

SPP
Notification to Construct

August 17, 2018

Mr. Lloyd Linke
Western Area Power Administration
PO Box 790
Watertown, SD 57201

RE: Notification to Construct Approved Reliability Network Upgrades

Dear Mr. Linke,

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 Western Area Power Administration ("WAPA"), as the Designated Transmission Owner, to construct the Network Upgrade.

On January 30, 2018 the SPP Board of Directors approved the Network Upgrade listed below to be constructed. On May 29, 2018 an Agreement for Sponsored Upgrade was fully executed by CPEC and SPP.

New Network Upgrades

Project ID: 51278

Project Name: Sub - Bismarck 115 kV and North Bismarck 115 kV Terminal Upgrades

Estimated Cost for Project: \$84,639

Network Upgrade ID: 72006

Network Upgrade Name: Bismarck 115 kV Terminal Upgrades

Network Upgrade Description: Replace CTs at Bismarck substation to increase rating of Bismarck - East Bismarck 115 kV line to at least 85 MVA. This is a mitigation upgrade resulting from the Sponsored Upgrade Study #SUS-002 CPEC North Bismarck Breaker. Costs will be Directly Assigned to CPEC.

Network Upgrade Owner: WAPA

MOPC Representative(s): Lloyd Linke

TWG Representative: Gayle Nansel

Categorization: Sponsored Upgrade

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 85 MVA.

Network Upgrade Justification: SUS-002 CPEC North Bismarck Breaker Study

Need Date for Network Upgrade: 6/1/2024

Estimated Cost for Network Upgrade (current day dollars): \$84,639

Cost Allocation of the Network Upgrade: Directly Assigned

Estimated Cost Source: SPP

Date of Estimated Cost: 11/21/2017

Commitment to Construct

Please provide to SPP a written commitment to construct the Network Upgrade 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. Failure to provide a sufficient written commitment to construct as required by the SPP OATT could result in the Network Upgrade being assigned to another entity.

Mitigation Plan

The Need Date represents the timing required for the Network Upgrade to address the identified need. Your prompt attention is required for formulation and approval of any necessary mitigation plans for the Network Upgrade included in the Network Upgrade 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 any necessary 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 WAPA's part to complete the approved Network Upgrade. For project tracking, SPP requires WAPA to submit status updates of the Network Upgrade quarterly in conjunction with the SPP Board of Directors meetings. However, WAPA 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,



Lanny Nickell

Vice President, Engineering

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cc: Carl Monroe - SPP
Antoine Lucas - SPP
Jay Caspary - SPP
Gayle Nansel - WAPA