

SPP-NTC-210660

SPP
Notification to Construct

March 31, 2022

Mr. John Knofczynski
East River Electric Power Cooperative
P.O. Box 227
Madison, SD 57042

RE: Notification to Construct for Transmission Service Request resulting from Sponsored Upgrade Study SUS-016

Dear Mr. Knofczynski,

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 East River Electric Power Cooperative ("EREC"), as the Designated Transmission Owner, to construct the Network Upgrades.

On April 27, 2021, the SPP Board of Directors endorsed the Network Upgrade(s) listed below to be constructed. On November 23, 2021, an Agreement for Sponsored Upgrade was fully executed by EREC and SPP.

New Network Upgrades

Project ID: 92305
Project Name: Device - Onida 69 kV Capacitor Bank
Expected In-service Date for Project: 11/23/2021
Estimated Cost for Project: \$124,885
Date of Estimated Cost: 3/28/2022
Estimated Cost Source: SPP

Network Upgrade ID: 144327
Network Upgrade Name: Onida 69 kV Capacitor Bank
Network Upgrade Description: Add a 3.6 MVAR capacitor bank at the Onida 69 kV substation
Network Upgrade Owner: EREC
MOPC Representative(s): Mark Hoffman
TWG Representative(s): John Knofczynski

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Categorization: Sponsored Upgrade
Network Upgrade Specification: Capacitor Bank must be rated for a 3.6 MVAR
Network Upgrade Justification: SUS-016
Estimated Cost for Network Upgrade (current day dollars): \$124,885
Cost Allocation of the Network Upgrade: Direct Assignment
Date of Estimated Cost: 3/28/2022

Commitment to Construct

Please provide to SPP a written commitment to construct the Network Upgrade(s) by June 29, 2022, in addition to providing a construction schedule and an updated -20% to +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.

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 EREC's part to complete the approved Network Upgrade(s). For project tracking, SPP requires EREC's to submit status updates of the Network Upgrade(s) quarterly in conjunction with the SPP Board of Directors meetings. However, EREC 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(s), and nothing in this letter shall vary 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,



Antoine Lucas

Vice President, Engineering

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cc: Lanny Nickell - SPP
Casey Cathey - SPP
David Kelley - SPP
Mark Hoffman - EREC