

SPP-NTC-200246

**SPP
Notification to Construct**

February 19, 2014

Mr. Shawn Robinson
American Electric Power
212 E. 6th St.
Tulsa, OK 74119

RE: Notification to Construct Approved Reliability Network Upgrades

Dear Mr. Robinson,

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 American Electric Power ("AEP"), as agent for Public Service Company of Oklahoma and Southwestern Electric Power Company, 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: 30559

Project Name: Line - Chapel Hill REC - Welsh Reserve 138 kV Ckt 1

Need Date for Project: 6/1/2019

Estimated Cost for Project: \$6,651,694

Network Upgrade ID: 50697

Network Upgrade Name: Chapel Hill REC - Welsh Reserve 138 kV Ckt 1 Rebuild

Network Upgrade Description: Rebuild 4.4-mile 138 kV line from Chapel Hill REC to Welsh Reserve.

Network Upgrade Owner: AEP

MOPC Representative(s): Paul Johnson, Richard Ross, Terri Gallup

TWG Representative: Matthew McGee

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 592 MVA.

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Network Upgrade Justification: To address the overload of Chapel Hill REC - Welsh Reserve 138 kV Ckt 1 for the outage of Lone Star South - Pittsburg 138 kV Ckt 1.
Estimated Cost for Network Upgrade (current day dollars): \$6,651,694
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: AEP
Date of Estimated Cost: 11/22/2013

Project ID: 30573
Project Name: Line - Broadmoor - Fort Humbug 69 kV Ckt 1
Need Date for Project: 6/1/2019
Estimated Cost for Project: \$6,695,986

Network Upgrade ID: 50718
Network Upgrade Name: Broadmoor - Fort Humbug 69 kV Ckt 1 Rebuild
Network Upgrade Description: Rebuild 1.7-mile 69 kV line from Fort Humbug to Broadmoor with 1233.6 ACSR/TW conductor. Upgrade jumpers at Fort Humbug along with jumpers and bus at Broadmoor.
Network Upgrade Owner: AEP
MOPC Representative(s): Paul Johnson, Richard Ross, Terri Gallup
TWG Representative: Matthew McGee
Categorization: Regional reliability
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 143 MVA.
Network Upgrade Justification: To address the overload of Broadmoor - Fort Humbug 69 kV Ckt 1 for the outage of Forbing Tap - South Shreveport 69 kV Ckt 1.
Estimated Cost for Network Upgrade (current day dollars): \$6,695,986
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: AEP
Date of Estimated Cost: 11/22/2013

Project ID: 30574
Project Name: Line - Daingerfield - Jenkins Rec 69 kV Ckt 1 Rebuild
Need Date for Project: 6/1/2019
Estimated Cost for Project: \$2,819,806

Network Upgrade ID: 50719
Network Upgrade Name: Daingerfield - Jenkins REC T 69 kV Ckt 1 Rebuild
Network Upgrade Description: Rebuild 1.3-mile 69 kV line from Daingerfield to Jenkins REC T with 959.6 ACSR/TW conductor.
Network Upgrade Owner: AEP
MOPC Representative(s): Paul Johnson, Richard Ross, Terri Gallup
TWG Representative: Matthew McGee

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Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 178 MVA.

Network Upgrade Justification: To address the overload of Daingerfield - Jenkins T 69 kV for the outage of Lone Star South - Pittsburg 138 kV Ckt 1, Welsh Reserve - Wilkes 138 kV Ckt 1, or Chapel Hill REC - Welsh Reserve 138 kV Ckt 1.

Estimated Cost for Network Upgrade (current day dollars): \$2,819,806

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: AEP

Date of Estimated Cost: 11/22/2013

Project ID: 30575

Project Name: Line - Hallsville - Longview Heights 69 kV Ckt 1

Need Date for Project: 6/1/2014

Estimated Cost for Project: \$8,851,677

Network Upgrade ID: 50720

Network Upgrade Name: Hallsville - Longview Heights 69 kV Ckt 1 Rebuild

Network Upgrade Description: Rebuild 6.6-mile 69 kV line from Longview Heights to Hallsville with 1233.6 ACSR/TW conductor. Upgrade jumpers, CT ratios, and relay settings at Longview Heights.

Network Upgrade Owner: AEP

MOPC Representative(s): Paul Johnson, Richard Ross, Terri Gallup

TWG Representative: Matthew McGee

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 89 MVA.

Network Upgrade Justification: To address the overload of Hallsville - Longview Heights Ckt 1 69 kV for the outage of Marshall - Marshall Auto 69 kV Ckt 1.

Estimated Cost for Network Upgrade (current day dollars): \$8,851,677

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: AEP

Date of Estimated Cost: 11/22/2013

Project ID: 30576

Project Name: Line - Hallsville - Marshall 69 kV Ckt 1

Need Date for Project: 6/1/2014

Estimated Cost for Project: \$15,248,925

Network Upgrade ID: 50721

Network Upgrade Name: Hallsville - Marshall 69 kV Ckt 1 Rebuild

Network Upgrade Description: Rebuild 11.2-mile 69 kV line from Hallsville to

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Marshall with 1233.6 ACSR/TW conductor. Upgrade jumpers, CT ratios, and relay settings at Marshall.

Network Upgrade Owner: AEP

MOPC Representative(s): Paul Johnson, Richard Ross, Terri Gallup

TWG Representative: Matthew McGee

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 89 MVA.

Network Upgrade Justification: To address the overload of Hallsville - Marshall 69 kV Ckt 1 for the outages of Pirkey - Whitney 138 kV, Lake Lamond - Spring Hill 138 kV Ckt 1, Easton Rec - Pirkey 138 kV Ckt 1, Easton Rec - Knox Lee 138 kV Ckt 1, Diana-Spring Hill 138 kV Ckt 1, Blocker Tap - Marshall 69 kV Ckt 1, or Lake Lamond 138/69 kV Ckt 1 Transformer.

Estimated Cost for Network Upgrade (current day dollars): \$15,248,925

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: AEP

Date of Estimated Cost: 11/22/2013

Project ID: 30598

Project Name: Line - Letourneau Tertiary #1 - Letourneau Tap 69 kV Ckt 1

Need Date for Project: 6/1/2017

Estimated Cost for Project: \$2,358,802

Network Upgrade ID: 50759

Network Upgrade Name: Letourneau - Air Liquide Tap 69 kV Ckt 1

Network Upgrade Description: Build new 0.3-mile 69 kV line from Letourneau to a tap point along the existing Air Liquide Tap line with 664.8 ACSR/TW conductor. Make the existing line section from Letourneau Plant to Letourneau open normally.

Network Upgrade Owner: AEP

MOPC Representative(s): Paul Johnson, Richard Ross, Terri Gallup

TWG Representative: Matthew McGee

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 150 MVA.

Network Upgrade Justification: To address the overload of Letourneau - Letourneau Tap 69 kV Ckt 1 under normal conditions (no outages).

Estimated Cost for Network Upgrade (current day dollars): \$2,358,802

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: AEP

Date of Estimated Cost: 11/22/2013

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Upgrades with Modifications

Previous NTC Number: 200216

Previous NTC Issue Date: 2/20/2013

Project ID: 512

Project Name: Line - Ellerbe Road - Forbing Tap 69 kV Ckt 1

Need Date for Project: 6/1/2014

Estimated Cost for Project: \$8,174,689

Network Upgrade ID: 10657

Network Upgrade Name: Ellerbe Road - Forbing T 69 kV Ckt 1

Network Upgrade Description: Rebuild 2.0-mile 69 kV line from Ellerbe Road to Forbing T with 1233.6 ACSR/TW conductor.

Network Upgrade Owner: AEP

MOPC Representative(s): Paul Johnson, Richard Ross, Terri Gallup

TWG Representative: Matthew McGee

Reason for Change: The 2014 ITP Near-Term Assessment accelerated the Need Date from 6/1/2018 to 6/1/2014.

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 121 MVA.

Network Upgrade Justification: To address the overload of Ellerbe Road - Forbing Road 69 kV Ckt 1 for the outage of Broadmoor - Fort Humbug 69 kV Ckt 1.

Estimated Cost for Network Upgrade (current day dollars): \$8,174,689

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: AEP

Date of Estimated Cost: 5/20/2013

Withdrawal of Upgrades

Previous NTC Number: 200231

Previous NTC Issue Date: 9/23/2013

Project ID: 30432

Project Name: Line - 52nd & Delaware West Tap - Riverside Station 138 kV

Network Upgrade ID: 50527

Network Upgrade Name: 52nd & Delaware West Tap - Riverside Station 138 kV Ckt 1

Network Upgrade Description: Rebuild 5.4-mile 138 kV line from 52nd & Delaware West Tap to Riverside Station with 2-795 ACSR conductor. Upgrade relay settings at Riverside Station.

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Reason for Change: Identified in 2014 ITP Near-Term Assessment that upgrade is no longer needed for regional reliability.

Withdrawal of Network Upgrade

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

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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
Bob Bradish - AEP
Paul Johnson - AEP
Richard Ross - AEP
Terri Gallup - AEP
Scott Rainbolt - AEP
Matt McGee - AEP