SPP Notification to Construct

September 6, 2019

Mr. Michael Cashell
NorthWestern Energy
300 S. Burr St.
Mitchell, SD 57301

RE: Notification to Construct for Transmission Service Request resulting from Sponsored Upgrade Study SUS-006

Dear Mr. Cashell,

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 NorthWestern Energy ("NWE"), as the Designated Transmission Owner, to construct the Network Upgrades.

On July 31, 2018, the SPP Board of Directors endorsed the Network Upgrade(s) listed below to be constructed. On August 20, 2019, an Agreement for Sponsored Upgrade was fully executed by NWE and SPP.

New Network Upgrades

Project ID: 81616
Project Name: Line - Aberdeen City - Aberdeen Industrial Park 115 kV
Need Date for Project: 12/31/2019
Estimated In-Service Date: 12/21/2021
Estimated Cost for Project: $3,334,258

Network Upgrade ID: 122576
Network Upgrade Name: Aberdeen City - Aberdeen Industrial Park 115 kV Ckt 1 New Line
Network Upgrade Description: Build new 3.29 mile, 115 kV line from Aberdeen City - Aberdeen Industrial Park
Network Upgrade Owner: NWE
Categorization: Sponsored Upgrade
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 133 MVA.
Network Upgrade Justification: SUS-006 Northwestern Aberdeen 115 kV Line
Estimated Cost for Network Upgrade (current day dollars): $2,781,590  
Cost Allocation of the Network Upgrade: Directly Assigned  
Estimated Cost Source: SPP  
Date of Estimated Cost: 8/27/2018

Network Upgrade ID: 122599  
Network Upgrade Name: Aberdeen A-Tap Breaker 115 kV  
Network Upgrade Description: Add breaker at Aberdeen A-tap for the new Aberdeen City - Aberdeen Industrial Park 115 kV line.  
Network Upgrade Owner: NWE  
Categorization: Sponsored Upgrade  
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 133 MVA.  
Network Upgrade Justification: SUS-006 Northwestern Aberdeen  
Estimated Cost for Network Upgrade (current day dollars): $552,668  
Cost Allocation of the Network Upgrade: Directly Assigned  
Estimated Cost Source: SPP  
Date of Estimated Cost: 8/21/2019

**Commitment to Construct**  
Please provide to SPP a written commitment to construct the Network Upgrade(s) within 90 days of the date of this Notification to Construct, in addition to providing a construction schedule and an updated ±20% cost estimate, NTC Project Estimate, in the Standardized Cost Estimate Reporting Template for the Network Upgrade(s). Failure to provide a 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 Estimated In-Service 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 Upgrades(s) if the Estimated In-Service Date is not feasible. Additionally, if it is anticipated that the completion of any Network Upgrade will be delayed past the Estimated In-Service Date, SPP requires a mitigation plan be filed within 60 days of 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 NWE’s part to complete the approved Network Upgrade(s). For project tracking, SPP requires NWE to submit status updates of the Network Upgrade(s) quarterly in conjunction with the SPP Board of Directors meetings. However, NWE shall also advise SPP of any inability to comply with the Project(s) Schedule as the inability becomes apparent.

All terms and conditions of the SPP OATT and the SPP Membership Agreement shall apply to this project(s) and nothing in this letter shall carry such terms and conditions.

Don't hesitate to contact me if you have questions or comments about these requests. 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
     Andrew McLain - NWE