

SPP-NTC-200392

**SPP
Notification to Construct**

May 17, 2016

Mr. Travis Hyde
Oklahoma Gas and Electric Co.
P.O. Box 321, M/C M110
Oklahoma City, OK 73101-0321

RE: Notification to Construct Approved Reliability Network Upgrades

Dear Mr. Hyde,

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 Oklahoma Gas and Electric Co. ("OGE"), as the Designated Transmission Owner ("DTO"), to construct the Network Upgrade(s).

On April 26, 2016, the SPP Board of Directors approved the Network Upgrade(s) listed below to be constructed as a part of the 2016 Integrated Transmission Planning Near-Term Assessment ("ITPNT").

New Network Upgrades

Project ID: 31002

Project Name: Line - Lincoln - Meeker 138 kV Ckt 1 New Line

Need Date for Project: 6/1/2017

Estimated Cost for Project: \$6,750,000 (this project cost contains Network Upgrades not included in this NTC)

Network Upgrade ID: 51444

Network Upgrade Name: Lincoln - Meeker 138 kV Ckt 1 New Line (OGE)

Network Upgrade Description: Construct new 138 kV line from Lincoln to Meeker. The total estimated length of the Lincoln to Meeker line is 12 miles. OGE and Western Farmers Electric Cooperative shall decide who shall build how much of these Network Upgrades and shall provide such information, along with specific cost estimates for each DTO's portion of the Network Upgrades, to SPP in its response to this NTC.

Network Upgrade Owner: OGE

MOPC Representative(s): Jacob Langthorn, IV

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TWG Representative: Travis Hyde
Categorization: Regional reliability
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 308 MVA.
Network Upgrade Justification: Upgrade identified in the Needs Assessment of the 2016 ITPNT as needed for regional reliability.
Estimated Cost for Network Upgrade (current day dollars): \$750,000
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: OGE
Date of Estimated Cost: 2/12/2016

Upgrades with Modifications

Previous NTC Number: 200270
Previous NTC Issue Date: 4/22/2014
Project ID: 30597
Project Name: Multi - Knob Hill - Lane - Noel 138 kV Ckt 1
Need Date for Project: 6/1/2017
Estimated Cost for Project: \$4,459,000 (this project cost contains Network Upgrades not included in this NTC)

Network Upgrade ID: 50758
Network Upgrade Name: Knob Hill - Lane - Noel 138 kV Ckt 1
Network Upgrade Description: Build new Lane 138 kV substation adjacent to existing Knob Hill substation. Install a new 138 kV terminal at Knob Hill. Tie the Knob Hill and Lane substations together with one span of 138 kV line. Build new 1.5-mile 138 line from Lane to Noel. Install fiber optics on 138 kV circuit connecting Knob Hill to Lane to Noel.
Network Upgrade Owner: OGE
MOPC Representative(s): Jacob Langthorn, IV
TWG Representative: Travis Hyde
Reason for Change: The Need Date for the Network Upgrade was accelerated from 6/1/2019 to 6/1/2017 in the 2016 ITPNT.
Categorization: Regional reliability
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 286 MVA.
Network Upgrade Justification: Upgrade identified in the Needs Assessment of the 2016 ITPNT as needed for regional reliability.
Estimated Cost for Network Upgrade (current day dollars): \$4,009,000
Cost Allocation of the Network Upgrade: Base Plan

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Estimated Cost Source: OGE
Date of Estimated Cost: 3/15/2016

Withdrawal of Upgrades

Previous NTC Number: 200329
Previous NTC Issue Date: 2/18/2015
Project ID: 30841
Project Name: Line - Gracemont - Anadarko 138 kV Ckt 1 Reconductor

Network Upgrade ID: 51137
Network Upgrade Name: Anadarko - Gracemont 138 kV Ckt 1 Reconductor
Network Upgrade Description: Reconductor 5.3-mile 138 kV line from Anadarko to Gracemont.
Reason for Change: SPP determined the Network Upgrade was no longer required in the 2016 ITPNT.

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 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.

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

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facilitate the timely billing by SPP based on actual costs.

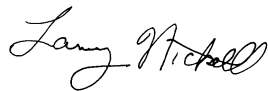
Notification of Progress

On an ongoing basis, please keep SPP advised of any inability on OGE's part to complete the approved Network Upgrade(s). For project tracking, SPP requires OGE to submit status updates of the Network Upgrade(s) quarterly in conjunction with the SPP Board of Directors meetings. However, OGE 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
Jacob Langthorn, IV - OGE