

Network Upgrade ID: 51390

Network Upgrade Name: Claremore 161/69 kV Ckt 1 Transformer

Network Upgrade Description: Upgrade the 161/69 kV transformer at Claremore (Ckt 1).

Reason for Change: GRDA informed SPP that an alternate solution at a reduced cost could be implemented to achieve the required rating.

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Network Upgrade ID: 51391

Network Upgrade Name: Claremore 161/69 kV Ckt 2 Transformer

Network Upgrade Description: Upgrade the 161/69 kV transformer at Claremore (Ckt 2).

Reason for Change: GRDA informed SPP that an alternate solution at a reduced cost could be implemented to achieve the required rating.

Withdrawal of Network Upgrade

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 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 GRDA's part to complete the approved Network Upgrade(s). For project tracking, SPP requires GRDA to submit status updates of the Network Upgrade(s) quarterly in conjunction with the SPP Board of Directors meetings. However, GRDA shall also advise SPP of any inability to comply with the Project(s) Schedule as the inability becomes apparent.

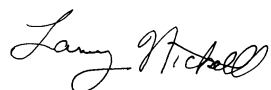
All terms and conditions of the SPP OATT and the SPP Membership Agreement shall apply to

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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 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
Mike Stafford - GRDA
Joe Fultz - GRDA