

**SPP-NTC-200257**

**SPP  
Notification to Construct**

February 19, 2014

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 28, 2014, the SPP Board of Directors approved the Network Upgrade(s) listed below to be constructed as part of the 2014 Integrated Transmission Planning ("ITP") Near-Term Assessment.

**New Network Upgrades**

**Project ID:** 30569

**Project Name:** Multi - Potash Junction - Road Runner 230/115 kV Ckt 1

**Need Date for Project:** 6/1/2015

**Estimated Cost for Project:** \$43,997,132

**Network Upgrade ID:** 50708

**Network Upgrade Name:** Potash Junction - Road Runner 230 kV Ckt 1

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**Network Upgrade Description:** Build new 40-mile 230 kV line from Potash Junction Interchange to new Road Runner substation. Install any necessary 230 kV terminal equipment at Potash Junction Interchange and Road Runner.

**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 541 MVA.

**Network Upgrade Justification:** To address the overload of the Potash Junction Interchange 230/115 kV transformer for the outage of Pecos Interchange - Potash Junction 230 kV Ckt 1 and the overload of Monument Sub - West Hobbs Switching Station 115 kV Ckt 1 for the outage of Maddox Station - Sanger Switching Station 115 kV Ckt 1 or the outage of Oxy Permian Sub - Sanger Switching Station 115 kV Ckt 1. Also addresses low voltage at IMC #1 Sub 115 kV bus for the outage of IMC #1 Tap - Intrepid West Tap 115 kV Ckt 1.

**Estimated Cost for Network Upgrade (current day dollars):** \$35,007,385

**Cost Allocation of the Network Upgrade:** Base Plan

**Estimated Cost Source:** SPS

**Date of Estimated Cost:** 11/25/2013

**Network Upgrade ID:** 50709

**Network Upgrade Name:** Road Runner 230/115 kV Substation

**Network Upgrade Description:** Construct new Road Runner substation. Install new 230/115 kV transformer and any necessary 115 kV 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 250 MVA.

**Network Upgrade Justification:** To address the overload of the Potash Junction Interchange 230/115 kV transformer for the outage of Pecos Interchange - Potash Junction 230 kV Ckt 1 and the overload of Monument Sub - West Hobbs Switching Station 115 kV Ckt 1 for the outage of Maddox Station - Sanger Switching Station 115 kV Ckt 1 or the outage of Oxy Permian Sub - Sanger Switching Station 115 kV Ckt 1. Also addresses low voltage at IMC #1 Sub 115 kV bus for the outage of IMC #1 Tap - Intrepid West Tap 115 kV Ckt 1.

**Estimated Cost for Network Upgrade (current day dollars):** \$8,989,747

**Cost Allocation of the Network Upgrade:** Base Plan

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**Estimated Cost Source:** SPS  
**Date of Estimated Cost:** 11/22/2013

**Project ID:** 30578  
**Project Name:** Multi - Bailey Co. - Lamb Co. 115 kV  
**Need Date for Project:** 6/1/2016  
**Estimated Cost for Project:** \$45,842,439

**Network Upgrade ID:** 50725  
**Network Upgrade Name:** Bailey Co. - Bailey Co. Pump 115 kV Ckt 1  
**Network Upgrade Description:** Build new 9.4-mile 115 kV line from Bailey Co. to Bailey Co. Pump. Install any necessary terminal equipment at Bailey Co.  
**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 304 MVA.  
**Network Upgrade Justification:** To address the overload of the Lamb Co. 115/69 kV transformer for the outage of the parallel 115/69 kV transformer and low voltage at East Muleshoe for the outage of East Muleshoe - Plant X 115 kV Ckt 1.  
**Estimated Cost for Network Upgrade (current day dollars):** \$8,292,537  
**Cost Allocation of the Network Upgrade:** Base Plan  
**Estimated Cost Source:** SPS  
**Date of Estimated Cost:** 2/11/2014

**Network Upgrade ID:** 50729  
**Network Upgrade Name:** Bailey Co. Pump - Sundan Rural 115 kV Ckt 1  
**Network Upgrade Description:** Build new 11.7-mile 115 kV line from Bailey Co. Pump to Sundan Rural and convert high side voltage of the distribution transformers at Bailey Co. Pump and Sundan Rural from 69 kV to 115 kV.  
**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 304 MVA.  
**Network Upgrade Justification:** To address the overload of the Lamb Co. 115/69 kV transformer for the outage of the parallel 115/69 kV transformer and low voltage at East Muleshoe for the outage of East Muleshoe - Plant X 115 kV Ckt 1.  
**Estimated Cost for Network Upgrade (current day dollars):** \$7,287,794

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**Cost Allocation of the Network Upgrade:** Base Plan  
**Estimated Cost Source:** SPS  
**Date of Estimated Cost:** 2/11/2014

**Network Upgrade ID:** 50731  
**Network Upgrade Name:** New Amherst 116/69 kV Ckt 1 Transformer  
**Network Upgrade Description:** Install new 115/69 kV 84 MVA transformer at New Amherst. Install any necessary 69 kV 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 84 MVA.  
**Network Upgrade Justification:** To address the overload of the Lamb Co. 115/69 kV transformer for the outage of the parallel 115/69 kV transformer and low voltage at East Muleshoe for the outage of East Muleshoe - Plant X 115 kV Ckt 1.  
**Estimated Cost for Network Upgrade (current day dollars):** \$5,543,729  
**Cost Allocation of the Network Upgrade:** Base Plan  
**Estimated Cost Source:** SPS  
**Date of Estimated Cost:** 2/11/2014

**Network Upgrade ID:** 50732  
**Network Upgrade Name:** New Amherst - Sudan Rural 115 kV Ckt 1  
**Network Upgrade Description:** Build new 8.6-mile 115 kV line from New Amherst to Sudan Rural.  
**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 304 MVA.  
**Network Upgrade Justification:** To address the overload of the Lamb Co. 115/69 kV transformer for the outage of the parallel 115/69 kV transformer and low voltage at East Muleshoe for the outage of East Muleshoe - Plant X 115 kV Ckt 1.  
**Estimated Cost for Network Upgrade (current day dollars):** \$6,043,820  
**Cost Allocation of the Network Upgrade:** Base Plan  
**Estimated Cost Source:** SPS  
**Date of Estimated Cost:** 2/11/2014

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**Network Upgrade ID:** 50734

**Network Upgrade Name:** New Amherst 115 kV Terminal Upgrades Ckt 1

**Network Upgrade Description:** Install 115 kV terminal equipment at New Amherst to accommodate new 115/69 kV transformer.

**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 304 MVA.

**Network Upgrade Justification:** To address the overload of the Lamb Co. 115/69 kV transformer for the outage of the parallel 115/69 kV transformer and low voltage at East Muleshoe for the outage of East Muleshoe - Plant X 115 kV Ckt 1.

**Estimated Cost for Network Upgrade (current day dollars):** \$838,634

**Cost Allocation of the Network Upgrade:** Base Plan

**Estimated Cost Source:** SPS

**Date of Estimated Cost:** 2/11/2014

**Network Upgrade ID:** 50735

**Network Upgrade Name:** Lamb Co. - New Amherst 115 kV Ckt 1

**Network Upgrade Description:** Build new 13.9-mile 115 kV line from Lamb Co. to New Amherst. Convert high side voltage of the West Littlefield distribution transformer from 69 kV to 115 kV.

**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 304 MVA.

**Network Upgrade Justification:** To address the overload of the Lamb Co. 115/69 kV transformer for the outage of the parallel 115/69 kV transformer and low voltage at East Muleshoe for the outage of East Muleshoe - Plant X 115 kV Ckt 1.

**Estimated Cost for Network Upgrade (current day dollars):** \$16,773,471

**Cost Allocation of the Network Upgrade:** Base Plan

**Estimated Cost Source:** SPS

**Date of Estimated Cost:** 2/11/2014

**Network Upgrade ID:** 50736

**Network Upgrade Name:** West Littlefield - West Littlefield Tap 115 kV Ckt 1

**Network Upgrade Description:** Build new 8.6-mile 115 kV line from West Littlefield to West Littlefield Tap. Install necessary terminal equipment at West Littlefield.



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**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 304 MVA.

**Network Upgrade Justification:** To address the overload of the Lamb Co. 115/69 kV transformer for the outage of the parallel 115/69 kV transformer and low voltage at East Muleshoe for the outage of East Muleshoe - Plant X 115 kV Ckt 1.

**Estimated Cost for Network Upgrade (current day dollars):** \$1,062,454

**Cost Allocation of the Network Upgrade:** Base Plan

**Estimated Cost Source:** SPS

**Date of Estimated Cost:** 2/11/2014

### **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. 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, 2014, 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, 2014, 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.

### **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

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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.

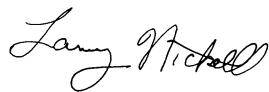
**Notification of Progress**

On an ongoing basis, please 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 status updates of the Network Upgrade(s) quarterly 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  
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cc: Carl Monroe - SPP  
Katherine Prewitt - SPP  
William Grant - SPS