

SPP-NTC-200423

**SPP
Notification to Construct**

January 12, 2017

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 November 11, 2016, SPP concluded that the projects are required on the OGE system to fulfill Transmission Service Requests as detailed in Aggregate Facility Study SPP-2016-AG1-AFS-3. On December 20, 2016, SPP received all executed Transmission Service Agreements associated with SPP-2016-AG1-AFS-3.

New Network Upgrades

Project ID: 31183

Project Name: Sub - Muskogee 161 kV Terminal Upgrades

Need Date for Project: 6/1/2021

Estimated Cost for Project: \$37,638

Network Upgrade ID: 51826

Network Upgrade Name: Hancock - Muskogee 161 kV Ckt 1 Terminal Upgrades

Network Upgrade Description: Replace wavetrapp at Muskogee.

Network Upgrade Owner: OGE

MOPC Representative(s): Jacob Langthorn, IV

TWG Representative: Travis Hyde

Categorization: Regional Reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 234 MVA.

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Network Upgrade Justification: Identified in 2016-AG1-AFS-3.
Estimated Cost for Network Upgrade (current day dollars): \$37,638
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: OGE
Date of Estimated Cost: 12/20/2016

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, 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.

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