Notification to Construct

November 15, 2010

Mr. John Fulton
Southwestern Public Service Company
P.O. 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 VI, of the SPP Open Access Transmission Tariff (“OATT”), SPP provides this Notification to Construct (“NTC”) directing Southwestern Public Service Company (“SPS”), as the Designated Transmission Owner, to construct the Network Upgrade(s).

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

Upgrades with Modifications

Previous NTC number: 20031
Previous NTC Issue Date: 1/27/2009
Project ID: 554
Project Name: Multi - Dallam - Channing - Tascosa- Potter 115 kV
Need Date for Project: 06/01/2009
Estimated Cost for Project: $26,043,761 (this project cost contains Network Upgrades not included in this NTC)
Estimated Cost Source: SPS

Network Upgrade ID: 11321
Network Upgrade Description: Convert 30 miles Tascosa-Potter from 69 kV to 115 kV.
Network Upgrade Owner: SPS
MOPC Representative: William Grant
TWG Representative: John Fulton
Reason For Change: Modify Scope. The change for the Dallam-Channing-Tascosa-Northwest 115 kV project is to terminate the line at Potter County Interchange instead of Northwest. In order to obtain approval for the CCN Application, it was settled that the
line would be terminated at Potter County Interchange with the insertion of a 230/115 kV autotransformer to serve the 115 kV line. Upgrade replaces UID 10706.

**Categorization:** Regional reliability

**Network Upgrade Specification:** Build the line to emergency rating 271 MVA.

**Network Upgrade Justification:** To address low voltage at Hilmar Cheese Plant in Dalhart and Etter Rural substations 115 kV for the outage of the Moore County Interchange 230/115 kV transformer.

**Need Date for Network Upgrade:** 06/01/2009

**Cost Allocation of the Network Upgrade:** Base Plan

**Network Upgrade ID:** 11322

**Network Upgrade Description:** Install 230/115 kV transformer in the Potter substation and terminal equipment.

**Network Upgrade Owner:** SPS

**MOPC Representative:** William Grant

**TWG Representative:** John Fulton

**Reason For Change:** Modify Scope. The reason for the scope change is the same as UID 11321 above.

**Categorization:** Regional reliability

**Network Upgrade Specification:** Install transformer to emergency rating 128 MVA.

**Network Upgrade Justification:** To address low voltage at Hilmar Cheese Plant in Dalhart and Etter Rural substations 115 kV for the outage of the Moore County Interchange 230/115 kV transformer.

**Need Date for Network Upgrade:** 06/01/2009

**Cost Allocation of the Network Upgrade:** Base Plan

### Withdrawal of Upgrades

**Previous NTC number:** 20031

**Previous NTC issue Date:** 1/27/2009

**Project ID:** 554

**Project Name:** Multi - Dallam - Channing - Tascosa - Northwest 115 kV

**Network Upgrade ID:** 10706

**Network Upgrade Description:** Convert 30 mile Tascosa - Northwest Interchange line from 69 kV to 115 kV with 795 ACSR.

**Reason For Change:** Upgrade is replaced by UIDs 11321 and 11322.

**Previous NTC number:** 19987

**Previous NTC issue Date:** 2/02/2007

**Project ID:** 150
**Project Name:** XFR - Kress 115/69 kV transformer #2

**Network Upgrade ID:** 10194

**Network Upgrade Description:** Upgrade Kress 115/69 kV transformer #2.

**Reason For Change:** The transformer is not owned by SPS but by Swisher Electric, a Golden Spread Electric Cooperative. The transformer is not under the SPP OATT.

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**Withdrawal of Network Upgrade**

SPS has been made aware of all Network Upgrades withdrawn through the expansion plan process. This letter is the formal notification to stop any further work on these Network Upgrades, collect any cost associated with the Network Upgrades, and provide this information to SPP.

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**Commitment to Construct**

Please provide to SPP a written commitment to construct the Network Upgrade(s) within 90 days of the date of this NTC, pursuant to Attachment O, Section VI.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.

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**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.

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**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 SPS’s part to complete the approved Network Upgrade(s). For project tracking purposes, SPP requires SPS 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, SPS 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,

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

cc: Carl Monroe, Les Dillahunty, Katherine Prewitt, William Grant