

SPP-NTC-200208

**SPP
Notification to Construct**

February 19, 2013

Mr. Alan Derichsweiler
Western Farmers Electric Cooperative
701 NE 7th Street
Anadarko, OK 73005

RE: Notification to Construct Approved Reliability Network Upgrades

Dear Mr. Derichsweiler,

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 Western Farmers Electric Cooperative ("WFEC"), 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: 909

Project Name: Multi - Payne Switching Station - OU 138 kV conversion

Need Date for Project: 6/1/2013

Estimated Cost for Project: \$6,355,000

Network Upgrade ID: 11205

Network Upgrade Name: Cole - OU Switchyard 138 kV Ckt 1

Network Upgrade Description: Rebuild and convert 4-mile Oklahoma University Switchyard - Cole Substation line to 138 kV and install necessary terminal equipment.

Network Upgrade Owner: WFEC

MOPC Representative(s): Alan Derichsweiler

TWG Representative: Tim Smith

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 179 MVA.

Network Upgrade Justification: To address low voltages near Cole for the outage of Cole - Oklahoma University 69 kV Ckt 1 or Oklahoma University 138/69 kV

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transformer. Also to address the overload of Cole - Oklahoma University 69 kV Ckt 1 for the outage of Anadarko - Georgia 138 kV Ckt 1.

Estimated Cost for Network Upgrade (current day dollars): \$1,705,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: WFEC

Date of Estimated Cost: 11/30/2012

Network Upgrade ID: 11425

Network Upgrade Name: Cole - Criner 138 kV Ckt 1

Network Upgrade Description: Convert 10.2-mile Cole - Criner line to 138 kV and convert the Cole substation to 138 kV.

Network Upgrade Owner: WFEC

MOPC Representative(s): Alan Derichsweiler

TWG Representative: Tim Smith

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 179 MVA.

Network Upgrade Justification: To address low voltages near Cole for the outage of Cole - Oklahoma University 69 kV Ckt 1 or Oklahoma University 138/69 kV transformer. Also to address the overload of Cole - Oklahoma University 69 kV Ckt 1 for the outage of Anadarko - Georgia 138 kV Ckt 1.

Estimated Cost for Network Upgrade (current day dollars): \$1,400,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: WFEC

Date of Estimated Cost: 12/4/2012

Network Upgrade ID: 50579

Network Upgrade Name: Criner - Payne Switching Station 138 kV

Network Upgrade Description: Convert 6.3 miles of 69 kV line to 138 kV from Criner to new Payne Switching Station.

Network Upgrade Owner: WFEC

MOPC Representative(s): Alan Derichsweiler

TWG Representative: Tim Smith

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 179 MVA.

Network Upgrade Justification: To address low voltages near Cole for the outage of Cole - Oklahoma University 69 kV Ckt 1 or Oklahoma University 138/69 kV transformer. Also to address the overload of Cole - Oklahoma University 69 kV Ckt 1 for the outage of Anadarko - Georgia 138 kV Ckt 1.

Estimated Cost for Network Upgrade (current day dollars): \$3,000,000

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Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: WFEC
Date of Estimated Cost: 12/4/2012

Network Upgrade ID: 50580
Network Upgrade Name: Payne Switching Station 138 kV
Network Upgrade Description: Tap the Paoli - Cornville Tap 138 kV line and install switching station at Payne with any necessary terminal equipment. The new switching station will terminate the Payne - Criner - Cole - Oklahoma University 138 kV line.
Network Upgrade Owner: WFEC
MOPC Representative(s): Alan Derichsweiler
TWG Representative: Tim Smith
Categorization: Regional reliability
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 286 MVA.
Network Upgrade Justification: To address low voltages near Cole for the outage of Cole - Oklahoma University 69 kV Ckt 1 or Oklahoma University 138/69 kV transformer. Also to address the overload of Cole - Oklahoma University 69 kV Ckt 1 for the outage of Anadarko - Georgia 138 kV Ckt 1.
Estimated Cost for Network Upgrade (current day dollars): \$250,000
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: WFEC
Date of Estimated Cost: 11/30/2012

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 Upgrades() 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.

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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.

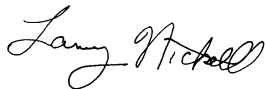
Notification of Progress

Please continue to keep SPP advised of any inability on WFEC's part to complete the approved Network Upgrade(s). For project tracking, SPP requires WFEC to submit quarterly status updates of the Network Upgrade(s) in conjunction with the SPP Board of Directors meetings. However, WFEC 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
Tim Smith - WFEC
Ron Cunningham - WFEC