

SPP-NTC-C-210504

SPP
Notification to Construct

September 5, 2018

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

RE: Notification to Construct with Conditions 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 with Conditions ("NTC-C") directing Southwestern Public Service Company ("SPS"), as the Designated Transmission Owner, to construct the Network Upgrade(s). This NTC is conditioned upon SPS 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 $\pm 20\%$ that does not exceed the Study Estimate variance bandwidth of $\pm 30\%$ 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 $\pm 30\%$ as provided for in SPP's Business Practices.

On May 23, 2018, SPP concluded that the Network Upgrade(s) below are required on the SPS system to fulfill delivery point request(s) as detailed in the Delivery Point Network Study for delivery point request DPA-2017-November-808. On August 21, 2018, SPP received all executed Transmission Service Agreements associated with DPA-2017-November-808.

New Network Upgrades

Project ID: 61347

Project Name: Multi - China Draw - Road Runner 345 kV

Estimated Cost for Project: \$94,994,583

Network Upgrade ID: 92153

Network Upgrade Name: Bopco - Road Runner 345 kV Ckt 1 New Line

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Network Upgrade Description: Build new 21 mile 345 kV line from Bopco to Road Runner.

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 1792 MVA.

Network Upgrade Justification: DPA-2017-November-808

Need Date for Network Upgrade: 12/1/2018

Estimated Cost for Network Upgrade (current day dollars): \$33,846,764

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 8/23/2018

Network Upgrade ID: 92154

Network Upgrade Name: Bopco - China Draw 345 kV Ckt 1 New Line

Network Upgrade Description: Build new 19 mile 345 kV line from Bopco to China Draw.

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 1792 MVA.

Network Upgrade Justification: DPA-2017-November-808

Need Date for Network Upgrade: 12/1/2021

Estimated Cost for Network Upgrade (current day dollars): \$30,491,054

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPS

Date of Estimated Cost: 8/23/2018

Network Upgrade ID: 102153

Network Upgrade Name: Bopco 345/115 kV Ckt 1 Transformer

Network Upgrade Description: Construct 345/115 kV transformer at Bopco 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 435 MVA.

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Network Upgrade Justification: DPA-2017-November-808
Need Date for Network Upgrade: 12/1/2018
Estimated Cost for Network Upgrade (current day dollars): \$7,090,532
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPS
Date of Estimated Cost: 8/23/2018

Network Upgrade ID: 102154
Network Upgrade Name: Bopco 345/115 kV Ckt 2 Transformer
Network Upgrade Description: Construct second 345/115 kV transformer at Bopco 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 435 MVA.
Network Upgrade Justification: DPA-2017-November-808
Need Date for Network Upgrade: 12/1/2021
Estimated Cost for Network Upgrade (current day dollars): \$6,537,839
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPS
Date of Estimated Cost: 8/23/2018

Network Upgrade ID: 102157
Network Upgrade Name: Bopco 345 kV Substation
Network Upgrade Description: Build 345 kV portion of new 345/115 kV Bopco 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 1792 MVA.
Network Upgrade Justification: DPA-2017-November-808
Need Date for Network Upgrade: 12/1/2018
Estimated Cost for Network Upgrade (current day dollars): \$5,888,303
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPS
Date of Estimated Cost: 8/23/2018

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Network Upgrade ID: 102158
Network Upgrade Name: Bopco 115 kV Substation
Network Upgrade Description: Build 115 kV portion of new 345/115 kV Bopco substation. This includes work to reterminate the Wood Draw - Red Bluff 115 kV line into the new 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 174 MVA.
Network Upgrade Justification: DPA-2017-November-808
Need Date for Network Upgrade: 12/1/2018
Estimated Cost for Network Upgrade (current day dollars): \$11,140,091
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPS
Date of Estimated Cost: 8/23/2018

Project ID: 71347
Project Name: Line - Eddy County - Kiowa 345 kV New Line
Need Date for Project: 6/1/2024
Estimated Cost for Project: \$67,428,932

Network Upgrade ID: 102156
Network Upgrade Name: Eddy County - Kiowa 345 kV Ckt 1 New Line
Network Upgrade Description: Build new 34 mile 345 kV line from Eddy County to Kiowa.
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 1792 MVA.
Network Upgrade Justification: DPA-2017-November-808
Estimated Cost for Network Upgrade (current day dollars): \$67,428,932
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPS
Date of Estimated Cost: 8/23/2018

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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.

CPE

Please provide SPP a CPE by March 5, 2019, as described in SPP's Business Practice No. 7060 regarding Notification to Construct with Conditions. SPS shall advise SPP of any inability to provide the CPE by March 5, 2019, as soon as the inability becomes apparent.

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 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.

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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
William Grant - SPS