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

<table>
<thead>
<tr>
<th>Network Upgrade ID</th>
<th>Network Upgrade Name</th>
<th>Network Upgrade Description</th>
<th>Network Upgrade Owner</th>
<th>MOPC Representative</th>
<th>TWG Representative</th>
<th>Categorization</th>
<th>Network Upgrade Specification</th>
<th>Network Upgrade Justification</th>
</tr>
</thead>
<tbody>
<tr>
<td>10698</td>
<td>Maid - Pryor Foundry South 69 kV Ckt 1</td>
<td>Reconductor 1.4-mile Maid - Pryor Foundry South 69 kV line and replace 600A switch with 1200A switch.</td>
<td>GRDA</td>
<td>Mike Stafford</td>
<td>Joe Fultz</td>
<td>Regional reliability</td>
<td>All elements and conductor must have at least an emergency rating of 143 MVA, but are not limited to that amount.</td>
<td>To address overload of Maid - Pryor Foundry South</td>
</tr>
</tbody>
</table>


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.
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 ± 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.
Sincerely,

Lanny Nickell  
Vice President, Engineering  
Phone: (501) 614-3232 • Fax: (501) 821-3198 • lnickell@spp.org

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