

SPP-NTC-220761

SPP
Notification to Construct with Conditions

December 15, 2023

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

RE: Notification to Construct with Conditions Approved Economic 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 Upgrades. 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 -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: 94067

Project Name: XFR-Potter County 345/230 kV Ckt1 & Ckt2

Need Date for Project: 11/14/2023

Estimated Cost for Project: \$30,000,000

Network Upgrade ID: 158629

Network Upgrade Name: Potter County 345/230 kV Transformer Ckt 2 (345 kV)

Network Upgrade Description: Install new 345/230 transformer at Potter County 345 kV substation Ckt 2

Network Upgrade Owner: SPS

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): \$7,500,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPP

Date of Estimated Cost: 10/31/2023

Network Upgrade ID: 158630

Network Upgrade Name: Potter County 345/230 kV Transformer Ckt 1 (230 kV)

Network Upgrade Description: Expand and replace 230 kV terminal equipment at Potter County substation to support the replacement of the 345/230 kV transformer ckt 1 and the new 345/230 kV transformer ckt 2

Network Upgrade Owner: SPS

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): \$7,500,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPP

Date of Estimated Cost: 10/31/2023

Network Upgrade ID: 158631

Network Upgrade Name: Potter County 345/230 kV Transformer Ckt 1

Network Upgrade Description: Replace existing 345/230 kV transformer at Potter County substation ckt 1

Network Upgrade Owner: SPS

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): \$7,500,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPP

Date of Estimated Cost: 10/31/2023

Network Upgrade ID: 158632

Network Upgrade Name: Potter County 345 kV Substation Expansion

Network Upgrade Description: Expand and replace 345 kV terminal equipment at Potter County substation to support the replacement of the 345/230 kV transformer ckt 1 and the new 345/230 kV transformer ckt 2

Network Upgrade Owner: SPS

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): \$7,500,000

Cost Allocation of the Network Upgrade: Base Plan

Estimated Cost Source: SPP

Date of Estimated Cost: 10/31/2023

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. SPS 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 SPS's part to complete the approved Network Upgrade(s). For project tracking, SPP requires SPS's 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.

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,



David Kelley
Vice President, Engineering
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cc: Lanny Nickell - SPP
Casey Cathey - SPP
Natasha Henderson - SPP
Tony Green - SPP
Reene Miranda - SPS