SPP-NTC-200358

1SPP Notification to Construct

December 2, 2015

Mr. Jeff Tullis
Grand River Dam Authority
P.O. Box 1128
Pryor, OK 74119

RE: Notification to Construct for Transmission Service Request resulting from Aggregate Transmission Service Study SPP-2014-AG1-AFS-6

Dear Mr. Tullis,

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 Grand River Dam Authority ("GRDA"), as the Designated Transmission Owner, to construct the Network Upgrades.

On June 29, 2015, SPP concluded that the project(s) is required on the GRDA system to fulfill Transmission Service Requests as detailed in Aggregate Facility Study SPP-2014-AG1-AFS-6.

New Network Upgrades

Project ID: 30984
Project Name: Claremore 161/69 kV Ckt 1 and 2 Transformers
Need Date for Project: 6/1/2021
Estimated In-Service Date: 6/1/2021
Estimated Cost for Project: $7,719,238
Estimated Cost Source: SPP
Date of Estimated Cost: 6/29/2015

Network Upgrade ID: 51390
Network Upgrade Name: Claremore 161/69 kV Ckt 1 Transformer
Network Upgrade Description: Upgrade the 161/69 kV transformer at Claremore (Ckt 1).
Network Upgrade Owner: GRDA
Categorization: Regional reliability
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 171 MVA.
Network Upgrade Justification: 2014-AG1-AFS-6
Cost Allocation of the Network Upgrade: Base Plan

Network Upgrade ID: 51391
Network Upgrade Name: Claremore 161/69 kV Ckt 2 Transformer
Network Upgrade Description: Upgrade the 161/69 kV transformer at Claremore (Ckt 2).
Network Upgrade Owner: GRDA
Categorization: Regional reliability
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 171 MVA.
Network Upgrade Justification: 2014-AG1-AFS-6
Cost Allocation of the Network Upgrade: Base Plan

Network Upgrade ID: 51392
Network Upgrade Name: Claremore 161 kV Ckt 1 Terminal Upgrades
Network Upgrade Description: Install 161 kV terminal upgrades associated with the upgrade of Claremore 161/69 kV Ckt 1 Transformer.
Network Upgrade Owner: GRDA
Categorization: Regional reliability
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 171 MVA.
Network Upgrade Justification: 2014-AG1-AFS-6
Cost Allocation of the Network Upgrade: Base Plan

Network Upgrade ID: 51393
Network Upgrade Name: Claremore 161 kV Ckt 2 Terminal Upgrades
Network Upgrade Description: Install 161 kV terminal upgrades associated with the upgrade of Claremore 161/69 kV Ckt 2 Transformer.
Network Upgrade Owner: GRDA
Categorization: Regional reliability
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 171 MVA.
Network Upgrade Justification: 2014-AG1-AFS-6
Cost Allocation of the Network Upgrade: Base Plan

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

Sincerely,

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

cc: Carl Monroe - SPP
    Antoine Lucas - SPP
Mike Stafford - GRDA
Joe Fultz - GRDA