

SPP-NTC-200420

**SPP
Notification to Construct**

January 12, 2017

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 5, 2016, SPP concluded that the projects are required on the SPS system to fulfill Transmission Service Requests as detailed in Aggregate Facility Study SPP-2015-AG1-AFS-6. On December 20, 2016, SPP received all executed Transmission Service Agreements associated with SPP-2015-AG1-AFS-6.

New Network Upgrades

Project ID: 30513

Project Name: XFR - Potash Junction 230/115 kV Transformer Upgrade

Need Date for Project: 6/1/2021

Estimated Cost for Project: \$5,778,860

Network Upgrade ID: 50640

Network Upgrade Name: Potash Junction 230/115 kV Transformer Upgrade

Network Upgrade Description: Upgrade 230/115 kV transformer at Potash Junction.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Categorization: Regional Reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 328 MVA.

SPP-NTC-200420

Network Upgrade Justification: SPP-2015-AG1-AFS-6
Estimated Cost for Network Upgrade (current day dollars): \$5,778,860
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPP
Date of Estimated Cost: 1/5/2016

Project ID: 30699
Project Name: Line - Northwest - Rolling Hills 115 kV Ckt 1
Need Date for Project: 6/1/2021
Estimated Cost for Project: \$4,161,895

Network Upgrade ID: 50943
Network Upgrade Name: Northwest - Rolling Hills 115 kV Rebuild Ckt 1
Network Upgrade Description: Rebuild 8.3-mile 115 kV line from Northwest to Rolling Hills.
Network Upgrade Owner: SPS
MOPC Representative(s): William Grant
TWG Representative: John Fulton
Categorization: Regional Reliability
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 188 MVA.
Network Upgrade Justification: SPP-2015-AG1-AFS-6
Estimated Cost for Network Upgrade (current day dollars): \$4,161,895
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPS
Date of Estimated Cost: 5/13/2016

Project ID: 31061
Project Name: Line - Livingston Ridge - Wipp 115 kV Ckt 1 Rebuild
Need Date for Project: 6/1/2021
Estimated Cost for Project: \$0

Network Upgrade ID: 51565
Network Upgrade Name: Livingston Ridge - Wipp 115 kV Ckt 1 Rebuild
Network Upgrade Description: Rebuild 2.8-mile 115 kV line from Livingston Ridge to Wipp.
Network Upgrade Owner: SPS
MOPC Representative(s): William Grant
TWG Representative: John Fulton
Categorization: Regional Reliability
Network Upgrade Specification: All elements and conductor must have at least an

SPP-NTC-200420

emergency rating of 172 MVA.

Network Upgrade Justification: SPP-2015-AG1-AFS-6

Estimated Cost for Network Upgrade (current day dollars): \$0

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 5/13/2016

Project ID: 31062

Project Name: XFR - Pecos 230/115 kV Transformer Upgrade

Need Date for Project: 6/1/2021

Estimated Cost for Project: \$3,423,416

Network Upgrade ID: 51566

Network Upgrade Name: Pecos 230/115 kV Transformer Upgrade

Network Upgrade Description: Upgrade 230/115 kV transformer at Pecos.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Categorization: Regional Reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 187 MVA.

Network Upgrade Justification: SPP-2015-AG1-AFS-6

Estimated Cost for Network Upgrade (current day dollars): \$3,423,416

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 5/13/2016

Project ID: 31063

Project Name: Sub - Carlsbad - Pecos 115 kV Terminal Upgrades

Need Date for Project: 6/1/2021

Estimated Cost for Project: \$767,347

Network Upgrade ID: 51567

Network Upgrade Name: Carlsbad - Pecos 115 kV Terminal Upgrades

Network Upgrade Description: Install terminal upgrades at Carlsbad and/or Pecos to increase the rating of the 115 kV line between the substations.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Categorization: Regional Reliability

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

SPP-NTC-200420

emergency rating of 189 MVA.

Network Upgrade Justification: SPP-2015-AG1-AFS-6

Estimated Cost for Network Upgrade (current day dollars): \$767,347

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 5/13/2016

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 SPS's part to complete the 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.

SPP-NTC-200420

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
Jay Caspary - SPP
William Grant - SPS