

SPP Notification to Construct

February 8, 2010

SPP-NTC-20080

Mr. Paul Malone
Nebraska Public Power District
P.O. Box 608
York, NE 68467

RE: Notification to Construct Approved Reliability Network Upgrades

Dear Mr. Malone,

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 Nebraska Public Power District, as the Designated Transmission Owner, to construct the Network Upgrade(s).

On January 26, 2010, the Southwest Power Pool ("SPP") Board of Directors approved the Network Upgrade(s) listed below to be constructed.

New Network Upgrades

Project ID: 603

Project Name: Line - Steele City - Kansas Border 115 kV

Need Date for Project: 10/1/2010

Estimated Cost for Project: \$3,000,000

Network Upgrade ID: 10772

Network Upgrade Description: Build 2.4 miles of new 115 kV line from Kansas/Nebraska state line to Steele City.

Network Upgrade Owner: Nebraska Public Power District

MOPC Representative: Paul Malone

TWG Representative: Randy Lindstrom

Categorization: Regional reliability

Network Upgrade Specification: Build the line to emergency rating 245 MVA.

Network Upgrade Justification: To address multiple overloads in the area (e.g., Kelly - Seneca 115 kV) due to various contingencies including the outage of the Concordia 230/115 kV transformer.

Need Date for Network Upgrade: 10/1/2010

Estimated Cost for Network Upgrade (current day dollars): \$3,000,000

Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: NPPD

Project ID: 605

Project Name: Multi - North Platte 230/115 kV transformers

Need Date for Project: 6/1/2010

Estimated Cost for Project: \$5,000,000

Network Upgrade ID: 10775

Network Upgrade Description: Replace North Platte 230/115 kV transformer Ckt 2.

Network Upgrade Owner: Nebraska Public Power District

MOPC Representative: Paul Malone

TWG Representative: Randy Lindstrom

Categorization: Regional reliability

Network Upgrade Specification: Install the transformer for emergency rating 336 MVA.

Network Upgrade Justification: To address the overload of the N. Platte 230/115 kV transformer Ckt 2 for loss of the N. Platte 230/115 kV transformer Ckt 1. Determined to be needed for regional reliability in the Nebraska integration.

Need Date for Network Upgrade: 6/1/2010

Estimated Cost for Network Upgrade (current day dollars): \$5,000,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Project ID: 606

Project Name: Line - Columbus East - Columbus 115 kV

Need Date for Project: 4/1/2010

Estimated Cost for Project: \$150,000,000

Network Upgrade ID: 10970

Network Upgrade Description: Upgrade Columbus East - Columbus 115 kV line.

Network Upgrade Owner: Nebraska Public Power District

MOPC Representative: Paul Malone

TWG Representative: Randy Lindstrom

Categorization: Regional reliability

Network Upgrade Specification: Upgrade the line to emergency rating 238 MVA.

Network Upgrade Justification: Determined to be needed for regional reliability in the Nebraska integration.

Need Date for Network Upgrade: 4/1/2010

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Network Upgrade ID: 10971

Network Upgrade Description: Upgrade Pawnee Lake - Seward 115 kV line. A portion of this line will be double circuited with the Columbus East - NW 68th & Holdrege 345 kV project.

Network Upgrade Owner: Nebraska Public Power District

MOPC Representative: Paul Malone

TWG Representative: Randy Lindstrom

Categorization: Regional reliability

Network Upgrade Specification: Upgrade the line to emergency rating 120 MVA.

Network Upgrade Justification: Determined to be needed for regional reliability in the Nebraska integration.

Need Date for Network Upgrade: 4/1/2010

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Network Upgrade ID: 10972

Network Upgrade Description: Upgrade Pawnee Lake - NW 68th & Holdrege 115 kV line. A portion of this line will be double circuited with the Columbus East - NW 68th & Holdrege 345 kV project.

Network Upgrade Owner: Nebraska Public Power District

MOPC Representative: Paul Malone

TWG Representative: Randy Lindstrom

Categorization: Regional reliability

Network Upgrade Specification: Upgrade the line to emergency rating 137 MVA.

Network Upgrade Justification: Determined to be needed for regional reliability in the Nebraska integration.

Need Date for Network Upgrade: 4/1/2010

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Network Upgrade ID: 10973

Network Upgrade Description: Upgrade Rising City - Seward 115 kV line. A portion of this line will be double circuited with the Columbus East - NW 68th & Holdrege 345 kV project.

Network Upgrade Owner: Nebraska Public Power District

MOPC Representative: Paul Malone

TWG Representative: Randy Lindstrom

Categorization: Regional reliability

Network Upgrade Specification: Upgrade the line to emergency rating 120 MVA.

Network Upgrade Justification: Determined to be needed for regional reliability in the Nebraska integration.

Need Date for Network Upgrade: 4/1/2010

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Network Upgrade ID: 11160

Network Upgrade Description: Build new 67 mile Columbus East - NW 68th & Holdrege 345 kV line.

Network Upgrade Owner: Nebraska Public Power District

MOPC Representative: Paul Malone

TWG Representative: Randy Lindstrom

Categorization: Regional reliability

Network Upgrade Specification: Build the line to emergency rating 1195 MVA.

Network Upgrade Justification: Determined to be needed for regional reliability in the Nebraska integration.

Need Date for Network Upgrade: 4/1/2010

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Network Upgrade ID: 11161

Network Upgrade Description: Build new 12 mile Columbus East - Shell Creek 345 kV line.

Network Upgrade Owner: Nebraska Public Power District

MOPC Representative: Paul Malone

TWG Representative: Randy Lindstrom

Categorization: Regional reliability

Network Upgrade Specification: Build the line to emergency rating 1195 MVA.

Network Upgrade Justification: Determined to be needed for regional reliability in the Nebraska integration.

Need Date for Network Upgrade: 3/1/2010

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Network Upgrade ID: 11162

Network Upgrade Description: Install Columbus East 345/115 kV transformer.

Network Upgrade Owner: Nebraska Public Power District

MOPC Representative: Paul Malone

TWG Representative: Randy Lindstrom

Categorization: Regional reliability

Network Upgrade Specification: Install the transformer for emergency rating 336 MVA.

Network Upgrade Justification: Determined to be needed for regional reliability in the Nebraska integration.

Need Date for Network Upgrade: 3/1/2010

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Project ID: 629

Project Name: Line - Twin Church - S. Sioux City 115 kV

Need Date for Project: 6/1/2012

Estimated Cost for Project: \$33,000,000

Network Upgrade ID: 11151

Network Upgrade Description: Build new 5.5 mile 115 kV line Ckt 1 (double-circuit) from Twin Church to new South Sioux City substation. Rebuild Twin Church substation and build new South Sioux City substation.

Network Upgrade Owner: Nebraska Public Power District

MOPC Representative: Paul Malone

TWG Representative: Randy Lindstrom

Categorization: Regional reliability

Network Upgrade Specification: Build the line to emergency rating 266 MVA.

Network Upgrade Justification: Determined to be needed for regional reliability in the Nebraska integration.

Need Date for Network Upgrade: 6/1/2012

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Network Upgrade ID: 11152

Network Upgrade Description: Build new 5.5 mile 115 kV line Ckt 2 (double-circuit) from Twin Church to new South Sioux City substation.

Network Upgrade Owner: Nebraska Public Power District

MOPC Representative: Paul Malone

TWG Representative: Randy Lindstrom

Categorization: Regional reliability

Network Upgrade Specification: Build the line to emergency rating 266 MVA.

Network Upgrade Justification: Determined to be needed for regional reliability in the Nebraska integration.

Need Date for Network Upgrade: 6/1/2012

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Project ID: 749

Project Name: Line - Maloney - North Platte 115 kV

Need Date for Project: 6/1/2012

Estimated Cost for Project: \$2,000,000

Network Upgrade ID: 10986

Network Upgrade Description: Upgrade Maloney - North Platte 115 kV conductor and terminal equipment to 100 Degree C rating.

Network Upgrade Owner: Nebraska Public Power District

MOPC Representative: Paul Malone
TWG Representative: Randy Lindstrom
Categorization: Regional reliability
Network Upgrade Specification: Upgrade the line to emergency rating 155 MVA.
Network Upgrade Justification: To address the overload of Maloney - North Platte 115 kV for the loss of Ogallalla - Roscoe 115 kV.
Need Date for Network Upgrade: 6/1/2012
Estimated Cost for Network Upgrade (current day dollars): \$2,000,000
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: NPPD

Project ID: 817
Project Name: Line - Albion - Spalding 115 kV
Need Date for Project: 6/1/2013
Estimated Cost for Project: \$1,000,000

Network Upgrade ID: 11079
Network Upgrade Description: Upgrade Albion - Spalding 115 kV line and substation equipment to 100 Degree C rating.
Network Upgrade Owner: Nebraska Public Power District
MOPC Representative: Paul Malone
TWG Representative: Randy Lindstrom
Categorization: Regional reliability
Network Upgrade Specification: Upgrade the line to emergency rating 174 MVA.
Network Upgrade Justification: To address the overload of Albion - Spalding 115 kV for the loss of Loup City - North Loup 115 kV.
Need Date for Network Upgrade: 6/1/2013
Estimated Cost for Network Upgrade (current day dollars): \$1,000,000
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: NPPD

Project ID: 818
Project Name: Line - Loup City - North Loup 115 kV
Need Date for Project: 6/1/2012
Estimated Cost for Project: \$1,000,000

Network Upgrade ID: 11080
Network Upgrade Description: Upgrade Loup City - North Loup 115 kV conductor and terminal equipment to 100 Degree C rating.
Network Upgrade Owner: Nebraska Public Power District
MOPC Representative: Paul Malone
TWG Representative: Randy Lindstrom
Categorization: Regional reliability

Network Upgrade Specification: Upgrade the line to emergency rating 137 MVA.

Network Upgrade Justification: To address the overload of Loup City - North Loup 115 kV for the loss of Columbus - Genoa 115 kV or Albion - Genoa 115 kV.

Need Date for Network Upgrade: 6/1/2012

Estimated Cost for Network Upgrade (current day dollars): \$1,000,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Project ID: 30200

Project Name: Device - Petersburg 115 kV

Need Date for Project: 11/1/2012

Estimated Cost for Project: \$607,500

Network Upgrade ID: 50207

Network Upgrade Description: Add a 15 Mvar capacitor bank at Petersburg substation 115 kV bus.

Network Upgrade Owner: Nebraska Public Power District

MOPC Representative: Paul Malone

TWG Representative: Randy Lindstrom

Categorization: Regional reliability

Network Upgrade Specification: Install capacitor of size 15 Mvar.

Network Upgrade Justification: To address the low voltage at multiple buses including Neligh 115 kV from the loss of multiple facilities including Columbus - Genoa 115 kV.

Need Date for Network Upgrade: 11/1/2012

Estimated Cost for Network Upgrade (current day dollars): \$607,500

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPP

Project ID: 30201

Project Name: Device - Clarks 115 kV

Need Date for Project: 11/1/2012

Estimated Cost for Project: \$729,000

Network Upgrade ID: 50208

Network Upgrade Description: Add a 18 Mvar capacitor bank at Clarks substation 115 kV bus.

Network Upgrade Owner: Nebraska Public Power District

MOPC Representative: Paul Malone

TWG Representative: Randy Lindstrom

Categorization: Regional reliability

Network Upgrade Specification: Install capacitor of size 18 Mvar.

Network Upgrade Justification: To address the low voltage at Central City North 115 kV from the loss of Central City North - Grand Island 115 kV.

Need Date for Network Upgrade: 11/1/2012
Estimated Cost for Network Upgrade (current day dollars): \$729,000
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPP

Project ID: 30202
Project Name: Device - Ainsworth 115 kV
Need Date for Project: 11/1/2012
Estimated Cost for Project: \$50,000

Network Upgrade ID: 50209
Network Upgrade Description: Add a second 9 Mvar capacitor bank at Ainsworth substation 115 kV bus.
Network Upgrade Owner: Nebraska Public Power District
MOPC Representative: Paul Malone
TWG Representative: Randy Lindstrom
Categorization: Regional reliability
Network Upgrade Specification: Install capacitor of size 9 Mvar.
Network Upgrade Justification: To address the low voltage at multiple buses including Ainsworth 115 kV from the loss of multiple facilities including Ainsworth Wind 115 kV - Ainsworth 115 kV.
Need Date for Network Upgrade: 11/1/2012
Estimated Cost for Network Upgrade (current day dollars): \$50,000
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: NPPD

Project ID: 30203
Project Name: Device - Oneill 115 kV
Need Date for Project: 11/1/2012
Estimated Cost for Project: \$729,000

Network Upgrade ID: 50210
Network Upgrade Description: Add a second 18 Mvar capacitor bank at Oneill 115 kV substation for a total of 36 Mvar at this location.
Network Upgrade Owner: Nebraska Public Power District
MOPC Representative: Paul Malone
TWG Representative: Randy Lindstrom
Categorization: Regional reliability
Network Upgrade Specification: Install capacitor of size 18 Mvar.
Network Upgrade Justification: To address the low voltage at multiple buses including Neligh 115 kV from the loss of multiple facilities including Columbus - Genoa 115 kV.
Need Date for Network Upgrade: 11/1/2012
Estimated Cost for Network Upgrade (current day dollars): \$729,000

Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPP

Project ID: 30204
Project Name: Device - Valentine 115 kV
Need Date for Project: 6/1/2011
Estimated Cost for Project: \$1,000,000

Network Upgrade ID: 50211
Network Upgrade Description: Install a 10.8 Mvar capacitor bank at Valentine substation 115 kV bus.
Network Upgrade Owner: Nebraska Public Power District
MOPC Representative: Paul Malone
TWG Representative: Randy Lindstrom
Categorization: Regional reliability
Network Upgrade Specification: Install capacitor of size 10.8 Mvar.
Network Upgrade Justification: To address low voltage at nine 115 kV buses (including Valentine 115 kV) for the loss of one of four 115 kV lines (including Ainsworth - Valentine 115 kV).
Need Date for Network Upgrade: 6/1/2011
Estimated Cost for Network Upgrade (current day dollars): \$1,000,000
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: NPPD

Project ID: 30206
Project Name: Device - Gordon 115 kV
Need Date for Project: 6/1/2013
Estimated Cost for Project: \$1,000,000

Network Upgrade ID: 50213
Network Upgrade Description: Install a 9 Mvar capacitor bank at Gordon substation 115 kV bus.
Network Upgrade Owner: Nebraska Public Power District
MOPC Representative: Paul Malone
TWG Representative: Randy Lindstrom
Categorization: Regional reliability
Network Upgrade Specification: Install capacitor of size 9 Mvar.
Network Upgrade Justification: To address low voltage at Gordon 115 kV for the loss of Gordon - Rushville 115 kV and to address low voltage at Rushville 115 kV for the loss of Chadron - Rushville 115 kV.
Need Date for Network Upgrade: 6/1/2013
Estimated Cost for Network Upgrade (current day dollars): \$1,000,000
Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Project ID: 30236

Project Name: Device - Kearney 115 kV

Need Date for Project: 6/1/2012

Estimated Cost for Project: \$1,000,000

Network Upgrade ID: 50248

Network Upgrade Description: Install a 36 Mvar capacitor bank at Kearney substation 115 kV bus.

Network Upgrade Owner: Nebraska Public Power District

MOPC Representative: Paul Malone

TWG Representative: Randy Lindstrom

Categorization: Regional reliability

Network Upgrade Specification: Install capacitor of size 36 Mvar.

Network Upgrade Justification: To address the overload of the Riverdale 230/115 kV transformer for the loss of the Axtell 345/115 kV transformer.

Need Date for Network Upgrade: 6/1/2012

Estimated Cost for Network Upgrade (current day dollars): \$1,000,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

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 OATT, 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 Need Date represents the timing required for the Network Upgrade(s) to address the identified need. Your prompt attention is required for formulation and approval of any necessary mitigation plans for the Network Upgrade(s) if the Need Date is not feasible. Additionally, if it is anticipated that the completion of any Network Upgrade will be delayed past the Need Date, SPP requires a mitigation plan be filed within 60 days of the 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 inability on Nebraska Public Power District's part to complete the approved Network Upgrade(s). For project tracking purposes, SPP requires Nebraska Public Power District 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 Sections 20.1 and 32.10 of the SPP OATT, Nebraska Public Power District shall also advise SPP of any inability to comply with the Project Schedule as soon as the inability becomes apparent.

All terms and conditions of the SPP OATT and the SPP Membership Agreement shall apply to this Project, and nothing in this NTC shall vary such terms and conditions.

Don't hesitate to contact me if you have questions or comments regarding these instructions. Thank you for the important role that you play 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 Dilahunty, Pat Bourne, Jay Caspary, Keith Tynes, John Mills,
SPPprojecttracking@spp.org, Randy Lindstrom