ETT Marfa Alamito Creek to Gonzales 138 kV Transmission Line Project

Q. WHY IS THE PROJECT NEEDED AND WHO BENEFITS?

A. The City of Presidio is currently provided electric service from a single 69 kV transmission line that was constructed in 1948 as a 33 kV transmission line. This transmission line is unshielded, constructed with single pole wood structures and with a small conductor size that today is used for distribution service applications. The transmission line's age, design configuration, and conductor size are all contributing to unacceptable service reliability and voltage quality to the load located on the line from Marfa to Presidio. American Electric Power Service Corporation (AEPSC) provided to the Electric Reliability Council of Texas (ERCOT) information on this line's performance problems and ERCOT agreed that the transmission service issues needed to be addressed. On July 15, 2008 the ERCOT Board of Directors approved the following improvements to address the unacceptable service reliability and voltage quality issues:

- Construction of a new 69 kV transmission line designed to 138 kV operation from Marfa Alamito Creek to Presidio
- Addition of a second 138/69 kV autotransformer at Marfa Alamito Creek Substation
- Installation of four 1.2 MW Sodium-Sulfur (NaS) battery units at Presidio

These additions will improve both the service reliability and voltage quality to the electric service customers from Marfa to Presidio.

Q. WHICH ADDITION DOES THIS PUBLIC MEETING ADDRESS?

A. This public meeting is specifically for the construction of the new transmission line from Marfa Alamito Creek to Presidio. The other improvements do not require a Certificate of Convenience and Necessity (CCN) application being filed with the Public Utility Commission of Texas (PUCT) to construct and no routing studies are involved.

Q. WHAT IS ERCOT?

A. In early 1996, the PUCT issued revised rules to incorporate the Texas Legislature's changes to the Public Utility Regulatory Act (PURA) to create an Independent System Operator (ISO). Essentially an ISO is an independent, third-party entity that oversees the activities related to the reliable and safe transmission of electricity within a specified geographic area in Texas. However, as part of the

electric retail choice implementation by the Texas Legislature, in the case of the ERCOT ISO, it also provides the platform for an open, competitive marketplace in the areas in Texas open to retail competition. Under PURA, the ERCOT ISO is required to perform four primary functions:

1. Ensure non-discriminatory access to the transmission and distribution systems for all electricity buyers and sellers.
2. Ensure the reliability and adequacy of the regional electric network.
3. Ensure that information related to customer retail choice is provided in a timely manner.
4. Ensure that electricity production and delivery are accurately accounted for among all regional generators and wholesale buyers and sellers.

Q. WHO IS ETT?

A. Electric Transmission Texas, LLC (ETT) is a new utility holding a certificate in Texas to provide transmission service that is co-owned by American Electric Power (AEP) and MidAmerican Energy Holdings Company (MidAmerican). AEP is the parent company of AEP Texas North Company (AEP TNC). AEP had sought a partner to help share in the financing of a large amount of transmission expenditures that AEP Texas was facing in the next 10 to 15 years related to wind energy expansion and aggressive load growth. The result was a partnership (50% equal ownership) between AEP and MidAmerican. AEP will engineer, construct, and operate these new transmission facilities for ETT.

Q. WHAT IS THE PURPOSE OF THE PUBLIC MEETING?

A. The public meeting provides ETT and its routing consultant the opportunity to obtain public input on the route identification and evaluation process, while also providing a venue to educate the public on the project and the routing process involved. Input received at the public meeting is then used in possible refinement to the potential route links presented. All public meetings will be held in the evening and on days that are not intended to conflict with landowners' availability to attend a meeting. Meetings are "come and go" settings with different stations set up to discuss different aspects of the proposed transmission line, from the need for the transmission line to the routing evaluation process. Questionnaires will also be provided for attendees to solicit responses that will also be considered as part of the routing process.

Q. WHO APPROVES THE CONSTRUCTION AND ROUTING OF THE TRANSMISSION LINE?

A. ETT's activities are regulated by the PUCT, which has the ultimate authority to approve the construction of and the routing of the transmission line for ETT.

Q. HAS THE TRANSMISSION LINE APPROVAL BEEN OBTAINED?

A. ETT has not obtained approval for a route at this time. ETT is currently working with an experienced consultant in routing evaluation and will present the routing results and make recommendations to the PUCT at a later date for its consideration and approval. ETT plans on filing its CCN application, which is necessary for the PUCT to consider the approval of the line and the line route, in the late summer of 2009.

Q. WHAT IS THE PROJECTED IN SERVICE DATE FOR THIS TRANSMISSION LINE?

A. The target in service date for the transmission line is prior to the summer peak of 2012.

Q. HOW LONG WILL IT TAKE TO CONSTRUCT THE TRANSMISSION LINE?

A. After approval by the PUCT, which is required to build the line, construction is anticipated to take approximately 18 to 20 months.

Q. WHAT IS THE POTENTIAL IMPACT ON LAND USE OF THIS TRANSMISSION LINE?

A. The impact to land-use for this area is expected to be minimal. The routing evaluation process attempts to reasonably minimize the impact to land use by paralleling compatible rights of way and apparent boundary features that separate land use (i.e., what appears to be a potential property boundary). The routing evaluation also attempts to minimize the number of habitable structures close to the potential easements. The majority of the area crossed is arid ranch land used for grazing and hunting. The transmission line is anticipated to minimally impact both.

Q. PLEASE EXPLAIN WHAT AN EASEMENT IS?

A. An easement is a legal document that gives a utility the right to use privately owned land for a specific purpose. The landowner retains ownership of the property. The proposed project will require easements to be obtained from landowners on the route approved by the PUCT. Easement rights would be purchased along the path of the transmission line as needed to allow for installation, operation and maintenance of the transmission line.

Q. HOW IS THE LANDOWNER IMPACTED BY THESE EASEMENTS?

A. Easements provide the utility the ability to clear right-of-way and construct electric facilities within the easement boundaries. Clearing includes the removal of trees and shrubs in the easement that would interfere with the safe operation and the maintenance of the transmission line. Erosion control measures are implemented during the clearing and construction process. After ETT has obtained a necessary easement from a landowner that landowner will be contacted prior to clearing and construction activities. ETT will undertake reasonable efforts to minimize disturbances to the landowner's use of the property and the impact to landowner's property in general during clearing and construction activities. After completing construction of the transmission line, the surface of the easement area will be restored as near possible to its original contours and grades and be re-vegetated as necessary using native species while giving consideration to landowner preferences. The landowner may continue to use the easement property for activities such as ranching and hunting, as long as the activity does not interfere with the construction, operation and maintenance of the line and does not jeopardize the safe use of the easement area. The PUCT does require that a new easement restrict the new construction of any above-ground structures within the right-of-way.

Q. WHAT WILL BE THE EASEMENT WIDTH REQUIRED?

A. A 100-foot wide easement will be typically required. Additional easement area may be required for structure anchors and guy wires as well as multiple structures at line angle locations.

Q. WHEN WILL ETT APPROACH THE LANDOWNERS FOR EASEMENTS?

A. ETT will only approach landowners after it is assured that the PUCT is going to approve a specific route or has approved a specific route. Only those landowners

located on the approved route will be contacted for easements. At this time, ETT does not know which alternative route that the PUCT would ultimately approve.

Q. WHAT IS A TYPICAL DESCRIPTION OF THE STRUCTURES TO BE BUILT?

A. ETT anticipates that the typical structure will be single pole and made of concrete or steel. The structures heights will range from 90 to 110 feet above groundline (typically 100 feet) with the span distance between structures normally ranging between 700 to 900 feet. The single pole towers are required to be of this height because ETT complies with the National Electrical Safety Code (NESC) regarding minimum clearances to the ground, roadways, structures, other utility structures, etc. These clearance requirements are for the safety of the general public.

Q. ARE THE STRUCTURES SECURE AND SAFE?

A. Yes. ETT designs and constructs transmission lines with safety in mind. Materials are used that comply with the strength requirements of all applicable codes, including the NESC (as required by Texas statute) and the American Standard Testing Materials Specifications. ETT's design and construction practices meet or exceed all of these codes and specifications. These codes and specifications were developed in part to protect the general public from electrical shock. Also, if a severe event occurs, such as extreme wind conditions from a thunderstorm, and causes an overhead conductor to break and fall to the ground or upon the structure, ETT has in place protective devices to de-energize the line to further protect the general public. However, downed conductors should be considered dangerous and ETT requests that if one is found that contact with it should be avoided.