

SPP-NTC-200457

**SPP
Notification to Construct**

May 15, 2017

Mr. John Fulton
Southwestern Public Service Company
P.O. Box 1261
Amarillo, TX 79105

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

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 Upgrades.

On November 11, 2016, SPP concluded that the projects are required on the SPS system to fulfill Transmission Service Requests as detailed in Aggregate Facility Study SPP-2016-AG1-AFS-3. On April 27, 2017, SPP received all executed Transmission Service Agreements associated with SPP-2016-AG1-AFS-3.

New Network Upgrades

Project ID: 30690
Project Name: XFR - Plant X 230/115 kV Ckt 2
Need Date for Project: 6/1/2021
Estimated In-Service Date: 6/1/2021
Estimated Cost for Project: \$5,698,880

Network Upgrade ID: 50918
Network Upgrade Name: Plant X 230/115 kV Ckt 2 Transformer
Network Upgrade Description: Install a second 230/115 kV transformer at Plant X.
Network Upgrade Owner: SPS
Categorization: Regional Reliability
Network Upgrade Specification: All elements and conductor must have an emergency rating of at least 276 MVA.
Network Upgrade Justification: Identified in SPP-2016-AG1-AFS-3.

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Estimated Cost for Network Upgrade (current day dollars): \$5,698,880
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPP
Date of Estimated Cost: 4/27/2017

Project ID: 31175
Project Name: Line - Cox Interchange - Hale Co Interchange 115 kV Rebuild
Need Date for Project: 6/1/2021
Estimated In-Service Date: 6/1/2021
Estimated Cost for Project: \$14,568,052

Network Upgrade ID: 51818
Network Upgrade Name: Cox Interchange - Hale Co Interchange 115 kV Ckt 1
Network Upgrade Description: Rebuild 19.88 miles of 115 kV transmission line from Cox Interchange to Hale Co Interchange.
Network Upgrade Owner: SPS
Categorization: Regional Reliability
Network Upgrade Specification: All elements and conductor must have an emergency rating of at least 110 MVA.
Network Upgrade Justification: Identified in 2016-AG1-AFS-3.
Estimated Cost for Network Upgrade (current day dollars): \$14,568,052
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPP
Date of Estimated Cost: 4/27/2017

Project ID: 31176
Project Name: Sub - Hockley County Interchange 115 kV Terminal Upgrades
Need Date for Project: 6/1/2021
Estimated In-Service Date: 6/1/2021
Estimated Cost for Project: \$66,453

Network Upgrade ID: 51819
Network Upgrade Name: Hockley County Interchange 115 kV Terminal Upgrades
Network Upgrade Description: Replace wave trap at Hockley County Interchange to increase the line capacity for Hockley County Interchange - Lamb County Interchange 115 kV Ckt 1.
Network Upgrade Owner: SPS
Categorization: Regional Reliability
Network Upgrade Specification: All elements and conductor must have an emergency rating of at least 143 MVA.
Network Upgrade Justification: Identified in 2016-AG1-AFS-3.

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Estimated Cost for Network Upgrade (current day dollars): \$66,453
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPP
Date of Estimated Cost: 4/27/2017

Commitment to Construct

Please provide to SPP a written commitment to construct the Network Upgrade(s) within 90 days of the date of this 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.

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(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.

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Sincerely,



Lanny Nickell

Vice President, Engineering

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cc: Carl Monroe - SPP
Antoine Lucas - SPP
Jay Caspary - SPP
William Grant - SPS