

**SPP
Notification to Construct**

September 6, 2019

Mr. Michael Cashell
NorthWestern Energy
300 S. Burr St.
Mitchell, SD 57301

RE: Notification to Construct for Transmission Service Request resulting from Sponsored Upgrade Study SUS-006

Dear Mr. Cashell,

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 NorthWestern Energy ("NWE"), as the Designated Transmission Owner, to construct the Network Upgrades.

On July 31, 2018, the SPP Board of Directors endorsed the Network Upgrade(s) listed below to be constructed. On August 20, 2019, an Agreement for Sponsored Upgrade was fully executed by NWE and SPP.

New Network Upgrades

Project ID: 81616

Project Name: Line - Aberdeen City - Aberdeen Industrial Park 115 kV

Need Date for Project: 12/31/2019

Estimated In-Service Date: 12/21/2021

Estimated Cost for Project: \$3,334,258

Network Upgrade ID: 122576

Network Upgrade Name: Aberdeen City - Aberdeen Industrial Park 115 kV Ckt 1 New Line

Network Upgrade Description: Build new 3.29 mile, 115 kV line from Aberdeen City - Aberdeen Industrial Park

Network Upgrade Owner: NWE

Categorization: Sponsored Upgrade

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 133 MVA.

Network Upgrade Justification: SUS-006 Northwestern Aberdeen 115 kV Line

SPP-NTC-210522

Estimated Cost for Network Upgrade (current day dollars): \$2,781,590

Cost Allocation of the Network Upgrade: Directly Assigned

Estimated Cost Source: SPP

Date of Estimated Cost: 8/27/2018

Network Upgrade ID: 122599

Network Upgrade Name: Aberdeen A-Tap Breaker 115 kV

Network Upgrade Description: Add breaker at Aberdeen A-tap for the new Aberdeen City - Aberdeen Industrial Park 115 kV line.

Network Upgrade Owner: NWE

Categorization: Sponsored Upgrade

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 133 MVA.

Network Upgrade Justification: SUS-006 Northwestern Aberdeen

Estimated Cost for Network Upgrade (current day dollars): \$552,668

Cost Allocation of the Network Upgrade: Directly Assigned

Estimated Cost Source: SPP

Date of Estimated Cost: 8/21/2019

Commitment to Construct

Please provide to SPP a written commitment to construct the Network Upgrade(s) within 90 days of the date of this Notification to Construct, 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 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 Estimated In-Service 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 Upgrades(s) if the Estimated In-Service Date is not feasible. Additionally, if it is anticipated that the completion of any Network Upgrade will be delayed past the Estimated In-Service Date, SPP requires a mitigation plan be filed within 60 days of 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

SPP-NTC-210522

On an ongoing basis, please keep SPP advised of any inability on NWE's part to complete the approved Network Upgrade(s). For project tracking, SPP requires NWE to submit status updates of the Network Upgrade(s) quarterly in conjunction with the SPP Board of Directors meetings. However, NWE shall also advise SPP of any inability to comply with the Project(s) Schedule as the inability becomes apparent.

All terms and conditions of the SPP OATT and the SPP Membership Agreement shall apply to this project(s) and nothing in this letter shall carry such terms and conditions.

Don't hesitate to contact me if you have questions or comments about these requests. 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
Andrew McLain - NWE