

SPP-NTC-200399

**SPP
Notification to Construct**

August 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 July 25, 2016, the SPP Board of Directors approved the Network Upgrade(s) listed below to be constructed.

New Network Upgrades

Project ID: 30496

Project Name: Multi - Bobcat Canyon 345/115 kV and Bobcat Canyon - Scottsbluff 115 kV

Need Date for Project: 6/1/2014

Estimated Cost for Project: \$36,705,157 (this project cost contains Network Upgrades not included in this NTC)

Network Upgrade ID: 51570

Network Upgrade Name: Stegall 345 kV Terminal Upgrades

Network Upgrade Description: Install 345 kV breaker, terminal equipment, and dead end structure at the Stegall substation.

Network Upgrade Owner: BEPC

MOPC Representative(s): David Raatz

TWG Representative: Matthew Stoltz

Categorization: Regional reliability

Network Upgrade Specification: All elements must have at least an emergency rating of 3000 A.

SPP-NTC-200399

Network Upgrade Justification: Identified in the 2013 ITP Near-Term Assessment as alternative solution for both Upgrade ID 50320, Stegall 345/230 kV Transformer Ckt 2 and Upgrade ID 50400, Stegall - Stegall Tap 230 kV Ckt 2. It also eliminates the potential need to upgrade the Victory Hill 230/115 kV transformer.

Cost Allocation of the Network Upgrade: Base Plan

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 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.

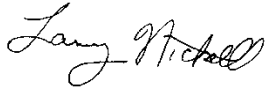
All terms and conditions of the SPP OATT and the SPP Membership Agreement shall apply to this Project, and nothing in this NTC shall vary such terms and conditions.

Don't hesitate to contact me if you have questions or comments regarding these instructions.

SPP-NTC-200399

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

cc: Carl Monroe - SPP
Antoine Lucas - SPP
Matthew Stoltz - BEPC