

SPP-NTC-210484

**SPP
Notification to Construct**

April 27, 2018

Mr. Jarred Cooley
Southwestern Public Service Company
790 S Buchanan Street
Amarillo, TX 79101

RE: Notification to Construct Approved Reliability Network Upgrades

Dear Mr. Cooley,

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 April 29, 2014, the SPP Board of Directors ("Board") approved the Network Upgrade ID 50452 listed below in association with the High Priority Incremental Load Study ("HPILS"). On April 26, 2016, the Board approved the Network Upgrade ID 50451 listed below in association with the 2016 Integrated Transmission Planning Near-Term Assessment ("ITPNT"). On April 24, 2018, the Board approved the Network Upgrade(s) listed below to be modified as specified.

Upgrades with Modifications

Previous NTC Number: 200309

Previous NTC Issue Date: 12/3/2014

Project ID: 30376

Project Name: Multi - Hobbs - Yoakum 345/230 kV Ckt 1

Estimated Cost for Project: \$104,655,870 (this project cost contains Network Upgrades not included in this NTC)

Network Upgrade ID: 50452

Network Upgrade Name: Hobbs 345/230 kV Ckt 1 Transformer

Network Upgrade Description: Expand existing Hobbs substation to accommodate 345 kV terminals. Install 345/230 kV 638 MVA transformer at Hobbs.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: N/A

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Reason for Change: SPP Board approved rating change from 644 MVA to 638 MVA based on change in SPS rating methodology.

Categorization: High priority

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 638 MVA.

Network Upgrade Justification: To address needs identified in HPILS.

Need Date for Network Upgrade: 6/1/2018

Estimated Cost for Network Upgrade (current day dollars): \$14,027,120

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 11/14/2017

Previous NTC Number: 200395

Previous NTC Issue Date: 5/17/2016

Project ID: 31068

Project Name: Multi - Tuco - Yoakum 345/230 kV Ckt 1

Need Date for Project: 6/1/2017

Estimated Cost for Project: \$133,520,696 (this project cost contains Network Upgrades not included in this NTC)

Network Upgrade ID: 50451

Network Upgrade Name: Yoakum 345/230 kV Ckt 1 Transformer

Network Upgrade Description: Install new 345/230 kV 640 MVA transformer at Yoakum substation. Install any necessary 230 kV terminal equipment.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: N/A

Reason for Change: SPP Board approved rating change from 644 MVA to 640 MVA based on change in SPS rating methodology.

Categorization: Regional Reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 640 MVA.

Network Upgrade Justification: Upgrade identified in the 2016 ITPNT Needs Assessment as needed for regional reliability.

Estimated Cost for Network Upgrade (current day dollars): \$5,047,344

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 5/15/2017

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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 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 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.

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.

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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