

SPP-NTC-200219

**SPP
Notification to Construct with Conditions**

February 19, 2013

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

RE: Notification to Construct Approved Reliability 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 ("DTO"), to construct the Network Upgrade(s). This NTC is conditioned upon NPPD 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: 30496

Project Name: Multi - Stegall 345/115 kV and Stegall - Scottsbluff 115 kV

Need Date for Project: 6/1/2015

Estimated Cost for Project: \$32,404,000

Network Upgrade ID: 50608

Network Upgrade Name: Stegall 345/115 kV Transformer Ckt 1

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Network Upgrade Description: Install new 345/115 kV 400 MVA transformer at Stegall substation and necessary terminal equipment at the 115 kV bus. This upgrade is contingent upon approval from Basin Electric to connect to the Stegall 345 kV substation that they operate.

Network Upgrade Owner: NPPD

MOPC Representative(s): Paul Malone

TWG Representative: Randy Lindstrom

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 440 MVA.

Network Upgrade Justification: Identified in the 2013 ITP Near-Term Assessment as alternative solution for both Upgrade ID 50320, Stegall 345/230 kV Transformer Ckt 2 and Upgrade ID 50400, Stegall - Stegall Tap 230 kV Ckt 2. It also eliminates the potential need to upgrade the Victory Hill 230/115 kV transformer.

Estimated Cost for Network Upgrade (current day dollars): \$6,048,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Date of Estimated Cost: 1/18/2013

Network Upgrade ID: 50609

Network Upgrade Name: Scottsbluff - Stegall 115 kV Ckt 1

Network Upgrade Description: Install new 22-mile 115 kV line from Stegall - Scottsbluff and install necessary terminal equipment. This upgrade is contingent upon Basin Electric's approval noted in Upgrade ID 50608.

Network Upgrade Owner: NPPD

MOPC Representative(s): Paul Malone

TWG Representative: Randy Lindstrom

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 440 MVA.

Network Upgrade Justification: Identified in the 2013 ITP Near-Term Assessment as alternative solution for both Upgrade ID 50320, Stegall 345/230 kV Transformer Ckt 2 and Upgrade ID 50400, Stegall - Stegall Tap 230 kV Ckt 2. It also eliminates the potential need to upgrade the Victory Hill 230/115 kV transformer.

Estimated Cost for Network Upgrade (current day dollars): \$19,624,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Date of Estimated Cost: 1/18/2013

Network Upgrade ID: 50616

Network Upgrade Name: Stegall 345 kV Terminal Upgrades

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Network Upgrade Description: Install necessary terminal equipment at the 345 kV bus in Stegall substation. This upgrade is contingent upon Basin Electric's approval noted in Upgrade ID 50608.

Network Upgrade Owner: NPPD

MOPC Representative(s): Paul Malone

TWG Representative: Randy Lindstrom

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 3000 A.

Network Upgrade Justification: Identified in the 2013 ITP Near-Term Assessment as alternative solution for both Upgrade ID 50320, Stegall 345/230 kV Transformer Ckt 2 and Upgrade ID 50400, Stegall - Stegall Tap 230 kV Ckt 2. It also eliminates the potential need to upgrade the Victory Hill 230/115 kV transformer.

Estimated Cost for Network Upgrade (current day dollars): \$6,732,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: NPPD

Date of Estimated Cost: 1/18/2013

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. NPPD shall advise SPP of any inability to provide the CPE by August 31, 2013, as soon as the inability becomes apparent.

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.

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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.

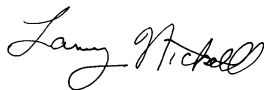
Notification of Progress

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