

SPP-NTC-210576**SPP
Notification to Construct**

November 17, 2020

Mr. Wayman Smith
American Electric Power
212 E. 6th St.
Tulsa, OK 74119

RE: Notification to Construct Approved Reliability Network Upgrades

Dear Mr. Smith,

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 American Electric Power ("AEP"), as the Designated Transmission Owner, to construct the Network Upgrade(s).

On October 27, 2020, the SPP Board of Directors approved the Network Upgrade(s) listed below to be constructed as part of the 2020 Integrated Transmission Planning ("ITP") Assessment.

New Network Upgrades**Project ID:** 91875**Project Name:** Device - Grady 138 kV**Need Date for Project:** 12/1/2022**Estimated Cost for Project:** \$688,781**Network Upgrade ID:** 143156**Network Upgrade Name:** Grady 138 kV Capacitor Bank**Network Upgrade Description:** Install a new 23 MVAR capacitor bank at Grady 138 kV**Network Upgrade Owner:** AEP**MOPC Representative(s):** Brian Johnson, Chad Heitmeyer, Richard Ross, Jim Jacoby**TWG Representative:** Matthew McGee**Categorization:** Regional Reliability**Network Upgrade Specification:** Install a new 23 MVAR capacitor bank**Network Upgrade Justification:** 2020 ITP

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Estimated Cost for Network Upgrade (current day dollars): \$688,781
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPP
Date of Estimated Cost: 9/15/2020

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 AEP's part to complete the approved Network Upgrade(s). For project tracking, SPP requires AEP to submit status updates of the Network Upgrade(s) quarterly in conjunction with the SPP Board of Directors meetings. However, AEP 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.

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Sincerely,



Antoine Lucas

Vice President, Engineering

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cc: Lanny Nickell - SPP
Casey Cathey - SPP
David Kelley - SPP
Bob Bradish - AEP
David Ball- AEP
Scott Rainbolt - AEP
Daniel Rogier - AEP
Jeff Ellis - AEP