

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,

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 Dillahunty, Katherine Prewitt, Randy Lindstrom, Neil Rowland