

SPP-NTC-200168

SPP
Notification to Construct

April 9, 2012

Mr. Jeff Tullis
Grand River Dam Authority
P.O. Box 1128
Pryor, OK 74119

RE: Notification to Construct Approved ITPNT Network Upgrades

Dear Mr. Tullis,

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 Grand River Dam Authority ("GRDA"), as the Designated Transmission Owner, to construct the Network Upgrade(s).

On January 31, 2012, the SPP Board of Directors approved the Network Upgrade(s) listed below to be constructed as part of the 2012 Integrated Transmission Planning Near-Term ("ITPNT") Assessment.

New Network Upgrades

Project ID: 549

Project Name: Line - Maid - Pryor Foundry South 69 kV

Need Date for Project: 6/1/2012

Estimated Cost for Project: \$1,064,300

Network Upgrade ID: 10698

Network Upgrade Name: Maid - Pryor Foundry South 69 kV Ckt 1

Network Upgrade Description: Reconductor 1.4-mile Maid - Pryor Foundry South 69 kV line and replace 600A switch with 1200A switch.

Network Upgrade Owner: GRDA

MOPC Representative: Mike Stafford

TWG Representative: Joe Fultz

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 143 MVA, but are not limited to that amount.

Network Upgrade Justification: To address overload of Maid - Pryor Foundry South

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69 kV for the loss of Maid - Redden 69 kV.

Estimated Cost for Network Upgrade (current day dollars): \$1,064,300

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: GRDA

Date of Estimated Cost: 11/15/2011

Project ID: 550

Project Name: Line - Maid - Redden 69 kV

Need Date for Project: 6/1/2012

Estimated Cost for Project: \$1,092,500

Network Upgrade ID: 10699

Network Upgrade Name: Maid - Redden 69 kV Ckt 1

Network Upgrade Description: Reconductor 1.3-mile Maid-Redden 69 kV line and replace 600A switch with 1200A switch.

Network Upgrade Owner: GRDA

MOPC Representative: Mike Stafford

TWG Representative: Joe Fultz

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 143 MVA, but are not limited to that amount.

Network Upgrade Justification: To address overload of Maid - Redden 69 kV Ckt 1 for the loss of Maid - Pryor Foundry South 69 kV Ckt 1.

Estimated Cost for Network Upgrade (current day dollars): \$1,092,500

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: GRDA

Date of Estimated Cost: 11/15/2011

Withdrawal of Upgrades

Previous NTC Number: 20028

Previous NTC Issue Date: 1/27/2009

Project ID: 30072

Project Name: Device - Afton Cap 69 kV

Network Upgrade ID: 50078

Network Upgrade Name: Afton 69 kV

Network Upgrade Description: Install three (3) 7.2 Mvar capacitors for a total of 21.6 Mvar at Afton 69 kV bus.

Reason for Change: Re-evaluated in the 2012 ITPNT and the upgrade is no longer required.

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Withdrawal of Network Upgrade

GRDA has been made aware of all Network Upgrades withdrawn through SPP's expansion plan process. This letter is the formal notification to stop any further work on the withdrawn Network Upgrade(s), collect any cost associated with the withdrawn Network Upgrade(s), and provide any cost information to SPP.

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 and an updated $\pm 20\%$ cost estimate, NTC Project Estimate, in the Standardized Cost Estimate Reporting Template for the Network Upgrade(s). Failure to provide a sufficient 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 in the formulation and approval of any necessary mitigation plans for the Network Upgrade(s) included in 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 once 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

Please keep SPP advised of any inability on GRDA's part to complete the approved Network Upgrade(s). For project tracking purposes, SPP requires GRDA to submit status updates for the Network Upgrade(s) quarterly, in conjunction with the SPP Board of Directors meetings. However, GRDA 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.

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Sincerely,



Lanny Nickell

Vice President, Engineering

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cc: Carl Monroe - SPP
Katherine Prewitt - SPP
Mike Stafford - Grand River Dam Authority
Joe Fultz - Grand River Dam Authority