

SPP-NTC-200411

iSPP
Notification to Construct

August 17, 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 July 25, 2016, the SPP Board of Directors approved the Network Upgrade(s) listed below to be modified.

Upgrades with Modifications

Previous NTC Number: 200282

Previous NTC Issue Date: 5/19/2014

Project ID: 30694

Project Name: Multi - Ponderosa - Ponderosa Tap 115 kV

Need Date for Project: 6/1/2018

Estimated Cost for Project: \$10,575,275 (this project cost contains Network Upgrades not included in this NTC)

Network Upgrade ID: 50923

Network Upgrade Name: Ponderosa - Ponderosa Tap 115 kV Ckt 1

Network Upgrade Description: Construct new 9.3-mile 115 kV line from new Ponderosa substation to new Ponderosa Tap substation.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Reason for Change: Modification to Network Upgrade Specification approved by

SPP-NTC-200411

Board to change the emergency rating from 304 MVA to 299 MVA.

Categorization: High priority

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 299 MVA.

Network Upgrade Justification: To address needs identified in HPILS.

Estimated Cost for Network Upgrade (current day dollars): \$5,404,344

Cost Allocation of the Network Upgrade: Directly Assigned

Estimated Cost Source: SPS

Date of Estimated Cost: 8/15/2014

Previous NTC Number: 200282

Previous NTC Issue Date: 5/19/2014

Project ID: 30825

Project Name: Line - China Draw - Wood Draw 115 kV Ckt 1

Need Date for Project: 6/1/2018

Estimated Cost for Project: \$16,425,742

Network Upgrade ID: 50931

Network Upgrade Name: China Draw - Wood Draw 115 kV Ckt 1

Network Upgrade Description: Construct new 14-mile 115 kV line from China Draw to Wood Draw.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Reason for Change: Modification to Network Upgrade Specification approved by Board to change the emergency rating from 304 MVA to 299 MVA.

Categorization: High priority

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 299 MVA.

Network Upgrade Justification: To address needs identified in HPILS.

Estimated Cost for Network Upgrade (current day dollars): \$16,425,742

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 2/12/2016

Previous NTC Number: 200309

Previous NTC Issue Date: 12/3/2014

Project ID: 30695

Project Name: Multi - Livingston Ridge - Sage Brush - Lagarto - Cardinal 115 kV

Need Date for Project: 6/1/2018

Estimated Cost for Project: \$35,380,483 (this project cost contains Network Upgrades not included in this NTC)

SPP-NTC-200411

Network Upgrade ID: 50926
Network Upgrade Name: Livingston Ridge - Sage Brush 115 kV Ckt 1
Network Upgrade Description: Construct new 13.9-mile 115 kV line from Livingston Ridge to new Sage Brush substation.
Network Upgrade Owner: SPS
MOPC Representative(s): William Grant
TWG Representative: John Fulton
Reason for Change: Modification to Network Upgrade Specification approved by Board to change the emergency rating from 304 MVA to 299 MVA.
Categorization: High priority
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 299 MVA.
Network Upgrade Justification: To address needs identified in HPILS.
Estimated Cost for Network Upgrade (current day dollars): \$8,811,206
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPS
Date of Estimated Cost: 11/18/2014

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 facilitate the timely billing by SPP based on actual costs.

SPP-NTC-200411

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