

**SPP
Notification to Construct**

June 7, 2019

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 July 26, 2018, SPP concluded that the Network Upgrade below is required on the SPS system to fulfill delivery point request as detailed in the Delivery Point Network Study for delivery point request DPA-2018-Mar-854. On May 22, 2019, SPP received all executed Transmission Service Agreements associated with DPA-2018-Mar-854.

New Network Upgrades

Project ID: 81581

Project Name: Multi-Hobbs Interchange-Millen 115kV

Need Date for Project: 6/1/2022

Estimated Cost for Project: \$6,914,908

Network Upgrade ID: 112510

Network Upgrade Name: Hobbs Interchange to Millen Rebuild 115 kV Ckt1

Network Upgrade Description: Rebuild 10.5 miles of Hobbs Interchange to Millen 115kV Line

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: Jarred Cooley

Categorization: Regional Reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 175 MVA

Network Upgrade Justification: DPNS-2018-Mar-854

Estimated Cost for Network Upgrade (current day dollars): \$3,165,684

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 5/8/2019

Network Upgrade ID: 122510

Network Upgrade Name: Johnson Draw Capacitor Bank

Network Upgrade Description: New 28.8 MVAR capacitor bank addition at Johnson Draw 115kV

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: Jarred Cooley

Categorization: Regional Reliability

Network Upgrade Specification: Install new 28.8 MVAR cap bank at Johnson Draw 115 kV sub.

Network Upgrade Justification: DPNS-2018-Mar-854

Estimated Cost for Network Upgrade (current day dollars): \$3,749,224

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 5/8/2019

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.

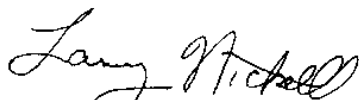
SPP-NTC-210515**Notification of Progress**

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.

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