SPP Notification to Construct

February 18, 2015

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 Attachments O and Y 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, Southwestern Electric Power Company and AEP Oklahoma Transmission Company, as the Designated Transmission Owner, to construct the Network Upgrade(s).

On January 27, 2015, the SPP Board of Directors approved the Network Upgrade(s) listed below to be constructed as part of the 2015 Integrated Transmission Planning 10-Year ("ITP10") Assessment.

New Network Upgrades

Project ID: 30847
Project Name: Line - South Shreveport - Wallace Lake 138 kV Ckt 1 Rebuild
Need Date for Project: 6/1/2019
Estimated Cost for Project: $10,018,471

Network Upgrade ID: 51144
Network Upgrade Name: South Shreveport - Wallace Lake 138 kV Ckt 1 Rebuild
Network Upgrade Description: Rebuild 11.2-mile 138 kV line from South Shreveport to Wallace Lake. Upgrade wavetrap and conductor at South Shreveport.
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 473 MVA.

**Network Upgrade Justification:** To address overloads of South Shreveport - Wallace Lake 138 kV Ckt 1 for the loss of Trichel Street - Whitehurst 138 kV Ckt 1, Haughton - Red Point 138 kV Ckt 1, and Fort Humbug - Trichel Street 138 kV Ckt 1.

**Estimated Cost for Network Upgrade (current day dollars):** $10,018,471

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

**Estimated Cost Source:** SPP

**Date of Estimated Cost:** 12/1/2014

---

**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, in addition to providing a construction schedule and an updated ±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 the SPP OATT 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. 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  
     Antoine Lucas - SPP  
     Bob Bradish - AEP  
     Paul Johnson - AEP  
     Richard Ross - AEP  
     Terri Gallup - AEP  
     Scott Rainbolt - AEP  
     Matt McGee - AEP