

SPP
Notification to Construct

January 16, 2009

SPP-NTC-20015

Mr. Ricky Bittle
Arkansas Electric Cooperative Corp.
PO BOX 194208
Little Rock, AR 72219-4208

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

Dear Mr. Bittle,

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 Arkansas Electric Cooperative Corp. system as detailed in Aggregate Facility Study SPP-2006-AG3-AFS-11.

As a result of transmission service customers confirmation of transmission service requests requiring network upgrades, SPP is notifying Arkansas Electric Cooperative Corp. as the upgrade owner to move forward with the development of the following upgrades/mitigations to alleviate associated transmission service concerns.

New Network Upgrades

Project ID: 351

Project Name: FULTON - HOPE 115KV CKT 1 AECC

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

Estimated In Service Date: 4/1/2012

Estimated Cost for Project: \$440,000

Upgrade ID: 10460

Upgrade Description: Upgrades to Fulton Switching Station

Categorization: Service Upgrade

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

Source of funding for Upgrade: Full Base Plan funded

Estimated Cost Source: AECC

Date of Estimated Cost: 11/14/2007

Project ID: 351

Project Name: FULTON - HOPE 115KV CKT 1 AECC

RTO Determined Need Date for Project: 4/1/2012
Estimated In Service Date: 4/1/2012
Estimated Cost for Project: \$1,512,000

Upgrade ID: 10461
Upgrade Description: Reconductor the Fulton to Hope 115KV Line
Categorization: Service Upgrade
Upgrade Justifications: SPP-2006-AG3-AFS-11
Source of funding for Upgrade: Full Base Plan funded
Estimated Cost Source: AECC
Date of Estimated Cost: 11/11/2008

Project ID: 30143
Project Name: MCNAB - TURK 115KV CKT 1 AECC
RTO Determined Need Date for Project: 4/1/2012
Estimated In Service Date: 4/1/2012
Estimated Cost for Project: \$165,000

Upgrade ID: 50151
Upgrade Description: Upgrades to McNab Substation
Categorization: Service Upgrade
Upgrade Justifications: SPP-2006-AG3-AFS-11
Source of funding for Upgrade: Full Base Plan funded
Estimated Cost Source: AECC
Date of Estimated Cost: 11/14/2007

Arkansas Electric Cooperative Corp. shall submit a notification of commercial operation for each listed Upgrade ID# to SPP at the email address of SPPprojecttracking@spp.org as soon as the upgrade is complete and in service. Please provide SPP with the actual costs of these upgrades as soon as possible after completion of construction. This will facilitate the timely billing by SPP based on actual costs.

Please send SPP written commitment to construct these projects within 90 days in addition to providing a construction schedule for the accepted upgrades. For project tracking, SPP will request on a quarterly basis in conjunction with the SPP Board of Directors meetings that Arkansas Electric Cooperative Corp. submit updates to the upgrade schedule status. Consistent with Section 32.10 of the SPP Tariff, please keep SPP advised of any inability on Arkansas Electric Cooperative Corp.'s part to complete the approved upgrades. If it is anticipated that the completion of any approved upgrade will be delayed past the estimated in service date, SPP requires a mitigation plan be filed within 60 days of the determination of expected delay in the upgrade schedule.

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,



John Mills
Manager, Tariff Studies
Phone (501) 614-3356 • Fax: (501) 666-0376 • jmills@spp.org

cc: Carl Monroe, Les Dillahunty, Pat Bourne, Jay Caspary, SPPprojecttracking@spp.org,
Ronnie Frizzell