SPP Notification to Construct

May 23, 2017

Mr. Thomas Meland
Central Power Electric Cooperative, Inc.
525 20th Avenue SW
Minot, ND 58701

RE: Notification to Construct Approved Reliability Network Upgrades

Dear Mr. Meland,

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 Central Power Electric Cooperative, Inc ("CPEC"), as the Designated Transmission Owner, to construct the Network Upgrade(s). This NTC is conditioned upon CPEC not ordering materials or beginning construction until:

(1) the DTO submits a refined NTC-C Project Estimate ("CPE") to SPP that has a variance bandwidth of -20% to +20% that does not exceed the Study Estimate variance bandwidth of -30% to +30% as provided for in SPP’s Business Practices; or

(2) the SPP Board of Directors considers SPP’s re-evaluation of a project that has a refined CPE from the DTO that exceeds the Study Estimate variance bandwidth of -30% to +30% as provided for in SPP’s Business Practices.

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:** 41223  
**Project Name:** Line - New East Ruthville - SW Minot 115 kV New Line  
**Need Date for Project:** 6/1/2018  
**Estimated Cost for Project:** $21,780,000
Network Upgrade ID: 61894
Network Upgrade Name: East Ruthville - SW Minot 115 kV New Line
Network Upgrade Description: Construct new 24-mile 115 kV line from East Ruthville to SW Minot.
Network Upgrade Owner: CPEC
MOPC Representative(s): Thomas Meland
TWG Representative: N/A
Categorization: Regional Reliability
Network Upgrade Specification: All elements and conductor must have an emergency rating of at least 187 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): $20,745,000
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: BEPC
Date of Estimated Cost: 2/6/2017

Network Upgrade ID: 61895
Network Upgrade Name: East Ruthville - SW Minot 115 kV line Terminal Upgrades
Network Upgrade Description: Install terminal upgrades needed for East Ruthville - SW Minot 24-mile 115 kV line.
Network Upgrade Owner: CPEC
MOPC Representative(s): Thomas Meland
TWG Representative: N/A
Categorization: Regional Reliability
Network Upgrade Specification: All elements and conductor must have an emergency rating of at least 187 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): $1,035,000
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: BEPC
Date of Estimated Cost: 2/6/2017

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. 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.

**CPE**
Please provide SPP a CPE by January 1, 2018, as described in SPP’s Business Practice No. 7060
regarding Notification to Construct with Conditions. CPEC shall advise SPP of any inability to
provide the CPE by January 1, 2018, as soon as the inability becomes apparent. This due date
may change as a result of the final outcome of the FERC docket related to the Tariff changes to
implement the revised ITP process.

**Removal of Conditions**
Upon notice by SPP of removal of the conditions contained in this NTC, SPP will issue the DTO
a new NTC and the following will be applicable:

**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 CPEC’s part to complete the
approved Network Upgrade(s). For project tracking, SPP requires CPEC to submit status updates
of the Network Upgrade(s) quarterly in conjunction with the SPP Board of Directors meetings.
However, CPEC 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
    Jay Caspary - SPP
    Mark Sherman - CPEC