

SPP-NTC-200170

SPP
Notification to Construct

April 9, 2012

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

RE: Notification to Construct Approved ITPNT Network Upgrades

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 ("NPPD"), 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: 816

Project Name: Line - Albion - Genoa 115 kV

Need Date for Project: 6/1/2014

Estimated Cost for Project: \$1,240,000

Network Upgrade ID: 11078

Network Upgrade Name: Albion - Genoa 115 kV Ckt 1

Network Upgrade Description: Upgrade conductor and substation equipment to 100 degrees Celsius.

Network Upgrade Owner: NPPD

MOPC Representative: Paul Malone

TWG Representative: Randy Lindstrom

Categorization: Regional reliability

Network Upgrade Specification: Upgrade the line to emergency rating 137 MVA.

Network Upgrade Justification: To address the overload of Albion - Genoa 115 kV Ckt 1 for the loss of Loup City - North Loup 115 kV Ckt 1.

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Estimated Cost for Network Upgrade (current day dollars): \$1,240,000
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: NPPD
Date of Estimated Cost: 11/10/2011

Project ID: 30237
Project Name: Device - Holdrege 115 kV
Need Date for Project: 6/1/2014
Estimated Cost for Project: \$1,193,000

Network Upgrade ID: 50249
Network Upgrade Name: Holdrege 115 kV
Network Upgrade Description: Install an 18 Mvar capacitor bank at Holdrege substation 115 kV.
Network Upgrade Owner: NPPD
MOPC Representative: Paul Malone
TWG Representative: Randy Lindstrom
Categorization: Regional reliability
Network Upgrade Specification: Install at least 18 Mvar of capacitance.
Network Upgrade Justification: To address the overload of the Riverdale 230/115 kV transformer for the loss of the Axtell 345/115 kV transformer.
Estimated Cost for Network Upgrade (current day dollars): \$1,193,000
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: NPPD
Date of Estimated Cost: 11/10/2011

Project ID: 30286
Project Name: Multi - Stegall 345/230 kV Transformer Ckt 2
Estimated Cost for Project: \$13,239,000 (this project cost contains Network Upgrades not included in this NTC)

Network Upgrade ID: 50400
Network Upgrade Name: Stegall - Stegall Tap 230 kV Ckt 2
Network Upgrade Description: Build 3.3-mile tie line between Stegall 230 kV and 345 kV substations.
Network Upgrade Owner: NPPD
MOPC Representative: Paul Malone
TWG Representative: Randy Lindstrom
Categorization: Regional reliability
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 577 MVA, but are not limited to that amount.
Network Upgrade Justification: Required for the installation of the second Stegall

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345/230 kV transformer.

Need Date for Network Upgrade: 6/1/2015

Estimated Cost for Network Upgrade (current day dollars): \$5,239,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Date of Estimated Cost: 11/10/2011

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

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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
Randy Lindstrom - Nebraska Public Power District