SPP Notification to Construct

September, 19 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 Approved Reliability Network Upgrades

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. ("OGE"), as the Designated Transmission Owner, to construct the Network Upgrade(s).

The Network Upgrade is required on the OGE system to fulfill the Generator Interconnection Request as detailed in the Generator Interconnection Agreement for GEN-2014-020, Service Agreement (SA) 3137 with an Effective Date of December 15, 2015.

**New Network Upgrades**

**Project ID:** 30985

**Project Name:** Sub - Leonard 138kV Switching Station (GEN-2014-020 POI)

**Estimated Cost for Project:** $7,515,000 (this project cost contains Network Upgrades not included in this NTC)

**Date of Estimated Cost:** 12/15/2015

**Estimated Cost Source:** GIA for GEN-2014-020 (SA 3137).

- **Network Upgrade ID:** 51398
- **Network Upgrade Name:** Leonard 138kV Switching Station (NU - OGE)
- **Network Upgrade Description:** Cimarron Substation - Relay settings verification and field testing.
- **Network Upgrade Owner:** OGE
MOPC Representative(s): Jacob Langthorn, IV
TWG Representative: Travis Hyde
Categorization: Generation Interconnection
Network Upgrade Specification: See Network Upgrade description
Network Upgrade Justification: For interconnection of GEN-2014-020
Need Date for Network Upgrade: 8/1/2017
Estimated Cost for Network Upgrade (current day dollars): $20,000
Cost Allocation of the Network Upgrade: 100% Directly Assigned
Estimated Cost Source: Estimate from GIA for GEN-2014-020 (SA 3137).
Date of Estimated Cost: 12/15/2015

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 ±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 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 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,

Lanny Nickell
Vice President, Engineering
Phone: (501) 614-3232 • Fax: (501) 482-2022 • lnickell@spp.org

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