

SPP-NTC-200361

**SPP
Notification to Construct**

December 11, 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 October 27, 2015, the SPP Board of Directors approved the issuance of a modified NTC for the Network Upgrade(s) listed below, pending the completion of analysis that confirms the solution resolves the need and does not create any other adverse impact.

Upgrades with Modifications

Previous NTC Number: 200246
Previous NTC Issue Date: 2/19/2014
Project ID: 30598
Project Name: Device - Letourneau 69 kV Cap Bank
Need Date for Project: 6/1/2017
Estimated Cost for Project: \$1,600,349

Network Upgrade ID: 50759
Network Upgrade Name: Letourneau 69 kV Cap Bank
Network Upgrade Description: Install 16.2-MVAR 69 kV capacitor bank at Letourneau.
Network Upgrade Owner: AEP
MOPC Representative(s): Paul Johnson, Richard Ross, Brian Johnson

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TWG Representative: Matthew McGee

Reason for Change: SPP determined in the 2016 ITP Near-Term Assessment the scope of the Network Upgrade(s) should be modified to accommodate a better regional solution.

Categorization: Regional reliability

Network Upgrade Specification: Install 16.2 MVAR of capacitance at Letourneau 69 kV substation.

Network Upgrade Justification: To address the overload of Letourneau - Letourneau Tap 69 kV Ckt 1 under normal conditions (no outages).

Estimated Cost for Network Upgrade (current day dollars): \$1,600,349

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: AEP

Date of Estimated Cost: 12/3/2015

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 $\pm 20\%$ 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.

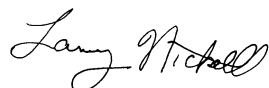
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However, AEP shall also advise SPP of any inability to comply with the Project Schedule as soon as the inability becomes apparent.

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,

A handwritten signature in cursive script that reads 'Lanny Nickell'.

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
- Brian Johnson - AEP
- Scott Rainbolt - AEP
- Matt McGee - AEP