

SPP-NTC-200462

**SPP
Notification to Construct**

August 2, 2017

Mr. Thomas L. Meland, P.E.
Central Power Electric Cooperative, Inc.
525 20th Avenue SW
Minot, ND 58701

RE: Notification to Construct Approved Reliability Network Upgrades

Dear Mr. Meland,

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 Central Power Electric Cooperative, Inc. ("CPEC"), as the Designated Transmission Owner, to construct the Network Upgrade(s).

On April 25, 2017, the SPP Board of Directors approved the Network Upgrade(s) listed below to be constructed as part of the 2017 Integrated Transmission Planning Near-Term Assessment ("ITPNT").

On July 31, 2017, SPP received CPEC's NTC-C Project Estimates ("CPE") for the Network Upgrades specified in the NTC-C No. 200456. SPP has reviewed the CPEs and determined that the requirements of Condition No. 1 of the NTC-C have been met.

Upgrades with Modifications

Previous NTC Number: 200456

Previous NTC Issue Date: 5/23/2017

Project ID: 41223

Project Name: Line - New East Ruthville - SW Minot 115 kV New Line

Need Date for Project: 6/1/2018

Estimated Cost for Project: \$21,780,000

Network Upgrade ID: 61894

Network Upgrade Name: East Ruthville - SW Minot 115 kV New Line

Network Upgrade Description: Construct new 24-mile 115 kV line from East Ruthville to SW Minot.

Network Upgrade Owner: CPEC

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MOPC Representative(s): Thomas Meland

TWG Representative: N/A

Reason for Change: The CPE(s) for this project was determined to meet the requirements of Condition No. 1 of NTC-C No. 200456. Therefore, the conditions of the project are removed.

Categorization: Regional Reliability

Network Upgrade Specification: All elements and conductor must have an emergency rating of at least 187 MVA.

Network Upgrade Justification: Upgrade identified in the Needs Assessment of the 2017 ITPNT as needed for regional reliability.

Estimated Cost for Network Upgrade (current day dollars): \$20,746,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: CPEC

Date of Estimated Cost: 7/31/2017

Network Upgrade ID: 61895

Network Upgrade Name: East Ruthville - SW Minot 115 kV line Terminal Upgrades

Network Upgrade Description: Install terminal upgrades needed for East Ruthville - SW Minot 24-mile 115 kV line.

Network Upgrade Owner: CPEC

MOPC Representative(s): Thomas Meland

TWG Representative: N/A

Reason for Change: The CPE(s) for this project was determined to meet the requirements of Condition No. 1 of NTC-C No. 200456. Therefore, the conditions of the project are removed.

Categorization: Regional Reliability

Network Upgrade Specification: All elements and conductor must have an emergency rating of at least 187 MVA.

Network Upgrade Justification: Upgrade identified in the Needs Assessment of the 2017 ITPNT as needed for regional reliability.

Estimated Cost for Network Upgrade (current day dollars): \$1,035,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: CPEC

Date of Estimated Cost: 7/31/2017

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

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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 CPEC's part to complete the approved Network Upgrade(s). For project tracking, SPP requires CPEC to submit status updates of the Network Upgrade(s) quarterly in conjunction with the SPP Board of Directors meetings. However, CPEC 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

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cc: Carl Monroe - SPP
Antoine Lucas - SPP
Jay Caspary - SPP
Mark Sherman - CPEC