

SPP-NTC-200388

**SPP
Notification to Construct**

May 17, 2016

Mr. Mike Risan
Basin Electric Power Cooperative
1717 E. Interstate Ave.
Bismark, ND 58503

RE: Notification to Construct Approved Reliability Network Upgrades

Dear Mr. Risan,

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 Basin Electric Power Cooperative ("BEPC"), as the Designated Transmission Owner, to construct the Network Upgrade(s).

On April 26, 2016, the SPP Board of Directors approved the Network Upgrade(s) listed below to be constructed as a part of the 2016 Integrated Transmission Planning Near-Term Assessment ("ITPNT").

New Network Upgrades

Project ID: 31032

Project Name: Multi - Plaza 115 kV Substation and Blaisdell - Plaza 115 kV New Line

Need Date for Project: 6/1/2017

Estimated Cost for Project: \$19,042,308

Network Upgrade ID: 51506

Network Upgrade Name: Plaza 115 kV Substation

Network Upgrade Description: Tap the 115 kV line from Makoti to Parshall to create new Plaza substation.

Network Upgrade Owner: BEPC

MOPC Representative(s): David Raatz

TWG Representative: Matthew Stoltz

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 183 MVA.

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Network Upgrade Justification: Upgrade identified in the Needs Assessment of the 2016 ITPNT as needed for regional reliability.

Estimated Cost for Network Upgrade (current day dollars): \$3,918,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: BEPC

Date of Estimated Cost: 3/15/2016

Network Upgrade ID: 51507

Network Upgrade Name: Blaisdell - Plaza 115 kV New Line

Network Upgrade Description: Construct new 115 kV line from Blaisdell to new Plaza substation.

Network Upgrade Owner: BEPC

MOPC Representative(s): David Raatz

TWG Representative: Matthew Stoltz

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 239 MVA.

Network Upgrade Justification: Upgrade identified in the Needs Assessment of the 2016 ITPNT as needed for regional reliability.

Estimated Cost for Network Upgrade (current day dollars): \$14,841,308

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: BEPC

Date of Estimated Cost: 3/15/2016

Network Upgrade ID: 51508

Network Upgrade Name: Plaza 115 kV Cap Bank

Network Upgrade Description: Install new 15-MVAR cap bank at new Plaza substation.

Network Upgrade Owner: BEPC

MOPC Representative(s): David Raatz

TWG Representative: Matthew Stoltz

Categorization: Regional reliability

Network Upgrade Specification: Install new 15-MVAR cap bank at new Plaza substation.

Network Upgrade Justification: Upgrade identified in the Needs Assessment of the 2016 ITPNT as needed for regional reliability.

Estimated Cost for Network Upgrade (current day dollars): \$283,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: BEPC

Date of Estimated Cost: 3/15/2016

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Project ID: 31033

Project Name: Line - Berthold - Southwest Minot 115 kV Ckt 1 Reconductor

Need Date for Project: 6/1/2017

Estimated Cost for Project: \$2,876,720

Network Upgrade ID: 51509

Network Upgrade Name: Berthold - Southwest Minot 115 kV Ckt 1 Reconductor

Network Upgrade Description: Reconductor 115 kV line from Berthold to Southwest Minot.

Network Upgrade Owner: BEPC

MOPC Representative(s): David Raatz

TWG Representative: Matthew Stoltz

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 212 MVA.

Network Upgrade Justification: Upgrade identified in the Needs Assessment of the 2016 ITPNT as needed for regional reliability.

Estimated Cost for Network Upgrade (current day dollars): \$2,876,720

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: BEPC

Date of Estimated Cost: 3/15/2016

Commitment to Construct

Please provide to SPP a written commitment to construct the Network Upgrade(s) within 90 days of the date of this 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

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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.

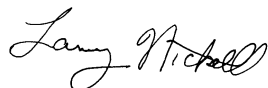
Notification of Progress

On an ongoing basis, please keep SPP advised of any inability on BEPC's part to complete the approved Network Upgrade(s). For project tracking, SPP requires BEPC to submit status updates of the Network Upgrade(s) quarterly in conjunction with the SPP Board of Directors meetings. However, BEPC 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
Matthew Stoltz - BEPC