SPP Notification to Construct

February 26, 2015

Mr. John Fulton
Southwestern Public Service Company
P.O. Box 1261
Amarillo, TX 79105

RE: Notification to Construct Approved ITP10 Network Upgrades

Dear Mr. Fulton,

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 Southwestern Public Service Company ("SPS"), 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:** 30859  
**Project Name:** Device - Plains Interchange 115 kV Cap Bank  
**Need Date for Project:** 6/1/2019  
**Estimated Cost for Project:** $809,640

**Network Upgrade ID:** 51163  
**Network Upgrade Name:** Plains Interchange 115 kV Cap Bank  
**Network Upgrade Description:** Install one (1) 14.4-MVAR capacitor bank at the Plains Interchange 115 kV substation.  
**Network Upgrade Owner:** SPS  
**MOPC Representative(s):** William Grant  
**TWG Representative:** John Fulton  
**Categorization:** Regional reliability  
**Network Upgrade Specification:** Install 14.4 MVAR of capacitance at Plains Interchange 115 kV substation.  
**Network Upgrade Justification:** To address low voltage at Plains Interchange 115 kV
SPP-NTC-200336

for the loss of Plains Interchange - Yoakum County Interchange 115 kV Ckt 1.

Estimated Cost for Network Upgrade (current day dollars): $809,640
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 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. 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,

Lanny Nickell
Vice President, Engineering
Phone: (501) 614-3232 • Fax: (501) 482-2022 • lnickell@spp.org

cc: Carl Monroe - SPP
    Antoine Lucas - SPP
    William Grant - SPS