

SPP-NTC-200401

**SPP
Notification to Construct**

May 25, 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 28, 2014, the SPP Board of Directors approved the Network Upgrade(s) listed below to be constructed. On April 26, 2016, the Board approved a modification to the Network Upgrade Description for the Network Upgrade.

Upgrades with Modifications

Previous NTC Number: 200333

Previous NTC Issue Date: 2/18/2015

Project ID: 30578

Project Name: Multi - Bailey Co. - Lamb Co. 115 kV

Need Date for Project: 6/1/2016

Estimated Cost for Project: \$49,643,005 (this project cost contains Network Upgrades not included in this NTC)

Network Upgrade ID: 50736

Network Upgrade Name: West Littlefield - West Littlefield Tap 115 kV Ckt 1

Network Upgrade Description: Tap the existing 115 kV line from Lamb Co. to Plant X at a location approximately 0.6 miles to the west of the West Littlefield substation to construct new West Littlefield Tap substation. Install three-way switch at new West Littlefield Tap substation. Install new 0.6-mile 115 kV line from West Littlefield to new West Littlefield Tap substation.

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Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Reason for Change: Modifications to Network Upgrade Description approved by Board.

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 304 MVA.

Network Upgrade Justification: To address the overload of the Lamb Co. 115/69 kV transformer for the outage of the parallel 115/69 kV transformer and low voltage at East Muleshoe for the outage of East Muleshoe - Plant X 115 kV Ckt 1.

Estimated Cost for Network Upgrade (current day dollars): \$3,187,532

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 8/28/2014

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 $\pm 20\%$ 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 SPS's part to complete the

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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 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
William Grant - SPS