

**SPP
Notification to Construct**

August 17, 2018

Mr. Lloyd Linke
Western Area Power Administration
PO Box 790
Watertown, SD 57201

RE: Notification to Construct Approved Reliability Network Upgrade

Dear Mr. Linke,

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 Western Area Power Administration ("WAPA"), as the Designated Transmission Owner, to construct the Network Upgrade.

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

New Network Upgrades

Project ID: 51295

Project Name: Line - Lewis - Richland 115kV Ckt 1

Need Date for Project: 6/1/2019

Estimated Cost for Project: \$105,000 (this project cost contains Network Upgrades not included in this NTC)

Network Upgrade ID: 72052

Network Upgrade Name: Lewis - Richland 115kV Ckt 1 (WAPA)

Network Upgrade Description: Reconductor 0.1 miles of 115 kV line from Lewis to Richland and replace structures as needed.

Network Upgrade Owner: WAPA

MOPC Representative(s): Lloyd Linke

TWG Representative: Gayle Nansel

Categorization: Regional Reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 154 MVA.

Network Upgrade Justification: Selected for 2018 ITPNT portfolio

Estimated Cost for Network Upgrade (current day dollars): \$100,000

Cost Allocation of the Network Upgrade: Base Plan**Estimated Cost Source: WAPA****Date of Estimated Cost: 4/16/2018****Commitment to Construct**

Please provide to SPP a written commitment to construct the Network Upgrade 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. Failure to provide a sufficient written commitment to construct as required by the SPP OATT could result in the Network Upgrade being assigned to another entity.

Mitigation Plan

The Need Date represents the timing required for the Network Upgrade to address the identified need. Your prompt attention is required for formulation and approval of any necessary mitigation plans for the Network Upgrade included in the Network Upgrade 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 this Network Upgrade 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 WAPA's part to complete the approved Network Upgrade. For project tracking, SPP requires WAPA to submit status updates of the Network Upgrade quarterly in conjunction with the SPP Board of Directors meetings. However, WAPA 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
Gayle Nansel - WAPA