

SPP-NTC-200406

**SPP
Notification to Construct**

August 17, 2016

Mr. Wayman Smith
American Electric Power
212 E. 6th St.
Tulsa, OK 74119

RE: Notification to Construct Approved Reliability Network Upgrades

Dear Mr. Smith,

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 American Electric Power ("AEP"), as agent for Public Service Company of Oklahoma, Southwestern Electric Power Company, and AEP Oklahoma Transmission Company, as the Designated Transmission Owner, to construct the Network Upgrade(s).

On July 26, 2016, the SPP Board of Directors approved the Network Upgrade(s) listed below to be constructed.

New Network Upgrades

Project ID: 30889

Project Name: Line - Linwood - South Shreveport 138kV Ckt 1 Rebuild

Need Date for Project: 6/1/2017

Estimated Cost for Project: \$4,202,042

Network Upgrade ID: 51207

Network Upgrade Name: Linwood - South Shreveport 138 kV Ckt 1 Rebuild

Network Upgrade Description: Rebuild the 2.4-mile 138kV line from Linwood to Cedar Grove to South Shreveport. Upgrade the jumpers at Linwood.

Network Upgrade Owner: AEP

MOPC Representative(s): Paul Johnson, Richard Ross, Brian Johnson

TWG Representative: Matthew McGee

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an

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emergency rating of 376 MVA.

Network Upgrade Justification: Upgrade identified as needed for regional reliability as a result of further evaluation of the Needs Assessment of the 2016 ITPNT.

Estimated Cost for Network Upgrade (current day dollars): \$4,202,042

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: AEP

Date of Estimated Cost: 5/12/2016

Project ID: 31009

Project Name: Line - Duncan - Tosco 69 kV Ckt 1 Rebuild

Need Date for Project: 6/1/2018

Estimated Cost for Project: \$5,974,766

Network Upgrade ID: 51454

Network Upgrade Name: Duncan - Tosco 69 kV Ckt 1 Rebuild

Network Upgrade Description: Rebuild 69 kV line from Duncan to Tosco. Replace wave trap at Duncan.

Network Upgrade Owner: AEP

MOPC Representative(s): Paul Johnson, Richard Ross, Brian Johnson

TWG Representative: Matthew McGee

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 45 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): \$5,974,766

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: AEP

Date of Estimated Cost: 2/16/2016

Project ID: 31039

Project Name: Line - Comanche Tap - Tosco 69 kV Ckt 1 Rebuild

Need Date for Project: 6/1/2020

Estimated Cost for Project: \$4,365,864

Network Upgrade ID: 51524

Network Upgrade Name: Comanche Tap - Tosco 69 kV Ckt 1 Rebuild

Network Upgrade Description: Rebuild 69 kV line from Comanche Tap to Tosco.

Network Upgrade Owner: AEP

MOPC Representative(s): Paul Johnson, Richard Ross, Brian Johnson

TWG Representative: Matthew McGee

Categorization: Regional reliability

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Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 173 MVA.

Network Upgrade Justification: Upgrade identified in the 2016 ITPNT Needs Assessment as needed for regional reliability.

Estimated Cost for Network Upgrade (current day dollars): \$4,365,864

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: AEP

Date of Estimated Cost: 3/14/2016

Withdrawal of Upgrades

Previous NTC Number: 200386

Previous NTC Issue Date: 5/17/2016

Project ID: 31049

Project Name: Device - Cedar Grove - Linwood 138 kV Reactor

Network Upgrade ID: 51542

Network Upgrade Name: Cedar Grove - Linwood 138 kV Reactor

Network Upgrade Description: Install new 1% series line reactor on the 138 kV line from Cedar Grove to Linwood.

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

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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.

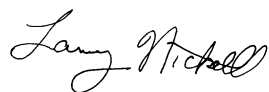
Notification of Progress

On an ongoing basis, please keep SPP advised of any inability on AEP's part to complete the approved Network Upgrade(s). For project tracking, SPP requires AEP to submit status updates of the Network Upgrade(s) quarterly in conjunction with the SPP Board of Directors meetings. However, AEP 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
Bob Bradish - AEP
Paul Johnson - AEP
Richard Ross - AEP
Brian Johnson - AEP
Scott Rainbolt - AEP
Matt McGee - AEP