

SPP-NTC-200455

**SPP
Notification to Construct**

May 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 April 25, 2017, the SPP Board of Directors approved the Network Upgrade(s) listed below to be constructed as part of the 2017 Integrated Transmission Planning Near-Term Assessment ("ITPNT").

New Network Upgrades

Project ID: 41188
Project Name: Sub - Hale County 115 kV
Need Date for Project: 12/1/2018
Estimated Cost for Project: \$741,329

Network Upgrade ID: 61834
Network Upgrade Name: Hale County 115 kV Terminal Upgrades
Network Upgrade Description: Install terminal upgrades at both breaker terminals of the line on the 115 kV circuit V72 (Hale County – Kress Interchange) at Hale County.
Network Upgrade Owner: SPS
MOPC Representative(s): William Grant
TWG Representative: John Fulton
Categorization: Regional Reliability
Network Upgrade Specification: All elements must have an emergency rating of at

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least 175 MVA.

Network Upgrade Justification: Upgrade identified in the Needs Assessment of the 2017 ITPNT as needed for regional reliability.

Estimated Cost for Network Upgrade (current day dollars): \$741,329

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 2/6/2017

Project ID: 41192

Project Name: Sub - Coulter 115 kV

Need Date for Project: 6/1/2018

Estimated Cost for Project: \$268,490

Network Upgrade ID: 61840

Network Upgrade Name: Coulter 115 kV Terminal Upgrades

Network Upgrade Description: Install terminal upgrades on the 115 kV circuit W71 (Coulter – Puckett) at Coulter Substation

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Categorization: Regional Reliability

Network Upgrade Specification: All elements must have an emergency rating of at least 175 MVA.

Network Upgrade Justification: Upgrade identified in the Needs Assessment of the 2017 ITPNT as needed for regional reliability.

Estimated Cost for Network Upgrade (current day dollars): \$268,490

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 2/6/2017

Project ID: 41194

Project Name: Sub - Plant X - Sundown 230 kV

Need Date for Project: 6/1/2018

Estimated Cost for Project: \$559,479

Network Upgrade ID: 61844

Network Upgrade Name: Plant X 230 kV Terminal Upgrades

Network Upgrade Description: Install terminal upgrades on the 230 kV circuit K46 (Plant X – Sundown) at Plant X.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

SPP-NTC-200455**TWG Representative:** John Fulton**Categorization:** Regional Reliability**Network Upgrade Specification:** All elements must have an emergency rating of at least 547 MVA.**Network Upgrade Justification:** Upgrade identified in the Needs Assessment of the 2017 ITPNT as needed for regional reliability.**Estimated Cost for Network Upgrade (current day dollars):** \$217,734**Cost Allocation of the Network Upgrade:** Base Plan**Estimated Cost Source:** SPS**Date of Estimated Cost:** 2/6/2017**Network Upgrade ID:** 61845**Network Upgrade Name:** Sundown 230 kV Terminal Upgrades**Network Upgrade Description:** Install terminal upgrades on the 230 kV circuit K46 (Plant X – Sundown) at Sundown.**Network Upgrade Owner:** SPS**MOPC Representative(s):** William Grant**TWG Representative:** John Fulton**Categorization:** Regional Reliability**Network Upgrade Specification:** All elements must have an emergency rating of at least 547 MVA.**Network Upgrade Justification:** Upgrade identified in the Needs Assessment of the 2017 ITPNT as needed for regional reliability.**Estimated Cost for Network Upgrade (current day dollars):** \$341,745**Cost Allocation of the Network Upgrade:** Base Plan**Estimated Cost Source:** SPS**Date of Estimated Cost:** 2/6/2017**Project ID:** 41198**Project Name:** Sub - Texas County - Hitchland 115 kV**Need Date for Project:** 6/1/2018**Estimated Cost for Project:** \$207,069**Network Upgrade ID:** 61852**Network Upgrade Name:** Texas County 115 kV Terminal Upgrades #1**Network Upgrade Description:** Upgrade terminal equipment on the Texas County - Hitchland 115 kV Ckt 1 at Texas County.**Network Upgrade Owner:** SPS**MOPC Representative(s):** William Grant**TWG Representative:** John Fulton**Categorization:** Regional Reliability

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Network Upgrade Specification: All elements must have an emergency rating of at least 225 MVA.

Network Upgrade Justification: Upgrade identified in the Needs Assessment of the 2017 ITPNT as needed for regional reliability.

Estimated Cost for Network Upgrade (current day dollars): \$98,639

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 2/6/2017

Network Upgrade ID: 61853

Network Upgrade Name: Texas County 115 kV Terminal Upgrades #2

Network Upgrade Description: Upgrade terminal equipment on the Texas County - Hitchland 115 kV Ckt 2 at Texas County.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Categorization: Regional Reliability

Network Upgrade Specification: All elements must have an emergency rating of at least 175 MVA.

Network Upgrade Justification: Upgrade identified in the Needs Assessment of the 2017 ITPNT as needed for regional reliability.

Estimated Cost for Network Upgrade (current day dollars): \$108,430

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 2/6/2017

Project ID: 41199

Project Name: Line - Etter - Moore - 115 kV

Need Date for Project: 6/1/2018

Estimated Cost for Project: \$9,037,903

Date of Estimated Cost: 3/20/2017

Estimated Cost Source: SPS

Network Upgrade ID: 71960

Network Upgrade Name: Etter - Moore 115 kV Rebuild

Network Upgrade Description: Rebuild 10.83-mile 115 kV line from Etter to Moore.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Categorization: Regional Reliability

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Network Upgrade Specification: All elements and conductor must have an emergency rating of at least 240 MVA

Network Upgrade Justification: Upgrade identified in the Needs Assessment of the 2017 ITPNT as needed for regional reliability.

Estimated Cost for Network Upgrade (current day dollars): \$9,037,903

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 3/20/2017

Project ID: 51246

Project Name: Sub - Nichols 230 kV

Need Date for Project: 12/1/2018

Estimated Cost for Project: \$490,000

Date of Estimated Cost: 3/22/2017

Estimated Cost Source: SPS

Network Upgrade ID: 71949

Network Upgrade Name: Nichols 230 kV Terminal Upgrades

Network Upgrade Description: Install terminal upgrades on the Nichols – Amarillo 230 kV circuit at Nichols.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: John Fulton

Categorization: Regional Reliability

Network Upgrade Specification: All elements must have an emergency rating of at least 547 MVA.

Network Upgrade Justification: Upgrade identified in the Needs Assessment of the 2017 ITPNT as needed for regional reliability.

Estimated Cost for Network Upgrade (current day dollars): \$490,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 3/22/2017

Upgrades with Modifications

Previous NTC Number: 200297

Previous NTC Issue Date: 5/5/2015

Project ID: 30755

Project Name: XFR - Tuco 230/115 kV Ckt 1

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Need Date for Project: 6/1/2018
Estimated Cost for Project: \$183,814

Network Upgrade ID: 50992
Network Upgrade Name: Tuco 230/115 kV Ckt 1 Transformer
Network Upgrade Description: Upgrade 230/115 kV transformer at Tuco to 288 MVA.
Network Upgrade Owner: SPS
MOPC Representative(s): William Grant
TWG Representative: John Fulton
Reason for Change: Modification to accelerate the Need Date to 6/1/2018 as approved by the SPP Board of Directors.
Categorization: Transmission Service
Network Upgrade Specification: All elements must have an emergency rating of at least 273 MVA.
Network Upgrade Justification: Upgrade identified in the Needs Assessment of the 2017 ITPNT as needed for regional reliability.
Estimated Cost for Network Upgrade (current day dollars): \$4,020,488
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

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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.

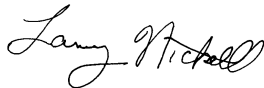
Notification of Progress

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. 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
Jay Caspary - SPP
William Grant - SPS