SPP
Notification to Construct

February 19, 2014

Mr. Philip Crissup
Oklahoma Gas and Electric Co.
P.O. Box 321, M/C 903
Oklahoma City, OK 73101

RE: Notification to Construct Approved Reliability Network Upgrades

Dear Mr. Crissup,

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 Oklahoma Gas and Electric Co. ("OGE"), as the Designated Transmission Owner ("DTO"), to construct the Network Upgrade(s). This NTC is conditioned upon OGE 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:** 30581  
**Project Name:** Line - Park Lane - Ahloso - Harden City - Frisco - Lula 69/138 kV Ckt 1  
**Need Date for Project:** 6/1/2015  
**Estimated Cost for Project:** $20,998,500

**Network Upgrade ID:** 50763  
**Network Upgrade Name:** Ahloso - Park Lane 138 kV Ckt 1 Voltage Conversion
Network Upgrade Description: Convert existing 4.32-mile 69 kV line from Ahloso to Park Lane to 138 kV.
Network Upgrade Owner: OGE
MOPC Representative(s): Jacob Langthorn, IV
TWG Representative: Travis Hyde
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 overloads and low voltages in these 69 kV facilities: Park Lane - Ahloso Tap - Harden Tap, Valley View - Ada Industrial - Park Lane, and Frisco Tap - Stonewall OC Pump Tap.
Estimated Cost for Network Upgrade (current day dollars): $4,634,000
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: OGE
Date of Estimated Cost: 11/22/2013

Network Upgrade ID: 50764
Network Upgrade Name: Ahloso - Harden City 138 kV Ckt 1 Voltage Conversion
Network Upgrade Description: Convert existing 10.12-mile 69 kV line from Ahloso to Harden City to 138 kV.
Network Upgrade Owner: OGE
MOPC Representative(s): Jacob Langthorn, IV
TWG Representative: Travis Hyde
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 overloads and low voltages in these 69 kV facilities: Park Lane - Ahloso Tap - Harden Tap, Valley View - Ada Industrial - Park Lane, and Frisco Tap - Stonewall OC Pump Tap.
Estimated Cost for Network Upgrade (current day dollars): $5,566,000
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: OGE
Date of Estimated Cost: 11/25/2013

Network Upgrade ID: 50765
Network Upgrade Name: Frisco - Harden City 138 kV Ckt 1 Voltage Conversion
Network Upgrade Description: Convert existing 3.39-mile 69 kV line from Harden City to Frisco to 138 kV.
Network Upgrade Owner: OGE
MOPC Representative(s): Jacob Langthorn, IV
TWG Representative: Travis Hyde
**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 overloads and low voltages in these 69 kV facilities: Park Lane - Ahloso Tap - Harden Tap, Valley View - Ada Industrial - Park Lane, and Frisco Tap - Stonewall OC Pump Tap.

**Estimated Cost for Network Upgrade (current day dollars):** $3,715,500

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

**Estimated Cost Source:** OGE

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

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**Network Upgrade ID:** 50766

**Network Upgrade Name:** Frisco - Lula 138 kV Ckt 1 Voltage Conversion

**Network Upgrade Description:** Convert existing 3.39-mile 69 kV line from Frisco to Lula to 138 kV.

**Network Upgrade Owner:** OGE

**MOPC Representative(s):** Jacob Langthorn, IV

**TWG Representative:** Travis Hyde

**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 overloads and low voltages in these 69 kV facilities: Park Lane - Ahloso Tap - Harden Tap, Valley View - Ada Industrial - Park Lane, and Frisco Tap - Stonewall OC Pump Tap.

**Estimated Cost for Network Upgrade (current day dollars):** $7,083,000

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

**Estimated Cost Source:** OGE

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

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**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. OGE 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 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 OGE’s part to complete the approved Network Upgrade(s). For project tracking, SPP requires OGE to submit status updates of the Network Upgrade(s) quarterly in conjunction with the SPP Board of Directors meetings. However, OGE 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,

Lanny Nickell
Vice President, Engineering
Phone: (501) 614-3232 • Fax: (501) 482-2022 • lnickell@spp.org
cc: Carl Monroe - SPP
    Katherine Prewitt - SPP
    Jacob Langthorn, IV - OGE
    Travis Hyde - OGE