

SPP-NTC-200256

**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, to construct the Network Upgrade(s).

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: 766

Project Name: XFR - Newhart 230/115 kV Ckt 2

Need Date for Project: 6/1/2015

Estimated Cost for Project: \$6,386,196

Network Upgrade ID: 11010

Network Upgrade Name: Newhart 230/115 kV Ckt 2 Transformer

Network Upgrade Description: Add second 230/115 kV 250 MVA transformer at Newhart substation.

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 Kress Interchange -

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Swisher County Interchange 115 kV Ckt 1 for the outage of Newhart 230/115 kV Ckt 1 Transformer.

Estimated Cost for Network Upgrade (current day dollars): \$6,386,196

Cost Allocation of the Network Upgrade: Full Base Plan Funded

Estimated Cost Source: SPS

Date of Estimated Cost: 11/22/2013

Project ID: 856

Project Name: Multi - Centre St. - Hereford NE 115 kV Ckt 1 and Centre St. and Hereford 115 kV Load Conversion

Need Date for Project: 6/1/2014

Estimated Cost for Project: \$9,847,388

Network Upgrade ID: 11127

Network Upgrade Name: Centre St. - Hereford NE 115 kV Ckt 1

Network Upgrade Description: Build new 5.1-mile 115 kV line from Centre St. to Hereford NE. Convert distribution transformer high side at Centre St. from 69 kV to 115 kV. Install any necessary terminal equipment at Hereford NE.

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 275 MVA.

Network Upgrade Justification: To address the overload of Hereford 115/69 kV transformers Ckt 1 and Ckt 2 for the outage of the parallel transformer.

Estimated Cost for Network Upgrade (current day dollars): \$9,754,258

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 11/25/2013

Network Upgrade ID: 50754

Network Upgrade Name: Hereford 115 kV Load Conversion

Network Upgrade Description: Convert distribution transformer high side at Hereford 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: Convert distribution load from 69 kV to 115 kV.

Network Upgrade Justification: To address the overload of Hereford 115/69 kV

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transformer Ckt 1 and Ckt 2 for the outage of the parallel transformer.

Estimated Cost for Network Upgrade (current day dollars): \$93,130

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 11/25/2013

Project ID: 30552

Project Name: Line - Oxy Permian Sub - West Bender Sub 115 kV Ckt 1

Need Date for Project: 6/1/2018

Estimated Cost for Project: \$973,674

Network Upgrade ID: 50690

Network Upgrade Name: Oxy Permian Sub - West Bender Sub 115 kV Ckt 1 Rebuild

Network Upgrade Description: Rebuild 0.5-mile 115 kV line from Oxy Permian Sub to West Bender Sub.

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 303 MVA.

Network Upgrade Justification: To address the overload of Oxy Permian Sub - West Bender Sub 115 kV Ckt 1 for the outage of Maddox Station - Monument Sub 115 kV Ckt 1.

Estimated Cost for Network Upgrade (current day dollars): \$973,674

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 11/21/2013

Project ID: 30555

Project Name: Quahada Switching Station 115 kV

Need Date for Project: 6/1/2015

Estimated Cost for Project: \$2,593,936

Network Upgrade ID: 50693

Network Upgrade Name: Quahada Switching Station 115 kV

Network Upgrade Description: Install 4-breaker ring bus at Quahada to connect the 115 kV lines from Cunningham to PCA Interchange and Lea National to Maljamar.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Categorization: Regional reliability

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Network Upgrade Specification: Install 4-breaker ring bus.

Network Upgrade Justification: To address low voltage issues at 115 kV system around Maljamar under normal conditions (no outages).

Estimated Cost for Network Upgrade (current day dollars): \$2,593,936

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 11/21/2013

Project ID: 30577

Project Name: Line - Chavis - Price - CV Pines - Capitan 115 kV Ckt 1

Need Date for Project: 6/1/2017

Estimated Cost for Project: \$14,275,000

Network Upgrade ID: 50722

Network Upgrade Name: Chaves - Price 115 kV Ckt 1 Rebuild

Network Upgrade Description: Rebuild 5-mile 69 kV line from Chaves to Price converting to 115 kV. Install any necessary terminal equipment at Chaves.

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 Chaves County Interchange 115/69 kV transformer under normal conditions (no outages).

Estimated Cost for Network Upgrade (current day dollars): \$4,701,279

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 11/22/2013

Network Upgrade ID: 50723

Network Upgrade Name: CV Pines - Price 115 kV Ckt 1 Rebuild

Network Upgrade Description: Rebuild 3-mile 69 kV line from CV Pines to Price converting 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 245 MVA.

Network Upgrade Justification: To address the overload of the Chaves County

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Interchange 115/69 kV transformer under normal conditions (no outages).
Estimated Cost for Network Upgrade (current day dollars): \$4,158,668
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPS
Date of Estimated Cost: 11/25/2013

Network Upgrade ID: 50724
Network Upgrade Name: Capitan - CV Pines 115 kV Ckt 1 Rebuild
Network Upgrade Description: Rebuild 5-mile 69 kV line from Capitan to CV Pines converting 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 265 MVA.
Network Upgrade Justification: To address the overload of the Chaves County Interchange 115/69 kV transformer under normal conditions (no outages).
Estimated Cost for Network Upgrade (current day dollars): \$5,415,053
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPS
Date of Estimated Cost: 11/22/2013

Project ID: 30616
Project Name: Sub - Curry County 115 kV
Need Date for Project: 6/1/2018
Estimated Cost for Project: \$813,381

Network Upgrade ID: 50794
Network Upgrade Name: Curry County Interchange 115 kV
Network Upgrade Description: Install two 115 kV breakers at Curry County Interchange to convert the high side of the Curry County distribution transformer to 115 kV.
Network Upgrade Owner: SPS
MOPC Representative(s): William Grant
TWG Representative: John Fulton
Categorization: Regional reliability
Network Upgrade Specification: Install two 115 kV breakers at Curry County Interchange.
Network Upgrade Justification: To address the overload of Curry County Interchange 115/69 kV Transformer Ckt 2 for the outage of Curry County Interchange 115/69 kV

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Transformer Ckt 1.

Estimated Cost for Network Upgrade (current day dollars): \$813,381

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 12/13/2013

Upgrades with Modifications

Previous NTC Number: 20130

Previous NTC Issue Date: 2/14/2011

Project ID: 1004

Project Name: XFR - Swisher 230/115 kV Ckt 1

Need Date for Project: 6/1/2014

Estimated Cost for Project: \$3,496,698

Network Upgrade ID: 11318

Network Upgrade Name: Swisher County Interchange 230/115 kV Ckt 1 Transformer

Network Upgrade Description: Upgrade existing 230/115 kV transformer at Swisher to 250 MVA.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Reason for Change: The 2014 ITP Near-Term Assessment accelerated the Need Date from 6/1/2016 to 6/1/2014.

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 Swisher 230/115 kV transformer for the outage of the New Hart 230/115 kV transformer, Happy Interchange - Palo Duro 115 kV Ckt 1, or Randall - Palo Duro 115 kV Ckt 1 and Happy - Palo Duro 115 kV Ckt 1 (SPP-SWPS-Ta66).

Estimated Cost for Network Upgrade (current day dollars): \$3,496,698

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 5/16/2013

Withdrawal of Upgrades

Previous NTC Number: 200214

Previous NTC Issue Date: 2/20/2013

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Project ID: 1139

Project Name: Line - Allen Sub - Lubbock South Interchange 115 kV Ckt 1

Network Upgrade ID: 11501

Network Upgrade Name: Allen Substation - Lubbock South Interchange 115 kV Ckt 1

Network Upgrade Description: Rebuild 6 miles of 115 kV line from Lubbock South Interchange to Allen Substation.

Reason for Change: Identified in 2014 ITP Near-Term Assessment that the upgrade is no longer required.

Withdrawal of Network Upgrade

SPS has been made aware of all Network Upgrades withdrawn through the expansion plan process. This letter is the formal notification to stop any further work on this Network Upgrade(s) and submit any cost information associated with the Network Upgrade(s) to SPP.

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 and an updated $\pm 20\%$ cost estimate, NTC Project Estimate, in the Standardized Cost Estimate Reporting Template 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.

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 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.

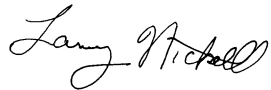
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However, SPS shall also advise SPP of any inability to comply with the Project Schedule as soon as the inability becomes apparent.

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

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