

SPP-NTC-210584

SPP
Notification to Construct

November 17, 2020

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

RE: Notification to Construct Approved Reliability Network Upgrades

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 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: 81497

Project Name: Multi - Aberdeen Junction - Richmond 115 kV

Need Date for Project: 12/1/2022

Estimated Cost for Project: \$14,671,500 (this project cost contains Network Upgrades not included in this NTC)

Network Upgrade ID: 132893

Network Upgrade Name: Aberdeen Junction 115 kV Terminal Upgrades

Network Upgrade Description: Install any necessary terminal equipment to support a new 115 kV line from Richmond to achieve a summer emergency rating of 139 MVA

Network Upgrade Owner: NWE

MOPC Representative(s): Bleau LaFave

TWG Representative: NA

Categorization: Regional Reliability

Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 139 MVA

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Network Upgrade Justification: 2020 ITP
Estimated Cost for Network Upgrade (current day dollars): \$1,060,000
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: EREC
Date of Estimated Cost: 7/6/2020

Network Upgrade ID: 143181
Network Upgrade Name: Aberdeen Jct - Richmond 115 kV Ckt 1 (NWE)
Network Upgrade Description: Build a new 13.5 mile 115 kV line from Aberdeen Junction to Richmond to achieve a summer emergency rating of 139 MVA
Network Upgrade Owner: NWE
MOPC Representative(s): Bleau LaFave
TWG Representative: NA
Categorization: Regional Reliability
Network Upgrade Specification: All elements and conductor must have at least an emergency rating of 139 MVA
Network Upgrade Justification: 2020 ITP
Estimated Cost for Network Upgrade (current day dollars): \$3,277,500
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: EREC
Date of Estimated Cost: 11/2/2020

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

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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 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,

A handwritten signature in blue ink, appearing to read "AL", is positioned above the typed name of the sender.

Antoine Lucas
Vice President, Engineering
Phone: (501) 614-3382 • Fax: (501) 482-2022 • alucas@spp.org

cc: Lanny Nickell - SPP
Casey Cathey - SPP
David Kelley - SPP
Andrew McLain - NWE