SPP Notification to Construct

May 7, 2015

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

RE: Notification to Construct Approved Reliability Network Upgrades

Dear Mr. Crissup,

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 Oklahoma Gas and Electric Co. ("OGE"), as the Designated Transmission Owner, to construct the Network Upgrade(s).

On January 29, 2013, the SPP Board of Directors approved the 2013 Integrated Transmission Planning Near-Term Assessment ("ITPNT"). Project ID No. 879, shown below, was one of the approved projects resulting from the 2013 ITPNT. NTC No. 200216 was issued to American Electric Power to complete the project. On February 24, 2015, OGE notified SPP that the Network Upgrade(s) listed below were required on the OGE system to fully address issues identified in the 2013 ITPNT and achieve the desired facility rating associated with Project ID No. 879.

New Network Upgrades

Project ID: 879
Project Name: Line - Bluebell - Prattville 138 kV
Need Date for Project: 6/1/2014
Estimated Cost for Project: $10,253,314 (this project cost contains Network Upgrades not included in this NTC)

Network Upgrade ID: 51298
Network Upgrade Name: Bluebell 138 kV Terminal Upgrades
Network Upgrade Description: Install any terminal upgrades at the 138 kV substation Bluebell necessary to achieve an emergency rating of 287 MVA on the 138 kV line from Bluebell to Prattville.
Network Upgrade Owner: OGE
SPP-NTC-200340

MOPC Representative(s): Jacob Langthorn, IV
TWG Representative: Travis Hyde
Categorization: Regional reliability
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 287 MVA.
Network Upgrade Justification: To address the overload of Prattville - Bluebell 138 kV Ckt 1 for the outage of Explorer Glenpool - Riverside 138 kV Ckt 1.
Estimated Cost for Network Upgrade (current day dollars): $12,000
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: OGE
Date of Estimated Cost: 4/29/2015

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 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, OGE 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
    Jacob Langthorn, IV - OGE
    Travis Hyde - OGE