

SPP-NTC-220753

SPP
Notification to Construct with Conditions

December 15, 2023

Mrs. Gayle Nansel
Western Area Power Administration, Upper Great Plains Customer Service Region
P.O. Box 35800
Billings, MT 59107-5800

RE: Notification to Construct with Conditions Approved Economic Network Upgrades

Dear Mrs. Nansel,

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 Western Area Power Administration, Upper Great Plains Customer Service Region ("WAPA"), as the Designated Transmission Owner, to construct the Network Upgrades. This NTC is conditioned upon WAPA 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 -20% to +20% that does not exceed the Study Estimate variance bandwidth of -30% to +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 -30% to +30% as provided for in SPP's Business Practices.

On October 31, 2023, the SPP Board of Directors approved the Network Upgrade(s) listed below to be constructed as part of 2023 ITP.

New Network Upgrades

Project ID: 93063

Project Name: XFR - Fort Thompson 345/230 kV

Need Date for Project: 11/14/2023

Estimated Cost for Project: \$33,546,913

Network Upgrade ID: 157551

Network Upgrade Name: Fort Thompson 345/230 kV Transformer Ckt 1 (345 kV)

Network Upgrade Description: Replace any 345 kV terminal equipment to support 345/230 transformer Ckt 1 at Fort Thompson 345 kV substation.

Network Upgrade Owner: WAPA

MOPC Representative(s): Steve Sanders

TWG Representative(s): Gayle Nansel

Categorization: Economic

Network Upgrade Specification: All elements and conductor to meet or exceed 675/675/675/675 (SN/SE/WN/WE) MVA rating

Network Upgrade Justification: 2023 ITP

Estimated Cost for Network Upgrade (current day dollars): \$12,963,375

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: WAPA

Date of Estimated Cost: 6/16/2023

Network Upgrade ID: 157552

Network Upgrade Name: Fort Thompson 345/230 kV Transformer Ckt 2 (230 kV)

Network Upgrade Description: Replace any 230 kV terminal equipment to support 345/230 transformer Ckt 2 at Fort Thompson 230 kV substation.

Network Upgrade Owner: WAPA

MOPC Representative(s): Steve Sanders

TWG Representative(s): Gayle Nansel

Categorization: Economic

Network Upgrade Specification: All elements and conductor to meet or exceed 675/675/675/675 (SN/SE/WN/WE) MVA rating

Network Upgrade Justification: 2023 ITP

Estimated Cost for Network Upgrade (current day dollars): \$4,891,214

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPP

Date of Estimated Cost: 6/16/2023

Network Upgrade ID: 157553

Network Upgrade Name: Fort Thompson 345/230 kV Transformer Ckt 2 (345 kV)

Network Upgrade Description: Replace any 345 kV terminal equipment to support 345/230 transformer Ckt 2 at Fort Thompson 345 kV substation.

Network Upgrade Owner: WAPA

MOPC Representative(s): Steve Sanders

TWG Representative(s): Gayle Nansel

Categorization: Economic

Network Upgrade Specification: All elements and conductor to meet or exceed 675/675/675/675 (SN/SE/WN/WE) MVA rating

Network Upgrade Justification: 2023 ITP

Estimated Cost for Network Upgrade (current day dollars): \$12,963,375
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: WAPA
Date of Estimated Cost: 6/16/2023

Network Upgrade ID: 157554
Network Upgrade Name: Fort Thompson 345/230 kV Transformer Ckt 1 (230 kV)
Network Upgrade Description: Replace any 230 kV terminal equipment to support 345/230 transformer Ckt 1 at Fort Thompson 230 kV substation.
Network Upgrade Owner: WAPA
MOPC Representative(s): Steve Sanders
TWG Representative(s): Gayle Nansel
Categorization: Economic
Network Upgrade Specification: All elements and conductor to meet or exceed 675/675/675/675 (SN/SE/WN/WE) MVA rating
Network Upgrade Justification: 2023 ITP
Estimated Cost for Network Upgrade (current day dollars): \$2,728,949
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: WAPA
Date of Estimated Cost: 6/14/2023

Commitment to Construct

Please provide to SPP a written commitment to construct the Network Upgrade(s) by March 14, 2024. 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 the earlier of 1) four months in advance of the start of the next Integrated Transmission Plan Assessment (ITP) or 2) June 12, 2024, as described in SPP's Business Practice No. 7060 regarding Notification to Construct with Conditions. Please also include a construction schedule with your CPE. WAPA shall advise SPP of any inability to provide the CPE by the date specified, as soon as the inability becomes apparent. This due date may change as a result of the final outcome of the FERC docket related to the Tariff changes to implement the revised ITP process.

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.

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 WAPA's part to complete the approved Network Upgrade(s). For project tracking, SPP requires WAPA's to submit status updates of the Network Upgrade(s) 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(s), and nothing in this letter shall vary 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,

A handwritten signature in blue ink that reads "David Kelley".

David Kelley
Vice President, Engineering
Phone: (501) 688-1671 • Fax: (501) 482-2022 • dkelley@spp.org

cc: Lanny Nickell - SPP
Casey Cathey - SPP
Natasha Henderson - SPP
Tony Green - SPP
Steve Sanders - WAPA
Dirk Shulund - WAPA