

SPP-NTC-C-210531

SPP
Notification to Construct with Conditions

May 28, 2020

Mr. Tom Christensen
Basin Electric Power Cooperative
1717 E. Interstate Ave.
Bismarck, ND 58503

RE: Notification to Construct Approved Reliability Network Upgrades with Conditions

Dear Mr. Christensen,

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 with Conditions ("NTC-C") directing Basin Electric Power Cooperative ("BEPC"), as the Designated Transmission Owner, to construct the Network Upgrade(s). This NTC is conditioned upon BEPC not ordering materials or beginning construction until:

(1) the DTO submits a refined NTC-C Project Estimate ("CPE") to SPP that has a variance bandwidth of $\pm 20\%$ that does not exceed the Study Estimate variance bandwidth of $\pm 30\%$ as provided for in SPP's Business Practices; or

(2) the SPP Board of Directors considers SPP's re-evaluation of a project that has a refined CPE from the DTO that exceeds the Study Estimate variance bandwidth of $\pm 30\%$ as provided for in SPP's Business Practices.

On February 19, 2019, SPP concluded that the Network Upgrade(s) below are required on the BEPC system to fulfill delivery point addition request(s) as detailed in the Delivery Point Network Study DPA-2018-August-918. On September 27, 2019, SPP received all executed Transmission Service Agreements associated with DPA-2018-August-918.

New Network Upgrades

Project ID: 81614

Project Name: Multi - Neset - Newtown 230 kV

Need Date for Project: 6/1/2019

SPP-NTC-C-210531

Estimated Cost for Project: \$72,033,702 (this project cost contains Network Upgrades not included in this NTC)

Network Upgrade ID: 122570

Network Upgrade Name: Neset - Northshore 230 kV Ckt 1

Network Upgrade Description: Build new 28 mile 230kV line from Neset to Northshore.

Network Upgrade Owner: BEPC

MOPC Representative(s): Jason Doerr

TWG Representative: Phil Westby

Categorization: Regional Reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 506 MVA.

Network Upgrade Justification: DPA-2018-August-918

Estimated Cost for Network Upgrade (current day dollars): \$33,155,575

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPP

Date of Estimated Cost: 2/12/2019

Network Upgrade ID: 122572

Network Upgrade Name: Northshore 230/115 kV Transformer

Network Upgrade Description: Build new 230/115 kV Transformer at Northshore substation

Network Upgrade Owner: BEPC

MOPC Representative(s): Jason Doerr

TWG Representative: Phil Westby

Categorization: Regional Reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 308 MVA.

Network Upgrade Justification: DPA-2018-August-918

Estimated Cost for Network Upgrade (current day dollars): \$3,176,320

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPP

Date of Estimated Cost: 2/12/2019

Network Upgrade ID: 122575

Network Upgrade Name: Northshore 230 kV Substation

Network Upgrade Description: Build new Northshore 230/115 kV Substation to replace existing switch

Network Upgrade Owner: BEPC

SPP-NTC-C-210531

MOPC Representative(s): Jason Doerr
TWG Representative: Phil Westby
Categorization: Regional Reliability
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 506 MVA.
Network Upgrade Justification: DPA-2018-August-918
Estimated Cost for Network Upgrade (current day dollars): \$20,938,350
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPP
Date of Estimated Cost: 5/31/2019

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.

CPE

Please provide SPP a CPE by April 17, 2020, as described in SPP's Business Practice No. 7060 regarding Notification to Construct with Conditions. BEPC shall advise SPP of any inability to provide the CPE by April 17, 2020, as soon as the inability becomes apparent.

Removal of Conditions

Upon notice by SPP of removal of the conditions contained in this NTC, SPP will issue the DTO a new NTC and the following will be applicable:

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

SPP-NTC-C-210531

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



Antoine Lucas,
Vice President, Engineering
Phone: (501) 614-3382 • Fax: (501) 482-2022 • alucas@spp.org

cc: Lanny Nickell - SPP
Antoine Lucas - SPP
Jay Caspary – SPP
Casey Cathey - SPP
Jeremy Severson - BEPC
Jason Doerr - BEPC