



February 19, 2009

Bruce A. Rew
Vice President of Engineering
415 N. McKinley, Suite 140
Little Rock, AR 72205-3020

Dear Mr. Rew:

Enclosed please find the following fully executed documents:

1. Southwest Power Pool, Inc. ("SPP") Notification to Construct (SPP-NTC-20022) to Oklahoma Gas and Electric Co. ("OG&E") 1 copy; and
2. Amendment No. 1 to the Agreement for Sponsored Upgrade of December 2, 2008 between OG&E as Project Sponsor and SPP as Transmission Owner – 2 copies.

If you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Mel Perkins".

Mel Perkins
Vice President, Power Delivery

Enclosures

**SPP
Notification to Construct**

February 2, 2009

SPP-NTC-20022

Mr. Mel Perkins
Oklahoma Gas and Electric Co.
PO Box 321, M/C 1103
Oklahoma City, OK 73101-0321

RE: OG&E Woodward District EHV – Northwest 345 kV Sponsored Upgrade

Dear Mr. Perkins,

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 Oklahoma Gas & Electric Company (“OG&E”), as the Designated Transmission Owner, to construct the Sponsored Upgrade identified herein (the “Project”).

On July 29, 2008, the SPP Board of Directors endorsed the Project to be included in the SPP Transmission Expansion Plan (“STEP”). On December 1 and December 17, 2008, respectively, OG&E and SPP executed an Agreement for Sponsored Upgrade for the Project pursuant to Attachment J of the SPP OATT.

The specifications of the Project are as follows:

New Network Upgrades**Project ID:** 614**Project Name:** Line – Woodward District EHV – Northwest 345 kV**Sponsor Date for Project:** Early 2010**Estimated Cost for Project:** \$218,000,000**Source of Funding for Upgrade:** Sponsored**Estimated Cost Source:** OG&E**Upgrade ID:** 10787**Upgrade Description:** Build 120 miles 345 kV, 3000 amp capacity line from OG&E new Woodward District EHV substation to Northwest substation.**Categorization:** Sponsored Upgrade**Upgrade Justifications:** Sponsored Upgrade endorsed by the SPP Board of Directors and Agreement for Sponsored Upgrade executed**Source of Funding for Upgrade:** Sponsored

Upgrade ID: 10788

Upgrade Description: Install new 345/138 kV transformer, 3000 amp breakers, switches, and bus work in new Woodward District EHV substation.

Categorization: Sponsored Upgrade

Upgrade Justifications: Sponsored Network Upgrade endorsed by the SPP Board of Directors and Agreement for Sponsored Upgrade executed

Source of Funding for Upgrade: Sponsored

Upgrade ID: 10789

Upgrade Description: Build 0.5 miles of 138 kV transmission line (ckt 1) from Woodward District substation to new Woodward District EHV substation and install terminal equipment.

Categorization: Sponsored Upgrade

Upgrade Justifications: Sponsored Upgrade endorsed by the SPP Board of Directors and Agreement for Sponsored Upgrade executed

Source of Funding for Upgrade: Sponsored

Upgrade ID: 10790

Upgrade Description: Build 0.5 miles of 138 kV transmission line (ckt 2) from Woodward District substation to new Woodward District EHV substation and install terminal equipment.

Categorization: Sponsored Upgrade

Upgrade Justifications: Sponsored Upgrade endorsed by the SPP Board of Directors and Agreement for Sponsored Upgrade executed

Source of Funding for Upgrade: Sponsored

Upgrade ID: 10791

Upgrade Description: Tap Iodine to Woodward District 138 kV line for the new terminals into the new Woodward District EHV substation.

Categorization: Sponsored Upgrade

Upgrade Justifications: Sponsored Upgrade endorsed by the SPP Board of Directors and Agreement for Sponsored Upgrade executed

Source of Funding for Upgrade: Sponsored

Upgrade ID: 10913

Upgrade Description: Install one 3-breaker, 3000 amp switching station at approximately one-half the distance between Oklahoma City and Woodward, Oklahoma (substation Tatonga).

Categorization: Sponsored Upgrade

Upgrade Justifications: Sponsored Upgrade endorsed by the SPP Board of Directors and Agreement for Sponsored Upgrade executed

Source of Funding for Upgrade: Sponsored

Upgrade ID: 10915

Upgrade Description: At Northwest substation, install one 3000 amp 345 kV breaker and new line terminal. Relocate Spring Creek line to new bay. Terminate line from Tatonga. Install line relays and coordinate all relays at Northwest substation.

Categorization: Sponsored Upgrade

Upgrade Justifications: Sponsored Upgrade endorsed by the SPP Board of Directors and Agreement for Sponsored Upgrade executed

Source of Funding for Upgrade: Sponsored

The Project schedule will be as follows:

Project Timeline

| | |
|---------------------------------------|--------------------|
| Environmental and permitting complete | September 26, 2008 |
| Rights-of-Way acquired | July 17, 2009 |
| Engineering completed | May 11, 2009 |
| Material procured | August 12, 2009 |
| Construction completed | November 30, 2009 |
| Line tested, and accepted by OG&E | December 31, 2009 |

Written Commitment

SPP requests OG&E's written commitment, within ninety (90) days of its receipt of this NTC to construct the Project as specified in this NTC and in accordance with the project schedule set forth above. If OG&E does not provide SPP with such written commitment within ninety (90) days, SPP will proceed to select another entity to construct the facility pursuant to Section VIII of Attachment O of the SPP OATT.

OG&E may elect to arrange for another entity to build and/or own the Project in its place. If OG&E elects to make such an arrangement, OG&E should notify SPP as early as possible in order to permit SPP to provide any necessary input.

To track the status of these upgrades, SPP requires quarterly updates of the schedule status. Please send status updates to SPPprojecttracking@spp.org. SPP's project tracking reports will be shared at our quarterly SPP Board of Directors meetings. Please keep SPP fully advised, particularly of any inability of OG&E to meet the specified project schedule and complete the Project in accordance with the specified project schedule.

As soon as the Project is complete and in-service, OG&E should submit certification of commercial operation for each above listed component to SPP. Please provide SPP with the actual costs of these components as soon as possible after completion of construction.

I have provided below a signature block indicating OG&E's commitment to construct the Project as specified herein.

All capitalized terms in this letter shall have the meanings defined in the SPP OATT. All terms and conditions of the SPP OATT and the SPP Membership Agreement shall apply to this Project, and nothing in this letter shall vary such terms and conditions.

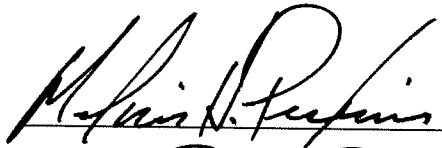

Please contact me if you have any questions or comments about this NTC.

Sincerely,

Bruce A. Rew

Bruce A. Rew
Vice President of Engineering
Phone (501) 614- 3214 • Fax: (501) 664-9553 • brew@spp.org

Oklahoma Gas & Electric Company
Written Commitment to Construct the Project

By: *M. J. Perkins*  
Title: *VP Power Delivery*
Date: *2-19-09*

cc: Phil Crissup, Travis Hyde, Jacob Langthorn IV, Les Dillahunty, Carl Monroe, Pat Bourne, Jay Caspary, SPPprojecttracking@spp.org.