

SPP-NTC-210494

**SPP
Notification to Construct**

August 17, 2018

Mr. John Knofczynski
East River Electric Power Cooperative
P.O. Box 227
Madison, SD 57042

RE: Notification to Construct Approved Reliability Network Upgrades

Dear Mr. Knofczynski,

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 East River Electric Power Cooperative ("EREC"), as the Designated Transmission Owner, to construct the Network Upgrade(s).

On July 31, 2018, the SPP Board of Directors approved the Network Upgrade(s) listed below to be constructed as part of the 2018 Integrated Transmission Planning Near-Term ("ITPNT") Assessment.

New Network Upgrades

Project ID: 51330

Project Name: Multi - Sub - Lakeview County 69kV

Need Date for Project: 6/1/2019

Estimated Cost for Project: \$5,617,000

Network Upgrade ID: 82123

Network Upgrade Name: Lakeview 69 kV Substation

Network Upgrade Description: Build new Lakeview 69 kV Substation to replace existing motor-operated switch

Network Upgrade Owner: EREC

MOPC Representative(s): James Edwards

TWG Representative: John Knofczynski

Categorization: Regional Reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 45 MVA.

Network Upgrade Justification: Selected for 2018 ITPNT portfolio

Estimated Cost for Network Upgrade (current day dollars): \$3,732,000

Cost Allocation of the Network Upgrade: Base Plan

SPP-NTC-210494

Estimated Cost Source: EREC
Date of Estimated Cost: 4/25/2018

Network Upgrade ID: 82124
Network Upgrade Name: Lakeview 69 kV Capacitor Bank
Network Upgrade Description: New 14.4 MVAR (7.2 x 2) capacitor bank at the new Lakeview 69 kV Substation
Network Upgrade Owner: EREC
MOPC Representative(s): James Edwards
TWG Representative: John Knofczynski
Categorization: Regional Reliability
Network Upgrade Specification: New 14.4 MVAR (7.2 x 2) capacitor bank at the new Lakeview 69 kV Substation
Network Upgrade Justification: Selected for 2018 ITPNT portfolio
Estimated Cost for Network Upgrade (current day dollars): \$1,885,000
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: EREC
Date of Estimated Cost: 7/6/2018

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

SPP-NTC-210494

On an ongoing basis, please keep SPP advised of any inability on EREC's part to complete the approved Network Upgrade(s). For project tracking, SPP requires EREC to submit status updates of the Network Upgrade(s) quarterly in conjunction with the SPP Board of Directors meetings. However, EREC 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
James Edwards - EREC