

SPP Notification to Construct

May 7, 2010

SPP-NTC-20088

Mr. John Fulton
Southwestern Public Service Company
PO Box 1261
Amarillo, TX 79170

RE: Notification to Construct Approved Reliability Network Upgrades

Dear Mr. Fulton,

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 Southwestern Public Service Company, as the Designated Transmission Owner, to construct the Network Upgrade(s).

On April 27, 2010, the Southwest Power Pool (“SPP”) Board of Directors approved the Network Upgrade listed below to be constructed.

New Network Upgrades

Project ID: 835

Project Name: Multi - Move Load from East Clovis 69 kV to East Clovis 115 kV

Need Date for Project: 6/1/2014

Estimated Cost for Project: \$4,757,031 (this project cost contains Network Upgrades not included in this NTC)

Network Upgrade ID: 11102

Network Upgrade Description: Tap the FE Clovis-FE Holland 115 kV line into the East Clovis substation and convert the East Clovis transformer to 115 kV. Move load from East Clovis 69 kV bus to East Clovis 115 kV bus.

Network Upgrade Owner: Southwestern Public Service Company

MOPC Representative: William Grant

TWG Representative: John Fulton

Categorization: Regional reliability

Network Upgrade Justification: To address overloads due to the outage of either parallel 115/69 kV transformer at Curry County or Bailey County.

Need Date for Network Upgrade: 6/1/2014

Estimated Cost for Network Upgrade (current day dollars): \$2,500,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

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 Southwestern Public Service Company's part to complete the approved Network Upgrade(s). For project tracking purposes, SPP requires Southwestern Public Service Company to submit updates on the status of the Network Upgrade(s) on a quarterly basis in conjunction with the SPP Board of Directors meetings. Southwestern Public Service Company 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,



HELPING OUR MEMBERS WORK TOGETHER
TO KEEP THE LIGHTS ON... TODAY AND IN THE FUTURE

Bruce Rew
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cc: Carl Monroe, Les Dillahunty, Pat Bourne, Jay Caspary, Keith Tynes, Steve Purdy,
SPPprojecttracking@spp.org, William Grant