

SPP-NTC-200460

**SPP
Notification to Construct**

July 20, 2017

Mr. Paul Malone
Nebraska Public Power District
P.O. Box 608
York, NE 68467

RE: Notification to Construct Approved Reliability Network Upgrades

Dear Mr. Malone,

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 Nebraska Public Power District ("NPPD"), as the Designated Transmission Owner, to construct the Network Upgrade(s). This NTC is conditioned upon NPPD not ordering materials or beginning construction until:

- (1) the DTO submits a refined NTC-C Project Estimate ("CPE") to SPP that has a variance bandwidth of -20% to +20% that does not exceed the Study Estimate variance bandwidth of -30% to +30% as provided for in SPP's Business Practices; or
- (2) the SPP Board of Directors considers SPP's re-evaluation of a project that has a refined CPE from the DTO that exceeds the Study Estimate variance bandwidth of -30% to +30% as provided for in SPP's Business Practices.

On March 31, 2017, SPP concluded that the Network Upgrade(s) below are required on the NPPD system to fulfill delivery point request(s) as detailed in the Delivery Point Network Study for delivery point request DPA-2016-Dec-703. On July 14, 2017, SPP received all executed Transmission Service Agreements associated with DPA-2016-Dec-703.

New Network Upgrades

Project ID: 51254
Project Name: Multi - Sheldon - Monolith 115 kV
Need Date for Project: 12/1/2020
Estimated Cost for Project: \$39,300,207

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Network Upgrade ID: 71963

Network Upgrade Name: Monolith 345 kV Substation

Network Upgrade Description: Tap the existing 345 kV line from Moore to Cooper to construct the new Monolith substation approximately 1 mile from Moore. Install any necessary 345 kV terminal equipment.

Network Upgrade Owner: NPPD

MOPC Representative(s): Paul Malone

TWG Representative: Randy Lindstrom

Categorization: Regional Reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 956 MVA.

Network Upgrade Justification: Identified in DPA-2016-Dec-703

Estimated Cost for Network Upgrade (current day dollars): \$12,692,888

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Date of Estimated Cost: 7/13/2017

Network Upgrade ID: 71964

Network Upgrade Name: Monolith 345/115 kV Transformer #1

Network Upgrade Description: Add a new 345/115 kV ckt 1 transformer at Monolith substation.

Network Upgrade Owner: NPPD

MOPC Representative(s): Paul Malone

TWG Representative: Randy Lindstrom

Categorization: Regional Reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 417 MVA.

Network Upgrade Justification: Identified in DPA-2016-Dec-703

Estimated Cost for Network Upgrade (current day dollars): \$5,179,657

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Date of Estimated Cost: 7/13/2017

Network Upgrade ID: 71965

Network Upgrade Name: Monolith 345/115 kV Transformer #2

Network Upgrade Description: Add a new 345/115 kV ckt 2 transformer at Monolith substation.

Network Upgrade Owner: NPPD

MOPC Representative(s): Paul Malone

TWG Representative: Randy Lindstrom

Categorization: Regional Reliability

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Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 417 MVA.

Network Upgrade Justification: Identified in DPA-2016-Dec-703

Estimated Cost for Network Upgrade (current day dollars): \$5,179,657

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Date of Estimated Cost: 7/13/2017

Network Upgrade ID: 71966

Network Upgrade Name: Monolith 115 kV Substation Upgrades

Network Upgrade Description: Re-terminate Firth - Sheldon 115 kV line at Monolith 115 kV sub rather than Sheldon 115 kV sub.

Network Upgrade Owner: NPPD

MOPC Representative(s): Paul Malone

TWG Representative: Randy Lindstrom

Categorization: Regional Reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 400 MVA.

Network Upgrade Justification: Identified in DPA-2016-Dec-703

Estimated Cost for Network Upgrade (current day dollars): \$11,271,233

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Date of Estimated Cost: 7/13/2017

Network Upgrade ID: 71967

Network Upgrade Name: Sheldon - Monolith 115 kV Ckt 1 New Line

Network Upgrade Description: Build new 1 mile, 115 kV line from Sheldon to Monolith.

Network Upgrade Owner: NPPD

MOPC Representative(s): Paul Malone

TWG Representative: Randy Lindstrom

Categorization: Regional Reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 400 MVA.

Network Upgrade Justification: Identified in DPA-2016-Dec-703

Estimated Cost for Network Upgrade (current day dollars): \$1,273,506

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Date of Estimated Cost: 7/13/2017

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Network Upgrade ID: 71968

Network Upgrade Name: Sheldon 115 kV Terminal Upgrades

Network Upgrade Description: Upgrade all terminal equipment in northern half of Sheldon 115 kV substation to achieve Sheldon - Monolith 115 kV line rating of no less than 400/400 MVA

Network Upgrade Owner: NPPD

MOPC Representative(s): Paul Malone

TWG Representative: Randy Lindstrom

Categorization: Regional Reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 400 MVA.

Network Upgrade Justification: Identified in DPA-2016-Dec-703

Estimated Cost for Network Upgrade (current day dollars): \$3,703,266

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Date of Estimated Cost: 7/13/2017

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.

CPE

Please provide SPP a CPE by January 1, 2018, as described in SPP's Business Practice No. 7060 regarding Notification to Construct with Conditions. CPEC shall advise SPP of any inability to provide the CPE by January 1, 2018, as soon as the inability becomes apparent. This due date may change as a result of the final outcome of the FERC docket related to the Tariff changes to implement the revised ITP process.

Removal of Conditions

Upon notice by SPP of removal of the conditions contained in this NTC, SPP will issue the DTO a new NTC and the following will be applicable:

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

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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.

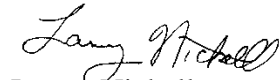
Notification of Progress

On an ongoing basis, please keep SPP advised of any inability on NPPD's part to complete the approved Network Upgrade(s). For project tracking, SPP requires NPPD to submit status updates of the Network Upgrade(s) quarterly in conjunction with the SPP Board of Directors meetings. However, NPPD 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.

Sincerely,

A handwritten signature in black ink 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
Randy Lindstrom - NPPD