

COMPENSATION TO LANDOWNERS

Public Comments: Concerns were raised regarding the preservation of area aesthetics, the retention of property values, and future property values.

Project Team Analysis: Aesthetics are considered in the CPS Energy Facility Routing and Siting Process. CPS Energy compensates landowners based on the fair market value of the easement, but does not compensate neighboring landowners.

- **Aesthetics:** The CPS Energy Facility Routing and Siting Process addresses issues concerning aesthetics. The recommended route is the best of the four primary route options considered utilizing the established 37 environmental criterion. (See “Environmental Assessment Report”)
- **Property Values:** After the route is finalized, an independent appraiser will establish property values for CPS Energy. Using sales data on comparable properties in the area, the appraiser will determine whether or not the transmission line diminishes the value of a landowner’s property, including the landowner’s property outside the easement. This information is based on the highest and best use of the property and takes into account all information gathered from the real estate market at the time the appraisal is being conducted.
- CPS Energy utilizes information gathered from the appraisal and the landowner through negotiations to determine the appropriate fair market value of the easement. If property owners dispute the value of the property, they may hire their own independent appraiser to establish the value of the easement.
- Independent appraisers can reach different conclusions. CPS Energy can only support payments that are based on fair market value, as determined in negotiations or through a condemnation proceeding.
- Although CPS Energy compensates landowners for the use of easements on their property based on law and practice, no compensation is made to surrounding landowners. Under the Texas Constitution, CPS Energy as a public entity cannot expend public funds to compensate adjacent landowners even if the nearby landowners believe they have suffered some property devaluation due to the proximity of a transmission line.