



May 31, 2017

Dear Property Owners and Valued CPS Energy Customers:

As you may know, CPS Energy plans to construct a new substation, high-voltage transmission line, and associated distribution lines in the southwest portion of the CPS Energy service area near Shepherd and Pearsall Roads. This project is commonly referred to as the Shepherd Substation and Transmission Project. The substation and associated transmission and distribution lines are needed to improve the electric service reliability in the area.

The siting and routing of the substation and transmission line has been handled through CPS Energy's Facility General Routing and Siting Process, which included an open house, a detailed environmental assessment and many conversations with interested customers. The project team presented the recommended site/route (please see enclosed map) to the CPS Energy Board of Trustees at its Board meeting on May 22, 2017.

Prior to making a final determination, the CPS Energy Board of Trustees will host a Public Input Session on the evening of Thursday, June 22, 2017, to hear customer comments and suggestions about the proposed substation and transmission line locations.

Here are the details:

Silverado Event Center

16490 IH 35 South Atascosa, TX 78002

AGENDA:

5:30 to 6:00 p.m. ----- Registration

Displays and Informal Discussion

With CPS Energy Staff

6:00 to 7:30 p.m. ------ Public Input Meeting

Customers who wish to speak should fill out a registration card between 5:30 and 6:00 p.m. The meeting will begin at 6:00 p.m., a presentation will be given at 6:10 p.m., and registered speakers will begin to speak at 6:25 p.m. Customers will also have the opportunity to submit written comments during the registration period. This meeting is free and open to the public.

Thank you for your valuable input to this process. Additional information is added periodically to the project web-site, accessible through cpsenergy.com. Should you have additional questions or if you need any special on-site accommodations to attend this meeting, please contact me.

Sincerely,

II Hernandez

JJ Hernandez

Project Manager

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