

**SPP-NTC-200174**

**SPP**  
**Notification to Construct**

April 9, 2012

Mr. Phil Crissup  
Oklahoma Gas and Electric Co.  
M/C 1103, P.O. Box 321  
Oklahoma City, OK 73101

RE: Notification to Construct Approved ITPNT Network Upgrades

Dear Mr. Crissup,

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 Oklahoma Gas and Electric Co. ("OGE"), 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:** 30092

**Project Name:** Device - Kolache 69 kV Capacitor

**Need Date for Project:** 6/1/2012

**Estimated Cost for Project:** \$440,081

**Network Upgrade ID:** 50098

**Network Upgrade Name:** Kolache 69 kV

**Network Upgrade Description:** Add Mvar support at Kolache 69 kV substation to have a total of 9 Mvar at this location.

**Network Upgrade Owner:** OGE

**MOPC Representative:** Jacob Langthorn, IV

**TWG Representative:** Travis Hyde

**Categorization:** Regional reliability

**Network Upgrade Specification:** Install at least 6 Mvar of capacitance.

**Network Upgrade Justification:** To address the low voltage at Kolache for the loss of the Fixico - Fixico Tap 69 kV line.

**SPP-NTC-200174**

**Estimated Cost for Network Upgrade (current day dollars):** \$440,081  
**Cost Allocation of the Network Upgrade:** Base Plan  
**Estimated Cost Source:** OGE  
**Date of Estimated Cost:** 11/15/2011

**Project ID:** 30302  
**Project Name:** XFR - Paoli 138/69 kV  
**Need Date for Project:** 6/1/2012  
**Estimated Cost for Project:** \$2,020,094

**Network Upgrade ID:** 50346  
**Network Upgrade Name:** Paoli 138/69 kV Transformer Ckt 1 (OGE)  
**Network Upgrade Description:** Increase size of Paoli 138/69 kV bus and upgrade necessary terminal equipment.  
**Network Upgrade Owner:** OGE  
**MOPC Representative:** Jacob Langthorn, IV  
**TWG Representative:** Travis Hyde  
**Categorization:** Regional reliability  
**Network Upgrade Specification:** All elements and conductor must have at least an emergency rating of 67 MVA, but are not limited to that amount.  
**Network Upgrade Justification:** To address the overload of Paoli 138/69/13.8 kV transformer for the loss of Chigley 138/69 kV transformer or other various contingencies.  
**Estimated Cost for Network Upgrade (current day dollars):** \$2,020,094  
**Cost Allocation of the Network Upgrade:** Base Plan  
**Estimated Cost Source:** OGE  
**Date of Estimated Cost:** 11/18/2011

**Project ID:** 30357  
**Project Name:** Device - Lula 69 kV  
**Need Date for Project:** 6/1/2012  
**Estimated Cost for Project:** \$605,551

**Network Upgrade ID:** 50408  
**Network Upgrade Name:** Lula 69 kV  
**Network Upgrade Description:** Install 9 Mvar capacitor at Lula 69 kV.  
**Network Upgrade Owner:** OGE  
**MOPC Representative:** Jacob Langthorn, IV  
**TWG Representative:** Travis Hyde  
**Categorization:** Regional reliability  
**Network Upgrade Specification:** Install at least 9 Mvar of capacitance.  
**Network Upgrade Justification:** To address the low voltage at Frisco 69 kV for the loss of a segment of the Parklane - Ahloso Tap - Harden City 69 kV line.

**SPP-NTC-200174**

**Estimated Cost for Network Upgrade (current day dollars):** \$605,551  
**Cost Allocation of the Network Upgrade:** Base Plan  
**Estimated Cost Source:** OGE  
**Date of Estimated Cost:** 11/15/2011

**Withdrawal of Upgrades**

**Previous NTC Number:** 20128  
**Previous NTC Issue Date:** 2/14/2011  
**Project ID:** 30303  
**Project Name:** Device - Wells 69 kV

**Network Upgrade ID:** 50345  
**Network Upgrade Name:** Wells 69 kV  
**Network Upgrade Description:** Install 6 Mvar capacitor bank at Wells 69 kV.  
**Reason for Change:** The 2012 ITPNT analysis determined this project would not be required in years 2012-2017.

**Previous NTC Number:** 20128  
**Previous NTC Issue Date:** 2/14/2011  
**Project ID:** 858  
**Project Name:** Multi - Cushing Area 138 kV

**Network Upgrade ID:** 11129  
**Network Upgrade Name:** Mehan - Cushing 138 kV  
**Network Upgrade Description:** Convert 14-mile Mehan - Cushing 69 kV line to 138 kV.  
**Reason for Change:** The 2012 ITPNT analysis determined that this project would not be required in years 2012-2017.

**Network Upgrade ID:** 11130  
**Network Upgrade Name:** Stillwater - Spring Valley 138kV  
**Network Upgrade Description:** Convert 6-mile Stillwater - Spring Valley 69 kV line to 138 kV.  
**Reason for Change:** The 2012 ITPNT analysis determined that this project would not be required in years 2012-2017.

**Network Upgrade ID:** 11131  
**Network Upgrade Name:** Spring Valley - Mehan 138 kV  
**Network Upgrade Description:** Convert 3-mile Spring Valley - Mehan 69 kV line to 138 kV.

## SPP-NTC-200174

**Reason for Change:** The 2012 ITPNT analysis determined that this project would not be required in years 2012-2017.

**Network Upgrade ID:** 11132

**Network Upgrade Name:** Spring Valley - Knipe 138 kV

**Network Upgrade Description:** Convert 8.7-mile Spring Valley - Knipe 69 kV line to 138 kV.

**Reason for Change:** The 2012 ITPNT analysis determined that this project would not be required in years 2012-2017.

**Network Upgrade ID:** 11133

**Network Upgrade Name:** Bristow - Cushing 138 kV Ckt 1

**Network Upgrade Description:** Tap existing Cushing - Bristow 138 kV line into new Greenwood substation. Build new Greenwood substation with 138/69 kV transformer.

**Reason for Change:** The 2012 ITPNT analysis determined that this project would not be required in years 2012-2017.

**Network Upgrade ID:** 11134

**Network Upgrade Name:** Highway 99 Tap - Oakgrove 69 kV Ckt 1

**Network Upgrade Description:** Tap existing Oak Grove - Hwy 99 Tap 69 kV circuit into new Greenwood substation.

**Reason for Change:** The 2012 ITPNT analysis determined that this project would not be required in years 2012-2017.

### **Withdrawal of Network Upgrade**

OGE 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

**SPP-NTC-200174**

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 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.

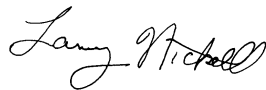
**Notification of Progress**

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

A handwritten signature in black ink that reads "Lanny Nickell".

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

cc: Carl Monroe - SPP  
Katherine Prewitt - SPP  
Jacob Langthorn, IV - Oklahoma Gas and Electric Co.  
Travis Hyde - Oklahoma Gas and Electric Co.