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John E. Mills
Manager, Tariff Studies

December 18, 2006

Mr. Phil Crissup
OG+E Electric Services
P.O. Box 321
Oklahoma City, OK 73102

RE: Transmission System Upgrade Authorization for Transmission Service Requests 1183948

Dear Mr. Crissup:

Southwest Power Pool has received Network Integrated Transmission Service agreements executed by Oklahoma Gas and Electric Company for the above noted transmission service request. In the facility study conducted in the assessment of this request, SPP concluded that system upgrades are required on the OKGE transmission system as detailed in Aggregate Facility Study SPP-2006-AG1-AFS-4. SPP authorizes OKGE to construct those upgrades to the transmission system concluded in the Facility Study to be necessary to provide the requested transmission service.

SPP authorizes OKGE to reconductor approximately .18 miles with 795 AS33 on the FPL Switch- Mooreland 138kV CKt 1 facility required by June 1, 2008.

OKGE shall submit certificate of commercial operation of the listed Network Upgrade to SPP as soon as the upgrade is completed and in service. Please provide SPP with the actual costs of these upgrades as soon as possible after the completion of construction. This will permit SPP to true up billing to actual costs on a timely basis.

Consistent with Section 20.1 of the SPP Tariff, please keep SPP advised of any inability on OKGE's part to complete the upgrades in time to provide the committed service. Provide SPP with the construction schedule supporting the required upgrade noted above within 30 days of receipt of this Transmission System Upgrade Authorization letter. Based on this schedule, SPP will require quarterly updates to the schedule status.

Don't hesitate to contact me if you have questions.

Sincerely,

A handwritten signature in blue ink that reads 'John E. Mills'.

John E. Mills
Manager, Tariff Studies

sj

cc: P. Bourne, L. Dillahunty, J. Caspary, J. Rooker