

Notification to Construct

August 25, 2010

Mr. Paul Hassink
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-2008-AGP1-AFS-9

Dear Mr. Hassink,

Pursuant to Section 3.3 of the Southwest Power Pool, Inc. ("SPP") Membership Agreement and Attachment O, Section VI, 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.

On August 6, 2010, the Southwest Power Pool ("SPP") concluded that the project(s) is required on the American Electric Power system to fulfill Transmission Service Requests as detailed in Aggregate Facility Study SPP-2008-AGP1-AFS-9.

New Network Upgrades

Project ID: 947

Project Name: BROKEN ARROW NORTH - SOUTH TAP - ONETA 138KV CKT 1

RTO Determined Need Date for Project: 6/1/2015

Estimated In Service Date: 6/1/2015

Network Upgrade ID: 11261

Network Upgrade Description: Rebuild 4.33 miles of 795 ACSR with 1590 ACSR.

Categorization: Service Upgrade

Network Upgrade Specifications: All elements and conductor must have at least an emergency rating of 316 MVA, but is not limited to that amount.

Network Upgrade Justifications: SPP-2008-AGP1-AFS-9

Estimated Cost for Network Upgrade: \$4,400,000

Source of Funding for Network Upgrade: 100% Directly Assigned

Estimated Cost Source: AEP

Date of Estimated Cost: 12/16/2009

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 VI.6 of the SPP Open Access Transmission Tariff, in addition to providing a construction schedule for the Network Upgrade(s). Failure to provide a written commitment to construct as required by Attachment O could result in the Network Upgrade(s) being assigned to another entity.

Mitigation Plan

The 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 Estimated In-Service Date is not feasible. Additionally, if it is anticipated that the completion of any Network Upgrade will be delayed past the Estimated In-Service Date, SPP requires a mitigation plan be filed within 60 days of 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 ability on American Electric Power's part to complete the approved Network Upgrade(s). For project tracking, SPP requires American Electric Power 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, American Electric Power shall also advise SPP of any inability to comply with the project(s) Schedule as the inability becomes apparent. All terms and conditions of the SPP OATT and the membership Agreement shall apply to this project(s) 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 plan in maintaining the reliability of our electric grid.

Sincerely,

A handwritten signature in black ink that reads "Bruce A. Rew".

Bruce Rew
Vice President, Engineering
Phone (501) 614-3214 • Fax: (501) 821-3198 • BRew@spp.org

cc: Carl Monroe, Les Dillahunty, Katherine Prewitt, Bob Bradish, Paul Johnson, Raja Sundararajan, Matt Vermillion, Richard Ross, Matt McGee, Angela Easton