

**SPP
Notification to Construct**

August 17, 2018

Mr. Jarred Cooley
Southwestern Public Service Company
790 S Buchanan Street
Amarillo, TX 79101

RE: Notification to Construct Approved Reliability Network Upgrades

Dear Mr. Cooley,

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 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: 31007

Project Name: XFR - Sundown 230/115 kV Transformer

Need Date for Project: 6/1/2019

Estimated Cost for Project: \$3,434,979

Network Upgrade ID: 51450

Network Upgrade Name: Sundown 230/115 kV Transformer

Network Upgrade Description: Upgrade the existing 230/115 kV transformer at Sundown and replace any terminal equipment required to meet the full rating of the new transformer.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: N/A

Categorization: Regional Reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 283 MVA.

Network Upgrade Justification: Selected for 2018 ITPNT portfolio

Estimated Cost for Network Upgrade (current day dollars): \$3,434,979

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 4/13/2018

Project ID: 41197

Project Name: Terry County - LG Clauene 115 kV Terminal Upgrades

Need Date for Project: 6/1/2019

Estimated Cost for Project: \$520,574

Network Upgrade ID: 61850

Network Upgrade Name: Terry County - LG Clauene 115 kV Terminal Upgrades

Network Upgrade Description: Replace terminal equipment on the Clauene-Terry (circuit V55) line and address any line clearance concerns to meet or exceed the line's conductor rating.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: N/A

Categorization: Regional Reliability

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

Network Upgrade Justification: Selected for 2018 ITPNT portfolio

Estimated Cost for Network Upgrade (current day dollars): \$520,574

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 1/5/2017

Project ID: 51316

Project Name: Carlisle - Murphy 115kV Terminal Upgrades

Need Date for Project: 6/1/2022

Estimated Cost for Project: \$319,760

Network Upgrade ID: 72095

Network Upgrade Name: Carlisle - Murphy 115 kV Terminal Upgrades

Network Upgrade Description: Replace terminal equipment on the Carlisle to Murphy (circuit V40) line and address any line clearance concerns to meet or exceed the conductor rating.

Network Upgrade Owner: SPS

MOPC Representative(s): William Grant

TWG Representative: N/A

Categorization: Regional Reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 160 MVA.

Network Upgrade Justification: Selected for 2018 ITPNT portfolio

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Estimated Cost for Network Upgrade (current day dollars): \$319,760
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPS
Date of Estimated Cost: 4/13/2018

Project ID: 61346
Project Name: XFR - McDowell 230/115 kV Ckt 1
Need Date for Project: 6/1/2019
Estimated Cost for Project: \$13,204,182

Network Upgrade ID: 92151
Network Upgrade Name: McDowell Creek 230/115kV Substation
Network Upgrade Description: Tap Moore-Potter 230kV and tap Exell-Fain 115kV and tie into a new substation at McDowell Creek.
Network Upgrade Owner: SPS
MOPC Representative(s): William Grant
TWG Representative: N/A
Categorization: Regional Reliability
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 319 MVA.
Network Upgrade Justification: Selected for 2018 ITPNT portfolio
Estimated Cost for Network Upgrade (current day dollars): \$8,374,877
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: Third party
Date of Estimated Cost: 6/6/2018

Network Upgrade ID: 92152
Network Upgrade Name: McDowell Creek 230/115kV Transformer
Network Upgrade Description: Install a 230/115 kV transformer at the McDowell Creek substation
Network Upgrade Owner: SPS
MOPC Representative(s): William Grant
TWG Representative: N/A
Categorization: Regional Reliability
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 150 MVA.
Network Upgrade Justification: Selected for 2018 ITPNT portfolio
Estimated Cost for Network Upgrade (current day dollars): \$4,829,305
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: Third party
Date of Estimated Cost: 6/6/2018

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

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.

SPP-NTC-210496

Sincerely,



Lanny Nickell

Vice President, Engineering

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cc: Carl Monroe - SPP
Antoine Lucas - SPP
Jay Caspary - SPP
William Grant - SPS