SPP Notification to Construct

April 5, 2016

Mr. Travis Hyde
Oklahoma Gas and Electric Co.
P.O. Box 321, M/C M110
Oklahoma City, OK 73101-0321

RE: Notification to Construct for Transmission Service Request resulting from Aggregate Transmission Service Study SPP-2015-AG1-AFS-6

Dear Mr. Hyde,

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. ("OGC"), as the Designated Transmission Owner, to construct the Network Upgrades.

On January 5, 2016, SPP concluded that the project(s) is required on the OGE system to fulfill Transmission Service Requests as detailed in Aggregate Facility Study SPP-2015-AG1-AFS-6. On March 18, 2016, SPP received all executed Transmission Service Agreements from the customers associated with SPP-2015-AG1-AFS-6.

New Network Upgrades

Project ID: 458
Project Name: Line - Franklin SW - Midwest Tap 138 kV Ckt 1 Reconductor
Need Date for Project: 6/1/2021
Estimated In-Service Date: 6/1/2021
Estimated Cost for Project: $700,000

Network Upgrade ID: 10594
Network Upgrade Name: Franklin SW - Midwest Tap 138 kV Ckt 1 Reconductor
Network Upgrade Description: Reconductor 1.3-mile 138 kV line from Franklin SW to Midwest Tap.
Network Upgrade Owner: OGE
Categorization: Transmission Service
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 296 MVA.
Network Upgrade Justification: 2015-AG1-AFS-6
Estimated Cost for Network Upgrade (current day dollars): $700,000
Cost Allocation of the Network Upgrade: Directly Assigned
Estimated Cost Source: OGE
Date of Estimated Cost: 1/5/2016

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 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(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 • Inickell@spp.org

cc: Carl Monroe - SPP
    Antoine Lucas - SPP
    Jacob Langthorn, IV - OGE