

SPP-NTC-200215

**SPP
Notification to Construct with Conditions**

February 19, 2013

Mr. John Fulton
Southwestern Public Service Company
P.O. Box 1261
Amarillo, TX 79105

RE: Notification to Construct Approved Reliability Network Upgrades

Dear Mr. Fulton,

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 Southwestern Public Service Company ("SPS"), as the Designated Transmission Owner ("DTO"), to construct the Network Upgrade(s). This NTC is conditioned upon SPS not ordering materials or beginning construction until:

- (1) the DTO submits a refined NTC-C Project Estimate ("CPE") to SPP that has a variance bandwidth of -20% to +20% that does not exceed the Study Estimate variance bandwidth of -30% to +30% as provided for in SPP's Business Practices; **or**
- (2) the SPP Board of Directors considers SPP's re-evaluation of a project that has a refined CPE from the DTO that exceeds the Study Estimate variance bandwidth of -30% to +30% as provided for in SPP's Business Practices.

On January 29, 2013, the SPP Board of Directors approved the Network Upgrade(s) listed below to be constructed.

New Network Upgrades

Project ID: 772
Project Name: Line - Carlisle - Wolfforth 230 kV
Need Date for Project: 6/1/2017
Estimated Cost for Project: \$32,790,576

Network Upgrade ID: 11017
Network Upgrade Name: Carlisle Interchange - Wolfforth Interchange 230 kV Ckt 1

SPP-NTC-200215

Network Upgrade Description: Build 15 miles of new 230 kV line from Carlisle to Wolfforth South and install necessary terminal equipment.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 478 MVA.

Network Upgrade Justification: To address the overload of Indiana - Stanton 115 kV Ckt 1 for the outage of Carlisle Interchange - Tuco Interchange 230 kV Ckt 1.

Estimated Cost for Network Upgrade (current day dollars): \$32,790,576

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 11/28/2012

Project ID: 30469

Project Name: Multi - Zodiac - South Portales - Market - Portales 115 kV

Need Date for Project: 6/1/2018

Estimated Cost for Project: \$24,951,218

Network Upgrade ID: 50563

Network Upgrade Name: South Portales - Zodiac 115 kV Ckt 1

Network Upgrade Description: Build 2.2 miles of 115 kV from Zodiac to South Portales 115 kV and install necessary terminal equipment.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 175 MVA.

Network Upgrade Justification: To address the overload of Portales 115/69 kV transformers for the outage of the parallel Portales 115/69 kV transformer.

Estimated Cost for Network Upgrade (current day dollars): \$5,784,673

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 1/3/2013

Network Upgrade ID: 50564

Network Upgrade Name: Market St. - South Portales 115 kV Ckt 1

Network Upgrade Description: Build 1.9-mile 115 kV line from South Portales to Market St. and install necessary terminal equipment.

SPP-NTC-200215

Network Upgrade Owner: SPS
MOPC Representative(s): William Grant
TWG Representative: John Fulton
Categorization: Regional reliability
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 175 MVA.
Network Upgrade Justification: To address the overload of Portales 115/69 kV transformers for the outage of the parallel Portales 115/69 kV transformer.
Estimated Cost for Network Upgrade (current day dollars): \$4,589,546
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPS
Date of Estimated Cost: 1/3/2013

Network Upgrade ID: 50565
Network Upgrade Name: Market St. - Portales 115 kV Ckt 1
Network Upgrade Description: Build 7-mile 115 kV line from Market St. to Portales and install necessary terminal equipment.
Network Upgrade Owner: SPS
MOPC Representative(s): William Grant
TWG Representative: John Fulton
Categorization: Regional reliability
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 175 MVA.
Network Upgrade Justification: To address the overload of Portales 115/69 kV transformers for the outage of the parallel Portales 115/69 kV transformer.
Estimated Cost for Network Upgrade (current day dollars): \$14,576,999
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPS
Date of Estimated Cost: 1/3/2013

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, and a construction schedule 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.

CPE

Please provide SPP a CPE by August 31, 2013, as described in SPP's Business Practice No. 7060 regarding Notification to Construct with Conditions. SPS shall advise SPP of any inability to provide the CPE by August 31, 2013, as soon as the inability becomes apparent.

SPP-NTC-200215

Removal of Conditions

Upon notice by SPP of removal of the conditions contained in this NTC, SPP will issue the DTO a new NTC and the following will be applicable:

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

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.

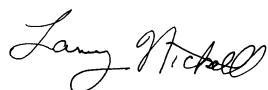
Notification of Progress

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

SPP-NTC-200215

cc: Carl Monroe - SPP
Katherine Prewitt - SPP
William Grant - SPS