

SPP-NTC-200389

**SPP**  
**Notification to Construct**

May 17, 2016

Mr. Edd Hargett  
East Texas Electric Cooperative, Inc.  
P.O. Box 631623  
Nacogdoches, TX 75963-1623

RE: Notification to Construct Approved Reliability Network Upgrades

Dear Mr. Hargett,

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 East Texas Electric Cooperative, Inc. ("ETEC"), 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:** 31030

**Project Name:** Device - Latexo 138 kV Cap Bank

**Need Date for Project:** 12/1/2017

**Estimated Cost for Project:** \$1,712,000

**Network Upgrade ID:** 51500

**Network Upgrade Name:** Latexo 138 kV Cap Bank

**Network Upgrade Description:** Install new 28.8-MVAR capacitor bank at Latexo 138 kV.

**Network Upgrade Owner:** ETEC

**MOPC Representative(s):** Edd Hargett

**TWG Representative:** Jason Shook

**Categorization:** Regional reliability

**Network Upgrade Specification:** Install new 28.8-MVAR capacitor bank at Latexo 138 kV.

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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):** \$1,712,000

**Cost Allocation of the Network Upgrade:** Base Plan

**Estimated Cost Source:** ETEC

**Date of Estimated Cost:** 3/18/2016

**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 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 ETEC's part to complete the approved Network Upgrade(s). For project tracking, SPP requires ETEC to submit status updates of the Network Upgrade(s) quarterly in conjunction with the SPP Board of Directors meetings. However, ETEC 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.

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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](mailto:lnickell@spp.org)

cc: Carl Monroe - SPP  
Antoine Lucas - SPP  
Jason Shook - ETEC