

SPP-NTC-200385

**SPP
Notification to Construct**

May 17, 2016

Mr. Clarence Suppes
Mid-Kansas Electric Company
P.O. Box 170
Great Bend, KS 67530

RE: Notification to Construct Approved Reliability Network Upgrades

Dear Mr. Suppes,

On April 28, 2015, the Southwest Power Pool, Inc. ("SPP") Board of Directors ("Board") approved the Network Upgrade listed below to be constructed as part of the 2015 Integrated Transmission Planning 10-Year Assessment ("ITP10"). The Network Upgrade was deemed to be a Competitive Upgrade in accordance with Section I of Attachment Y of the SPP Open Access Transmission Tariff ("OATT") which requires the selection of a Designated Transmission Owner ("DTO") through the Transmission Owner Selection Process ("TOSP") in Attachment Y of the SPP OATT. On April 26, 2016, the Board concluded the Transmission Owner Selection Process for the Network Upgrade by selecting Mid-Kansas Electric Company ("MKEC") as the DTO.

Accordingly, pursuant to Section 3.3 of the SPP Membership Agreement and Attachments O and Y of the SPP OATT, SPP provides this Notification to Construct ("NTC") directing MKEC, as the DTO, to construct the Network Upgrade.

New Network Upgrades

Project ID: 30922

Project Name: Line - North Liberal - Walkemeyer 115 kV Ckt 1

Need Date for Project: 6/1/2019

Estimated Cost for Project: \$15,234,358 (this project cost contains Network Upgrades not included in this NTC)

Network Upgrade ID: 51242

Network Upgrade Name: North Liberal - Walkemeyer 115 kV Ckt 1

Network Upgrade Description: Construct new 21-mile 115 kV line from North Liberal to Walkemeyer.

Network Upgrade Owner: MKEC

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MOPC Representative(s): Tom Hestermann

TWG Representative: Al Tamimi

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least a minimum ampacity of 1200A.

Network Upgrade Justification: Upgrade identified in the 2015 ITP10 Needs Assessment as needed for regional reliability.

Estimated Cost for Network Upgrade (current day dollars): \$8,325,610

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: MKEC

Date of Estimated Cost: 11/2/2015

Commitment to Construct

In accordance with Section III of Attachment Y of the SPP OATT, in order to become the DTO for the Network Upgrade, MKEC must within seven (7) calendar days of receiving this NTC must (1) provide written notification to SPP that it accepts the NTC and (2) submit to SPP a deposit in accordance with Section III.2(d)(xii) of Attachment Y of the SPP OATT. MKEC shall be deemed to have waived its right to become the DTO if these requirements are not met.

By accepting the NTC, MKEC agrees that as the DTO selected by the Board through the TOSP, that MKEC will complete the Network Upgrade in accordance with the RFP Proposal submitted by MKEC in the TOSP for the Network Upgrade.

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.

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 MKEC's part to complete the approved Network Upgrade(s). For project tracking, SPP requires MKEC to submit status updates of the Network Upgrade(s) quarterly in conjunction with the SPP Board of Directors

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meetings. However, MKEC 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
Tom Hestermann - MKEC
Al Tamimi - MKEC