

SPP-NTC-200202

**SPP
Notification to Construct**

February 19, 2013

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

RE: Notification to Construct Approved Reliability 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 29, 2013, the SPP Board of Directors approved the Network Upgrade(s) listed below to be constructed.

New Network Upgrades

Project ID: 30476

Project Name: Line - Chelsea - Childers 69 kV

Need Date for Project: 6/1/2015

Estimated Cost for Project: \$334,400

Network Upgrade ID: 50572

Network Upgrade Name: Chelsea - Childers 69 kV Ckt 1

Network Upgrade Description: Increase line clearance for Chelsea - Childers 69 kV Ckt 1.

Network Upgrade Owner: GRDA

MOPC Representative(s): Mike Stafford

TWG Representative: Joe Fultz

Categorization: Zonal Reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 56 MVA.

Network Upgrade Justification: To address the overload of the Chelsea - Childers 69 kV line for system intact conditions.

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Estimated Cost for Network Upgrade (current day dollars): \$334,400
Cost Allocation of the Network Upgrade: Zonal
Estimated Cost Source: GRDA
Date of Estimated Cost: 11/5/2012

Withdrawal of Upgrades

Previous NTC Number: 20076
Previous NTC Issue Date: 2/8/2010
Project ID: 393
Project Name: XFR - Afton 161/69 kV Ckt 2

Network Upgrade ID: 10511
Network Upgrade Name: Afton 161/69 kV Transformer Ckt 2
Network Upgrade Description: Install 50 MVA 161/69 kV transformer Ckt 2 at Afton.
Reason for Change: The 2013 ITP Near-Term Assessment determined the upgrade is no longer required.

Withdrawal of Network Upgrade

GRDA has been made aware of all Network Upgrades withdrawn through the SPP expansion plan process.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

Commitment to Construct

Within 90 days of this NTC, please provide to SPP a written commitment to construct the Network Upgrade(s) pursuant to Attachment O, Section VI.6 of the SPP OATT, a construction schedule for the Network Upgrade(s) and the NTC Project Estimate which is the updated $\pm 20\%$ cost estimate for the Network Upgrade(s) in the Standardized Cost Estimate Reporting Template. 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 for 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

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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.

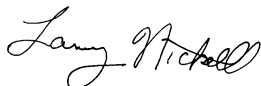
Notification of Progress

Please continue to keep SPP advised of any inability on GRDA's part to complete the approved Network Upgrade(s). For project tracking, SPP requires GRDA to submit quarterly status updates of the Network Upgrade(s) 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,

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

Lanny Nickell
Vice President, Engineering
Phone: (501) 614-3232 • Fax: (501) 482-2022 • lnickell@spp.org

cc: Carl Monroe - SPP
Katherine Prewitt - SPP
Mike Stafford - GRDA
Joe Fultz - GRDA