Notification to Construct

December 9, 2010

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

RE: Notification to Construct for Transmission Service request resulting from Aggregate
Transmission Service Study SPP-2009-AGP1-AFS-5

Dear Mr. Malone,

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 Nebraska Public Power District, as the
Designated Transmission Owner, to construct the Network Upgrades.

On December 9, 2010, the Southwest Power Pool (“SPP”) concluded that the project(s) is
required on the Nebraska Public Power District system to fulfill Transmission Service Requests
as detailed in Aggregate Facility Study SPP-2009-AGP1-AFS-5. The RTO Determined Need
Date for Projects reflect the Date Upgrade Needed in the final posted study, and therefore may
occur in the past.

New Network Upgrades

**Project ID:** 1094  
**Project Name:** CANADAY - LEXINGTON 115KV CKT 1  
**RTO Determined Need Date for Project:** 12/1/2010  
**Estimated In Service Date:** 6/1/2013  
**Estimated Cost for Project:** $3,500,000

**Network Upgrade ID:** 11438  
**Network Upgrade Description:** Increase clearances to 100 Deg C and upgrade
terminal equipment (PCB, DISC, WVTRP, CT, BUS) to effect higher rating.  
**Categorization:** Regional Reliability Upgrade  
**Network Upgrade Specifications:** All elements and conductor must have at least
an emergency rating of 137 MVA, but are not limited to that amount.  
**Network Upgrade Justifications:** SPP-2009-AGP1-AFS-5  
**Source of Funding for Network Upgrade:** 100% Base Plan  
**Estimated Cost Source:** NPPD  
**Date of Estimated Cost:** 4/1/2010
Project ID: 30285  
Project Name: OGALLALA 230/115KV TRANSFORMER CKT 1  
RTO Determined Need Date for Project: 6/1/2010  
Estimated In Service Date: 6/1/2014  
Estimated Cost for Project: $5,000,000  

Network Upgrade ID: 50319  
Network Upgrade Description: Replace 187MVA Ogallala transformer with 336MVA Ogallala transformer  
Categorization: Regional Reliability Upgrade  
Network Upgrade Specifications: All elements and conductor must have at least an emergency rating of 336 MVA, but are not limited to that amount.  
Network Upgrade Justifications: SPP-2009-AGP1-AFS-5  
Source of Funding for Network Upgrade: 100% Base Plan  
Estimated Cost Source: NPPD  
Date of Estimated Cost: 1/1/2010

**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 Open Access Transmission Tariff, 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 Estimated In-Service Date represents the timing required for the Network Upgrade(s) to address the identified need. Your prompt attention is required to formulation and approval of any necessary mitigation plans for the Network Upgrade(s) if the Estimated In-Service Date is not feasible. Additionally, if it is anticipated that the completion of any Network Upgrade will be delayed past the Estimated In-Service Date, SPP requires a mitigation plan be filed within 60 days of 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 ability on Nebraska Public Power District’s part to complete the approved Network Upgrade(s). For project tracking, 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 Section 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(s) Schedule as the inability becomes apparent. All terms and conditions of the SPP OATT and the membership Agreement shall apply to this project(s) and nothing in this letter shall carry such terms and conditions.

Don't hesitate to contact me if you have questions or comments about these requests. 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 Dillahunt, Katherine Prewitt, Randy Lindstrom, Neil Rowland