

SPP
Notification to Construct

September 18, 2009

SPP-NTC-20016-1

Ms. Terri Gallup
American Electric Power
212 E. 6th St.
Tulsa, OK 74119

RE: Notification to Construct for Transmission Service request resulting from Aggregate Transmission Service Study SPP-2006-AG3-AFS-11

Dear Ms. Gallup,

Pursuant to Section 3.3 of the Southwest Power Pool, Inc. (“SPP”) Membership Agreement and Attachment O, Section VIII, of the SPP Open Access Transmission Tariff (“OATT”), SPP provides this Notification to Construct (“NTC”) directing American Electric Power, as the Designated Transmission Owner, to construct the Network Upgrades.

Southwest Power Pool has filed Service Agreement FERC Docket ER09-439, ER09-342, ER09-441, ER08-1206 for Transmission Service for customers in SPP-2006-AG3-AFS-11. In the facility study conducted in the assessment of these requests, SPP concluded that system upgrades are required on the American Electric Power system as detailed in Aggregate Facility Study SPP-2006-AG3-AFS-11.

New Network Upgrades

Project ID: 349

Project Name: TURK 345/138KV TRANSFORMER CKT 1

RTO Determined Need Date for Project: 4/1/2012

Estimated In Service Date: 4/1/2012

Estimated Cost for Project: \$7,310,000

Network Upgrade ID: 10456

Network Upgrade Description: Add Turk 345/138 kV transformer

Categorization: Service Upgrade

Network Upgrade Specifications: The transformer must have at least an emergency rating of 700 MVA, but is not limited to that amount.

Network Upgrade Justifications: SPP-2006-AG3-AFS-11

Source of Funding for Network Upgrade: Full Base Plan Funding

Estimated Cost Source: AEPW

Date of Estimated Cost: 5/8/2007

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, pursuant to Attachment O, Section VIII.6 of the SPP Open Access Transmission Tariff, in addition to providing a construction schedule for the Network Upgrade(s). Failure to provide a sufficient written commitment to construct as required by Attachment O 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 at the email address of SPPprojecttracking@spp.org 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.

Mitigation Plan

The Need Date or Estimated In-Service Date represents the timing required for the Network Upgrade(s) to address the identified need. Your prompt attention is required to formulation and approval of any necessary mitigation plans for the Network Upgrade(s) included in the Network Upgrades(s) if the Need Date or Estimated In-Service Date is not feasible. Additionally, if it is anticipated that the completion of any Network Upgrade will be delayed past the Need Date or Estimated In-Service Date, SPP requires a mitigation plan be filed within 60 days of determination of expected delays.

Notification of Progress

On an ongoing basis, please keep SPP advised of any ability on AEP's part to complete the approved Network Upgrade(s). For project tracking, SPP requires AEP to submit updates on the status of the Network Upgrade(s) on a quarterly basis in conjunction with the SPP Board of Directors meetings. However consistent with Section 20.1 and 32.10 of the SPP Tariff, AEP shall also advise SPP of any inability to comply with the Project Schedule as the inability becomes apparent. All terms and conditions of the SPP OATT and the membership Agreement shall apply to this Project 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,

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

John Mills



HELPING OUR MEMBERS WORK TOGETHER
TO KEEP THE LIGHTS ON... TODAY AND IN THE FUTURE

Manager, Tariff Studies

Phone (501) 614-3356 • Fax: (501) 666-0376 • jmills@spp.org

cc: Carl Monroe, Les Dillahunty, Bruce Rew, Pat Bourne, Jay Caspary,
SPPprojecttracking@spp.org, Paul Johnson, Richard Ross, Brent Wilson, Scott Rainbolt,
Matthew McGee, Bob Adam, Colin Whitley, Tom Littleton, Wende Oliaro, Scott
Davidson