

SPP-NTC-200417

**iSPP
Notification to Construct**

December 28, 2016

Mr. Mike Risan
Basin Electric Power Cooperative
1717 E. Interstate Ave.
Bismarck, 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 Upgrades listed below to be constructed as part of the 2016 Integrated Transmission Planning Near-Term Assessment. On May 17, 2016, SPP issued BEPC the Notification to Construct with Conditions ("NTC-C") No. 200387. On August 17, 2016, SPP also issued BEPC the Notification to Construct with Conditions ("NTC-C") No. 200409 for Network Upgrade 51501.

On December 9, 2016, SPP received BEPC's NTC-C Project Estimates ("CPE") for the Network Upgrades specified in the NTC-C Nos. 200387 and 200409. SPP has reviewed the CPEs and determined that the requirements of Condition No. 1 of the NTC-Cs have been met.

Upgrades with Modifications

Previous NTC Number: 200409

Previous NTC Issue Date: 8/17/2016

Project ID: 31031

Project Name: Multi - Kummer Ridge - Roundup 345 kV New Line and Patent Gate and Roundup 345/115 kV Substations

Need Date for Project: 6/1/2017

Estimated Cost for Project: \$122,736,877 (this project cost contains Network Upgrades not included in this NTC)

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Network Upgrade ID: 51501

Network Upgrade Name: Kummer Ridge - Roundup 345 kV Ckt 1 New Line

Network Upgrade Description: Construct new 345 kV line from Kummer Ridge to Roundup.

Network Upgrade Owner: BEPC

MOPC Representative(s): David Raatz

TWG Representative: Matthew Stoltz

Reason for Change: Modifications to Network Upgrade Description approved by Board. The CPE(s) for this project was determined to meet the requirements of Condition No. 1 of NTC-C No. 200409. Therefore, the conditions of the project are removed.

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 1792 MVA.

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

Estimated Cost for Network Upgrade (current day dollars): \$52,312,877

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: BEPC

Date of Estimated Cost: 8/15/2016

Previous NTC Number: 200387

Previous NTC Issue Date: 5/17/2016

Project ID: 31031

Project Name: Multi - Kummer Ridge - Roundup 345 kV New Line and Patent Gate and Roundup 345/115 kV Substations

Need Date for Project: 6/1/2017

Estimated Cost for Project: \$122,736,877 (this project cost contains Network Upgrades not included in this NTC)

Network Upgrade ID: 51503

Network Upgrade Name: Roundup 345/115 kV Transformer

Network Upgrade Description: Install new 345/115 kV transformer at Roundup.

Network Upgrade Owner: BEPC

MOPC Representative(s): David Raatz

TWG Representative: Matthew Stoltz

Reason for Change: The CPE(s) for this project was determined to meet the requirements of Condition No. 1 of NTC-C No. 200387. Therefore, the conditions of the project are removed.

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an

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emergency rating of 415 MVA.

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

Estimated Cost for Network Upgrade (current day dollars): \$6,662,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: BEPC

Date of Estimated Cost: 3/18/2016

Network Upgrade ID: 51504

Network Upgrade Name: Patent Gate 345/115 kV Transformer

Network Upgrade Description: Install new 345/115 kV transformer at Patent Gate.

Network Upgrade Owner: BEPC

MOPC Representative(s): David Raatz

TWG Representative: Matthew Stoltz

Reason for Change: The CPE(s) for this project was determined to meet the requirements of Condition No. 1 of NTC-C No. 200387. Therefore, the conditions of the project are removed.

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 415 MVA.

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

Estimated Cost for Network Upgrade (current day dollars): \$6,662,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: BEPC

Date of Estimated Cost: 3/18/2016

Network Upgrade ID: 51543

Network Upgrade Name: Patent Gate 345 kV Substation

Network Upgrade Description: Tap the 345 kV line from Charlie Creek to Jusdon to construct the new Patent Gate substation. Install any necessary 345 kV terminal upgrades needed for new 345/115 kV transformer at the new Patent Gate substation.

Network Upgrade Owner: BEPC

MOPC Representative(s): David Raatz

TWG Representative: Matthew Stoltz

Reason for Change: The CPE(s) for this project was determined to meet the requirements of Condition No. 1 of NTC-C No. 200387. Therefore, the conditions of the project are removed.

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 956 MVA.

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

Estimated Cost for Network Upgrade (current day dollars): \$30,000,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: BEPC

Date of Estimated Cost: 3/18/2016

Network Upgrade ID: 51544

Network Upgrade Name: Roundup 345 kV Substation

Network Upgrade Description: Tap the 345 kV line from Antelope Valley Station to Charlie Creek to construct the new Roundup substation. Install any necessary 345 kV terminal upgrades needed for new 345/115 kV transformer at the new Roundup substation.

Network Upgrade Owner: BEPC

MOPC Representative(s): David Raatz

TWG Representative: Matthew Stoltz

Reason for Change: The CPE(s) for this project was determined to meet the requirements of Condition No. 1 of NTC-C No. 200387. Therefore, the conditions of the project are removed.

Categorization: Regional reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 956 MVA.

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

Estimated Cost for Network Upgrade (current day dollars): \$27,100,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: BEPC

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. 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

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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. Thank you for the important role that you play in maintaining the reliability of our electric grid.

Sincerely,

A handwritten signature in black ink 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
Jay Caspary - SPP
Matthew Stoltz - BEPC