SPP Notification to Construct

February 12, 2016

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

RE: Notification to Construct Approved Reliability 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 April 29, 2014, the SPP Board of Directors ("Board") approved the High Priority Incremental Load Study ("HPILS"). The Network Upgrade listed below was included in Appendix C of the HPILS report and is to be constructed. On January 26, 2016, the Board approved a modification to the Network Upgrade Description for the Network Upgrade.

Upgrades with Modifications

Previous NTC Number: 200282
Previous NTC Issue Date: 5/19/2014
Project ID: 30649
Project Name: Multi - Andrews 230/115 kV Transformer and Andrews - NEF 115 kV Ckt 1
Need Date for Project: 6/1/2015
Estimated Cost for Project: $14,195,132 (this project cost contains Network Upgrades not included in this NTC)

Network Upgrade ID: 50881
Network Upgrade Name: Andrews 230/115 kV Ckt 1 Transformer
Network Upgrade Description: Install two 230/115 kV 167 MVA transformers at Andrews substation for a combined emergency rating of 334 MVA. Install any necessary terminal equipment.
Network Upgrade Owner: SPS
MOPC Representative(s): William Grant
TWG Representative: John Fulton
Reason for Change: Modifications to Network Upgrade Description approved to describe two transformers rather than one.
Categorization: High priority
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 288 MVA.
Network Upgrade Justification: To address needs identified in HPILS.
Estimated Cost for Network Upgrade (current day dollars): $10,671,660
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPS
Date of Estimated Cost: 8/15/2014

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