SPP Notification to Construct

February 19, 2014

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 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:** 30596  
**Project Name:** Multi - Broken Bow Wind - Ord 115 kV Ckt 1  
**Need Date for Project:** 6/1/2014  
**Estimated Cost for Project:** $32,573,600
Network Upgrade ID: 50757
Network Upgrade Name: Broken Bow Wind - Ord 115 kV Ckt 1
Network Upgrade Description: Build a new 35-mile 115 kV line from Ord to Broken Bow Wind and install necessary terminal equipment.
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 176 MVA.
Network Upgrade Justification: To address low voltage at North Loup 115 kV, Ord 115 kV, and Spalding 115 kV for the outage of Albion - Spalding 115 kV Ckt 1 or low voltage at Ord 115 kV for the outage of North Loup - Spalding 115 kV Ckt 1.
Estimated Cost for Network Upgrade (current day dollars): $32,244,000
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: NPPD
Date of Estimated Cost: 11/22/2013

Network Upgrade ID: 50760
Network Upgrade Name: North Loup - Ord 115 kV Ckt 1
Network Upgrade Description: Increase line clearance on 115 kV line from North Loup to Ord to 100 degree C. Upgrade disconnect switches, CTs, and jumpers at North Loup.
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 151 MVA.
Network Upgrade Justification: To address low voltage at North Loup 115 kV, Ord 115 kV and Spalding 115 kV for the outage of Albion - Spalding 115 kV Ckt 1, or low voltage at Ord 115 kV for the outage of North Loup - Spalding 115 kV Ckt 1.
Estimated Cost for Network Upgrade (current day dollars): $329,600
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: NPPD
Date of Estimated Cost: 11/22/2013

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. NPPD 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 NPPD’s part to complete the approved Network Upgrade(s). For project tracking, SPP requires NPPD to submit status updates of the Network Upgrade(s) quarterly 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,

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