

SPP-NTC-200371

**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 January 27, 2015, the SPP Board of Directors ("Board") approved the Network Upgrade(s) listed below to be constructed as part of the 2015 Integrated Transmission Planning ("ITP") Near-Term Assessment. On January 26, 2016, the Board approved the removal of the conditions previously described in NTC No. 200324.

Upgrades with Modifications

Previous NTC Number: 200324

Previous NTC Issue Date: 2/18/2015

Project ID: 30666

Project Name: Device - China Draw and Road Runner 115 kV SVC

Need Date for Project: 4/1/2015

Estimated Cost for Project: \$54,843,257

Network Upgrade ID: 50864

Network Upgrade Name: China Draw 115 kV SVC

Network Upgrade Description: Install new SVC at China Draw 115 kV substation with effective range of -50/+200 MVAR.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

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Reason for Change: SPP re-evaluated the project and determined it is the best regional solution. The Board approved removal of the conditions on this project.

Categorization: Regional reliability

Network Upgrade Specification: Install new SVC at China Draw 115 kV substation with effective range of -50/+200 MVAR.

Network Upgrade Justification: To address overloads and low voltages in southeast New Mexico for the loss of several elements including Kiowa - Road Runner 345 kV Ckt 1, Hobbs - Kiowa 345 kV Ckt 1, Road Runner 345/115 kV Ckt 1 transformer, and Intrepid West Tap - Potash Junction 115 kV Ckt 1.

Estimated Cost for Network Upgrade (current day dollars): \$25,925,187

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 11/30/2015

Network Upgrade ID: 51132

Network Upgrade Name: Road Runner 115 kV SVC

Network Upgrade Description: Install new SVC at Road Runner 115 kV substation with effective range of -50/+200 MVAR.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Reason for Change: SPP re-evaluated the project and determined it is the best regional solution. The Board approved removal of the conditions on this project.

Categorization: Regional reliability

Network Upgrade Specification: Install new SVC at Road Runner 115 kV substation with effective range of -50/+200 MVAR.

Network Upgrade Justification: To address overloads and low voltages in southeast New Mexico for the loss of several elements, including Kiowa - Road Runner 345 kV Ckt 1, Hobbs - Kiowa 345 kV Ckt 1, Road Runner 345/115 kV Ckt 1 transformer, and Intrepid West Tap - Potash Junction 115 kV Ckt 1.

Estimated Cost for Network Upgrade (current day dollars): \$28,918,070

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 11/30/2015

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 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.

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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,

A handwritten signature in black ink 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
William Grant - SPS