



April 28, 2014

Re: Bulverde substation project update

Valued customer,

On April 28, 2014 CPS Energy's Board of Trustees approved the site and route for the proposed Bulverde Substation and Transmission Line Project. The approved site and route is posted on our website, www.cpsenergy.com search Bulverde substation.

Initiated in June of 2013, the Routing and Siting Process included an open house, a detailed environmental assessment, a public input session and many conversations with interested customers. The project team presented its recommended route/site, Site/Route B1 (shown on the attached map), to the CPS Energy Board of Trustees at a regularly scheduled Board Meeting on January 27, 2014. In addition a public input session was held on March 20, 2014 in Bulverde, Texas.

CPS Energy will soon begin contacting property owners of the approved site/route in order to gather information needed for timely construction of the project. The projected completion date of the new substation and transmission line is June 2017.

The substation and transmission line are needed to keep pace with rapid customer growth and improve reliability to existing customers.

Thank you for your valuable input to this process.

Sincerely,

Cathleen Ballard

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