

**SPP-NTC-200418**

**SPP  
Notification to Construct**

December 27, 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, to construct the Network Upgrade(s).

On April 26, 2016, the SPP Board of Directors approved the Network Upgrades listed below to be constructed as part of the 2016 Integrated Transmission Planning Near-Term Assessment. On May 17, 2016, SPP issued OGE the Notification to Construct with Conditions ("NTC-C") No. 200391.

On November 29, 2016, SPP received OGE's NTC-C Project Estimates ("CPE") for the Network Upgrades specified in the NTC-C No. 200391. SPP has reviewed the CPEs and determined that the requirements of Condition No. 1 of the NTC-C have been met.

**Upgrades with Modifications**

**Previous NTC Number:** 200391

**Previous NTC Issue Date:** 5/17/2016

**Project ID:** 31042

**Project Name:** Multi - DeGrasse - Knob Hill 138 kV New Line and DeGrasse 345/138 kV Transformer

**Need Date for Project:** 6/1/2017

**Estimated Cost for Project:** \$28,807,044 (this project cost contains Network Upgrades not included in this NTC)

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**Network Upgrade ID:** 51528

**Network Upgrade Name:** DeGrasse 345 kV Substation

**Network Upgrade Description:** Tap the double-circuit 345 kV line from Woodward to Thistle to construct and interconnect the new DeGrasse substation. Install any 345 kV substation facilities needed for the new 345/138 kV transformer.

**Network Upgrade Owner:** OGE

**MOPC Representative(s):** Jacob Langthorn, IV

**TWG Representative:** Travis Hyde

**Reason for Change:** The CPE(s) for this project was determined to meet the requirements of Condition No. 1 of NTC-C No. 200391. Therefore, the conditions of the project are removed.

**Categorization:** Regional reliability

**Network Upgrade Specification:** All elements and conductor must have at least an emergency rating of 1793 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):** \$7,700,661

**Cost Allocation of the Network Upgrade:** Base Plan

**Estimated Cost Source:** OGE

**Date of Estimated Cost:** 11/29/2016

**Network Upgrade ID:** 51529

**Network Upgrade Name:** DeGrasse 345/138 kV Transformer

**Network Upgrade Description:** Install new 345/138 kV transformer at the new DeGrasse substation.

**Network Upgrade Owner:** OGE

**MOPC Representative(s):** Jacob Langthorn, IV

**TWG Representative:** Travis Hyde

**Reason for Change:** The CPE(s) for this project was determined to meet the requirements of Condition No. 1 of NTC-C No. 200391. Therefore, the conditions of the project are removed.

**Categorization:** Regional reliability

**Network Upgrade Specification:** All elements and conductor must have at least an emergency rating of 493 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):** \$3,600,000

**Cost Allocation of the Network Upgrade:** Base Plan

**Estimated Cost Source:** OGE

**Date of Estimated Cost:** 11/29/2016

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**Network Upgrade ID:** 51530

**Network Upgrade Name:** DeGrasse - Knob Hill 138 kV New Line

**Network Upgrade Description:** Construct new 138 kV line from the new DeGrasse substation to Knob Hill.

**Network Upgrade Owner:** OGE

**MOPC Representative(s):** Jacob Langthorn, IV

**TWG Representative:** Travis Hyde

**Reason for Change:** The CPE(s) for this project was determined to meet the requirements of Condition No. 1 of NTC-C No. 200391. Therefore, the conditions of the project are removed.

**Categorization:** Regional reliability

**Network Upgrade Specification:** All elements and conductor must have at least an emergency rating of 287 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):** \$8,383,000

**Cost Allocation of the Network Upgrade:** Base Plan

**Estimated Cost Source:** OGE

**Date of Estimated Cost:** 11/29/2016

**Network Upgrade ID:** 51569

**Network Upgrade Name:** DeGrasse 138 kV Substation (OGE/WFEC)

**Network Upgrade Description:** Tap the existing 138 kV line from Mooreland to Rose Valley and terminate both end points into the new DeGrasse substation. 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

**TWG Representative:** Travis Hyde

**Reason for Change:** The CPE(s) for this project was determined to meet the requirements of Condition No. 1 of NTC-C No. 200391. Therefore, the conditions of the project are removed.

**Categorization:** Regional reliability

**Network Upgrade Specification:** All elements and conductor must have at least an emergency rating of 228 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):** \$7,723,383

**Cost Allocation of the Network Upgrade:** Base Plan

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**Estimated Cost Source:** OGE  
**Date of Estimated Cost:** 11/29/2016

**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. 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.

**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.

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Sincerely,



Lanny Nickell  
Vice President, Engineering  
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cc: Carl Monroe - SPP  
Antoine Lucas - SPP  
Jay Caspary - SPP  
Jacob Langthorn, IV - OGE