

SPP-NTC-220760

SPP
Notification to Construct with Conditions

January 31, 2024

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

RE: Notification to Construct for Approved Reliability Upgrades with Conditions

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 (DTO), 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.

SPP concluded that the Network Upgrade below is required on the SPS system to fulfill delivery point request as detailed in Delivery Point Network Study for delivery point request DPA-2022-March-1564. On November 10, 2023, SPP received all executed Transmission Service Agreements associated with Delivery Point Study DPA-2022-March-1564.

New Network Upgrades**Project ID:** 92986**Project Name:** XFR-Phantom 345/115 kV Transformer & Capacitor Bank**Need Date for Project:** 6/1/2026**Estimated In-Service Date:** 1/15/2027**Estimated Cost for Project:** \$39,814,933**Network Upgrade ID:** 157296**Network Upgrade Name:** XFR - Phantom 345/115 kV Transformer (345 kV)**Network Upgrade Description:** Add new Phantom 345/115 kV transformer**Network Upgrade Owner:** SPS**Categorization:** Regional Reliability**Network Upgrade Specification:** Add new Phantom 345/115 transformer with a minimum summer emergency rating of least 445 MVA.**Network Upgrade Justification:** DPA-2022-March-1564**Estimated Cost for Network Upgrade (current day dollars):** \$6,856,781**Cost Allocation of the Network Upgrade:** Base Plan**Estimated Cost Source:** SPS**Date of Estimated Cost:** 6/25/2023**Network Upgrade ID:** 159052**Network Upgrade Name:** XFR - Phantom 345/115 kV Transformer (115 kV)**Network Upgrade Description:** Add new Phantom 345/115 kV transformer**Network Upgrade Owner:** SPS**Categorization:** Regional Reliability**Network Upgrade Specification:** Add new Phantom 345/115 transformer with a minimum summer emergency rating of least 445 MVA.**Network Upgrade Justification:** DPA-2022-March-1564**Estimated Cost for Network Upgrade (current day dollars):** \$6,856,781**Cost Allocation of the Network Upgrade:** Base Plan**Estimated Cost Source:** SPS**Date of Estimated Cost:** 6/25/2023**Network Upgrade ID:** 157303**Network Upgrade Name:** Phantom 115 kV Cap Bank**Network Upgrade Description:** Add new 72 MVAR cap bank at Phantom 115 kV substation**Network Upgrade Owner:** SPS**Categorization:** Regional Reliability**Network Upgrade Specification:** Expand the 115kV substation as necessary for a new 72 MVAR cap bank at Phantom 115 kV substation.

Network Upgrade Justification: DPA-2022-March-1564
Estimated Cost for Network Upgrade (current day dollars): \$7,675,058
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPS
Date of Estimated Cost: 6/25/2023

Network Upgrade ID: 157307
Network Upgrade Name: Phantom 345 kV Cap Bank
Network Upgrade Description: Add new 200 MVAR cap bank at Phantom 345 kV substation.
Network Upgrade Owner: SPS
Categorization: Regional Reliability
Network Upgrade Specification: Expand 345kV substation as necessary for a new 200 MVAR cap bank at Phantom 345 kV substation.
Network Upgrade Justification: DPA-2022-March-1564
Estimated Cost for Network Upgrade (current day dollars): \$18,426,313
Cost Allocation of the Network Upgrade: Base Plan
Estimated Cost Source: SPS
Date of Estimated Cost: 6/25/2023

Commitment to Construct

Please provide to SPP a written commitment to construct the Network Upgrade(s) by April 30, 2024, in addition to providing a construction schedule and an updated -20% to +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.

CPE

Please provide SPP a CPE by July 29, 2024 as described in SPP's Business Practice No. 7060 regarding Notification to Construct with Conditions. SPS shall advise SPP of any inability to provide the CPE by July 29, 2024, as soon as the inability becomes apparent.

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. 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 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,

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
Reene Miranda - SPS