

SPP-NTC-200426

**SPP
Notification to Construct**

January 16, 2017

Mr. Mike Risan
Basin Electric Power Cooperative
1717 E. Interstate Ave.
Bismarck, ND 58503

RE: Notification to Construct for Transmission Service Request resulting from Aggregate Transmission Service Study SPP-2016-AG1-AFS-3

Dear Mr. Risan,

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 Basin Electric Power Cooperative ("BEPC"), as the Designated Transmission Owner, to construct the Network Upgrades.

On November 11, 2016, SPP concluded that the projects are required on the BEPC system to fulfill Transmission Service Requests as detailed in Aggregate Facility Study SPP-2016-AG1-AFS-3. On December 29, 2016, SPP received all executed Transmission Service Agreements associated with SPP-2016-AG1-AFS-3.

New Network Upgrades

Project ID: 31109
Project Name: XFR - Blaisdell 230/115 kV Transformer
Need Date for Project: 10/1/2021
Estimated In-Service Date: 10/1/2021
Estimated Cost for Project: \$5,778,860

Network Upgrade ID: 51681
Network Upgrade Name: Blaisdell 230/115 kV Transformer
Network Upgrade Description: Install second 230/115 kV transformer at Blaisdell.
Network Upgrade Owner: BEPC
Categorization: Regional Reliability
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 166 MVA, but are not limited to that amount.
Network Upgrade Justification: Identified in SPP-2016-AG1-AFS-3.

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Estimated Cost for Network Upgrade (current day dollars): \$5,778,860
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPP
Date of Estimated Cost: 8/29/2016

Project ID: 31174
Project Name: XFR - Neseet 230/115 kV Transformer
Need Date for Project: 10/1/2021
Estimated In-Service Date: 10/1/2021
Estimated Cost for Project: \$5,778,860

Network Upgrade ID: 51817
Network Upgrade Name: Neseet 230/115 kV Transformer Ckt 1
Network Upgrade Description: Upgrade Neseet 230/115 kV transformer Ckt 1.
Network Upgrade Owner: BEPC
Categorization: Regional Reliability
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 220 MVA, but are not limited to that amount.
Network Upgrade Justification: Identified in SPP-2016-AG1-AFS-3.
Estimated Cost for Network Upgrade (current day dollars): \$5,778,860
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPP
Date of Estimated Cost: 9/23/2016

Commitment to Construct

Please provide to SPP a written commitment to construct the Network Upgrade(s) within 90 days of the date of this Notification to Construct, 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 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 Estimated In-Service 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 Upgrades(s) if the Estimated In-Service Date is not feasible. Additionally, if it is anticipated that the completion of any Network Upgrade will be delayed past the Estimated In-Service Date, SPP requires a mitigation plan be filed within 60 days of determination of expected delays.

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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 BEPC's part to complete the approved Network Upgrade(s). For project tracking, SPP requires BEPC to submit status updates of the Network Upgrade(s) quarterly in conjunction with the SPP Board of Directors meetings. However, BEPC shall also advise SPP of any inability to comply with the Project(s) Schedule as the inability becomes apparent.

All terms and conditions of the SPP OATT and the SPP Membership Agreement shall apply to this project(s) and nothing in this letter shall carry such terms and conditions.

Don't hesitate to contact me if you have questions or comments about these requests. Thank you for the important role that you play in maintaining the reliability of our electric grid.

Sincerely,

A handwritten signature in cursive script 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
Jay Caspary - SPP
Matthew Stoltz - BEPC