

SPP
Notification to Construct

September 18, 2009

SPP-NTC- 20048

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-2007-AG1-AFS-12

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 ER09-1140, ER09-1174, ER09-1397, ER09-1504 for Transmission Service for customers in SPP-2007-AG1-AFS-12. 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-2007-AG1-AFS-12.

New Network Upgrades

Project ID: 446

Project Name: COFFEYVILLE TAP - NORTH BARTLESVILLE 138KV CKT 1

RTO Determined Need Date for Project: 6/1/2011

Estimated In Service Date: 6/1/2011

Estimated Cost for Project: \$13,100,000

Network Upgrade ID: 10578

Network Upgrade Description: Rebuild approximately 13 miles of line with 1590 ACSR to achieve a minimum 2000 Amp emergency rating

Categorization: Service Upgrade

Network Upgrade Specifications: All elements must have at least an emergency rating of 287 MVA, but is not limited to that amount.

Network Upgrade Justifications: SPP-2007-AG1-AFS-12

Source of Funding for Network Upgrade: Base Plan Funding and Point-to-Point Base Rate

Estimated Cost Source: AEPW
Date of Estimated Cost: 9/18/2007

Project ID: 454
Project Name: BARTLESVILLE SOUTHEAST - NORTH BARTLESVILLE 138KV
CKT 1
RTO Determined Need Date for Project: 6/1/2011
Estimated In Service Date: 6/1/2011
Estimated Cost for Project: \$8,400,000

Network Upgrade ID: 10588
Network Upgrade Description: Rebuild approximately 8.5 miles of line with
1590 ACS to achieve a minimum 2000 Amp emergency rating & reset relays at
Bartlesville Southeast accordingly
Categorization: Service Upgrade
Network Upgrade Specifications: All elements must have at least an emergency
rating of 287 MVA, but is not limited to that amount.
Network Upgrade Justifications: SPP-2007-AG1-AFS-12
Source of Funding for Network Upgrade: Base Plan Funding and Point-to-
Point Base Rate
Estimated Cost Source: AEPW
Date of Estimated Cost: 4/11/2007

Upgrades with Modifications

Previous NTC Number: 20016
Previous NTC Issue Date: 1/16/2009
Project ID: 30148
Project Name: BANN - LONESTAR ORDINANCE TAP 69KV CKT 1 #2
RTO Determined Need Date for Project: 6/1/2012
Estimated In Service Date: 6/1/2012
Estimated Cost for Project: \$4,225,000

Network Upgrade ID: 50156
Network Upgrade Description: Replace 69 kV switch at Lone Star Ordinance
Tap with a minimum 800 amp emergency rating
Reason For Change: The rebuild of the line is not required according to the
flow identified in the 2006-AG3 study. The switch replacement is still required
Categorization: Service Upgrade
Network Upgrade Specifications: All elements must have at least an emergency
rating of 74 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: 4/15/2008

Withdrawal of Upgrades

Previous NTC Number: 20016

Previous NTC Issue Date: 1/16/2009

Project ID: 30150

Project Name: LAWTON EASTSIDE (LES 4) 345/138/13.8KV TRANSFORMER
CKT 1

RTO Determined Need Date for Project: 12/1/2012

Estimated In Service Date: 12/1/2012

Estimated Cost for Project: \$4,560,000

Network Upgrade ID: 50158

Network Upgrade Description: Replace Auto with new 450 MVA auto

Reason For Change: The transformer rating has been increased according to IEEE standards.

Categorization: Service Upgrade

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: 4/15/2008

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

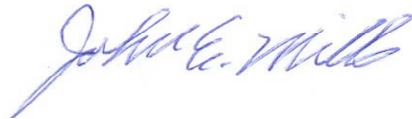
will be delayed past the Need Date or Estimated In-Service Date, SPP requires a mitigation plan be filed within 60 days of determination of expected delays.

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 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,



John Mills
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