

SPP-NTC-200264

**SPP
Notification to Construct**

March 31, 2014

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

RE: Notification to Construct for Transmission Service Request resulting from Aggregate Transmission Service Study SPP-2011-AG3-AFS-11

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, to construct the Network Upgrades.

On February 28, 2014, SPP concluded that the project(s) is required on the OGE system to fulfill Transmission Service Requests as detailed in Aggregate Facility Study SPP-2011-AG3-AFS-11.

New Network Upgrades

Project ID: 30508

Project Name: Line - Division Ave - Lakeside 138 kV Ckt 1

Need Date for Project: 6/1/2019

Estimated In-Service Date: 6/1/2019

Estimated Cost for Project: \$1,720,000

Network Upgrade ID: 50635

Network Upgrade Name: Division Ave - Lakeside 138 kV Ckt 1 Rebuild

Network Upgrade Description: Rebuild 3.58-mile 138 kV line from Division Ave to Lakeside.

Network Upgrade Owner: OGE

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least a summer emergency rating of 313 MVA.

Network Upgrade Justification: SPP-2011-AG3-AFS-11

Estimated Cost for Network Upgrade (current day dollars): \$1,720,000

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Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: OGE
Date of Estimated Cost: 7/1/2013

Commitment to Construct

Please provide to SPP a written commitment to construct the Network Upgrade(s) within 90 days of the date of this Notification to Construct, 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 written commitment to construct as required by Attachment O could result in the Network Upgrade(s) being assigned to another entity.

Mitigation Plan

The Estimated In-Service 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 Upgrades(s) if the Estimated In-Service Date is not feasible. Additionally, if it is anticipated that the completion of any Network Upgrade will be delayed past the Estimated In-Service Date, SPP requires a mitigation plan be filed within 60 days of 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 consistent with Sections 20.1 and 32.10 of the SPP OATT, OGE shall also advise SPP of any inability to comply with the project(s) Schedule as the inability becomes apparent.

All terms and conditions of the SPP OATT and the SPP Membership Agreement shall apply to this project(s) and nothing in this letter shall carry such terms and conditions.

Don't hesitate to contact me if you have questions or comments about these requests. Thank you for the important role that you play in maintaining the reliability of our electric grid.

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Sincerely,



Lanny Nickell
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cc: Carl Monroe - SPP
Katherine Prewitt - SPP
Jacob Langthorn, IV - OGE
Travis Hyde - OGE