

SPP-NTC-220722**SPP
Notification to Construct**

June 9, 2023

Mr. Jeremy Severson
Basin Electric Power Cooperative
1717 E. Interstate Ave.
Bismarck, ND 58503

RE: Notification to Construct for Transmission Service Request resulting from Aggregate
Transmission Service Study SPP- 2021-AG2

Dear Mr. Severson,

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 Basin Electric Power Cooperative ("BEPC"), as the Designated Transmission Owner, to construct the Network Upgrades.

On May 11, 2022, SPP concluded that the project(s) is required on the BEPC system to fulfill Transmission Service Requests as detailed in Aggregate Facility Study SPP- 2021-AG2.

New Network Upgrades**Project ID:** 92371**Project Name:** Line - North Dakota/Saskatchewan Border (Tableland) - Tande 230 kV**Need Date for Project:** 10/1/2027**Estimated Cost for Project:** \$81,442,496**Network Upgrade ID:** 156240**Network Upgrade Name:** North Dakota/Saskatchewan Border (Tableland) -
Tande 230 kV Ckt 1**Network Upgrade Description:** Build new 67 mile 230 kV line from Tande
substation to the United States/Canada border toward Sask Power's Tableland
substation.**Network Upgrade Owner:** BEPC**MOPC Representative(s):** Jason Mazigian**TWG Representative(s):** Phil Westby**Categorization:** Transmission Service**Network Upgrade Specification:** All elements and conductor must have at least
an emergency rating of 325 MVA.

Network Upgrade Justification: SPP-2021-AG2
Estimated Cost for Network Upgrade (current day dollars): \$78,880,406
Cost Allocation of the Network Upgrade: PTP revenue ¹
Estimated Cost Source: BEPC
Date of Estimated Cost: 5/8/2023

Network Upgrade ID: 156241
Network Upgrade Name: Tande 230 kV Terminal Equipment
Network Upgrade Description: Install any necessary terminal equipment at the Tande substation to accommodate a terminal for the North Dakota/Saskatchewan Border (Tableland) - Tande 230 kV Ckt 1.
Network Upgrade Owner: BEPC
MOPC Representative(s): Jason Mazigian
TWG Representative(s): Phil Westby
Categorization: Transmission Service
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 325 MVA
Network Upgrade Justification: SPP-2021-AG2
Estimated Cost for Network Upgrade (current day dollars): \$2,562,090
Cost Allocation of the Network Upgrade: PTP revenue ¹
Estimated Cost Source: BEPC
Date of Estimated Cost: 5/8/2023

Project ID: 92372

Project Name: Line - North Dakota/Saskatchewan Border (Tableland) - Wheelock 230 kV

Need Date for Project: 10/1/2027

Estimated Cost for Project: \$67,599,614

Network Upgrade ID: 156248
Network Upgrade Name: North Dakota/Saskatchewan Border (Tableland) - Wheelock 230 kV Ckt 1.
Network Upgrade Description: Build new 70 mile 230 kV line from Wheelock substation to the United States/Canada border toward Sask Power's Tableland substation.
Network Upgrade Owner: BEPC
MOPC Representative(s): Jason Mazigian
TWG Representative(s): Phil Westby
Categorization: Transmission Service

¹ When Service Upgrades are required for long-term Point-To-Point (PTP) reservations, the Transmission Customer pays the higher of the PTP standard rate per Schedules 7 and 11 OR the sum of Directly Assigned Upgrade Costs (DAUC), per Schedule 7, Section 4.b of the SPP Tariff. The Transmission Customer shall pay the PTP standard rate in this case since it is higher, and a portion of the resulting revenue shall be used to compensate the designated Transmission Owner for the DAUC, which is calculated as a levelized revenue requirement of the upgrades over the Transmission Customer's term of service. The remaining PTP revenue shall be distributed to SPP Transmission Owners pursuant to Attachment L of the SPP Tariff.

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 325 MVA.

Network Upgrade Justification: SPP-2021-AG2

Estimated Cost for Network Upgrade (current day dollars): \$65,123,051

Cost Allocation of the Network Upgrade: PTP revenue¹

Estimated Cost Source: BEPC

Date of Estimated Cost: 5/8/2023

Network Upgrade ID: 156249

Network Upgrade Name: Wheelock 230 kV Terminal Upgrade

Network Upgrade Description: Install any necessary terminal equipment at Wheelock substation to accommodate a new terminal for the North Dakota/Saskatchewan Border (Tableland) - Wheelock 230 kV Ckt 1.

Network Upgrade Owner: BEPC

MOPC Representative(s): Jason Mazigian

TWG Representative(s): Phil Westby

Categorization: Transmission Service

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 325 MVA.

Network Upgrade Justification: SPP-2021-AG2

Estimated Cost for Network Upgrade (current day dollars): \$2,476,563

Cost Allocation of the Network Upgrade: PTP revenue¹

Estimated Cost Source: BEPC

Date of Estimated Cost: 5/8/2023

Commitment to Construct

Please provide to SPP a written commitment to construct the Network Upgrade(s) by September 7, 2023, 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.

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.

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's 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(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,

A handwritten signature in blue ink that reads 'David Kelley'.

David Kelley
Vice President, Engineering
Phone: (501) 688-1671 • Fax: (501) 482-2022 • dkelley@spp.org

cc: Lanny Nickell - SPP
Casey Cathey - SPP
Tony Green - SPP
Natasha Henderson - SPP
Jason Mazigian - BEPC
Phil Westby - BEPC
Gavin McCollam - BEPC
Matt Ehrman - BEPC
Boyd Trester - BEPC