

SPP-NTC-200444

**SPP
Notification to Construct**

February 22, 2017

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 January 31 2017, the SPP Board of Directors approved the Network Upgrade(s) listed below to be constructed as part of the 2017 Integrated Transmission Planning 10-Year ("ITP10") Assessment.

New Network Upgrades

Project ID: 31079

Project Name: Sub - Tuco - Stanton 115 kV Terminal Upgrades

Need Date for Project: 1/1/2017

Estimated Cost for Project: \$356,757

Network Upgrade ID: 51623

Network Upgrade Name: Tuco - Stanton 115 kV Terminal Upgrades

Network Upgrade Description: Upgrade any necessary terminal equipment at Stanton and/or Tuco to increase the rating of the 115 kV line between the two substations.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Categorization: Economic

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

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emergency rating of 154 MVA.

Network Upgrade Justification: Identified as needed as an economic project in the 2017 ITP10

Estimated Cost for Network Upgrade (current day dollars): \$356,757

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 9/12/2016

Project ID: 31080

Project Name: Sub - Stanton - Indiana 115 kV Terminal Upgrades

Need Date for Project: 1/1/2017

Estimated Cost for Project: \$302,133

Network Upgrade ID: 51624

Network Upgrade Name: Stanton - Indiana 115 kV Terminal Upgrades

Network Upgrade Description: Upgrade any necessary terminal equipment at Indiana and/or Stanton to increase the rating of the 115 kV line between the two substations.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Categorization: Economic

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 154 MVA.

Network Upgrade Justification: Identified as needed as an economic project in the 2017 ITP10

Estimated Cost for Network Upgrade (current day dollars): \$302,133

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPP

Date of Estimated Cost: 9/12/2016

Project ID: 31081

Project Name: Sub - Indiana - SP-Erskine 115 kV Terminal Upgrades

Need Date for Project: 1/1/2017

Estimated Cost for Project: \$294,764

Network Upgrade ID: 51625

Network Upgrade Name: Indiana - SP-Erskine 115 kV Terminal Upgrades

Network Upgrade Description: Upgrade any necessary terminal equipment at Indiana and/or SP-Erskine to increase the rating of the 115 kV line between the two substations.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

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TWG Representative: John Fulton

Categorization: Economic

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 175 MVA.

Network Upgrade Justification: Identified as needed as an economic project in the 2017 ITP10

Estimated Cost for Network Upgrade (current day dollars): \$294,764

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPP

Date of Estimated Cost: 9/12/2016

Project ID: 41189

Project Name: Sub - Martin - Pantex N 115 kV Terminal Upgrades

Need Date for Project: 1/1/2017

Estimated Cost for Project: \$670,854

Network Upgrade ID: 61836

Network Upgrade Name: Martin - Pantex North 115 kV Terminal Upgrades

Network Upgrade Description: Upgrade any necessary terminal equipment at Martin and/or Pantex North to increase the rating of the 115 kV line between the two substations.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Categorization: Economic

Network Upgrade Specification: All elements and conductor must have at least a summer emergency rating of 175 MVA and winter emergency rating of 194 MVA.

Network Upgrade Justification: Identified as needed as an economic project in the 2017 ITP10

Estimated Cost for Network Upgrade (current day dollars): \$335,157

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 2/2/2017

Network Upgrade ID: 61837

Network Upgrade Name: Pantex South - Highland Tap 115 kV Terminal Upgrades

Network Upgrade Description: Upgrade any necessary terminal equipment at Pantex South and/or Highland Tap to increase the rating of the 115 kV line between the two substations.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

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TWG Representative: John Fulton

Categorization: Economic

Network Upgrade Specification: All elements and conductor must have at least a summer emergency rating of 175 MVA and winter emergency rating of 194 MVA.

Network Upgrade Justification: Identified as needed as an economic project in the 2017 ITP10

Estimated Cost for Network Upgrade (current day dollars): \$335,697

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 2/2/2017

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 any Network Upgrade(s) categorized as Reliability for which the Need Date is not feasible. Additionally, if it is anticipated that the completion of any Network Upgrade categorized as Reliability 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 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.

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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,



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
William Grant - SPS