



January, 27, 2014

As you may know, CPS Energy plans to construct a new substation and high-voltage power transmission line, commonly referred to as the Bulverde Substation and Transmission Project in the northern portion of our service area. The substation and transmission line are needed to keep pace with rapid customer growth and improve reliability to existing customers. The transmission line will connect the new substation to the existing Stonegate-Green Mountain transmission line.

Initiated in June of 2013, the Routing and Siting Process included an open house, a detailed environmental assessment, 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.

The CPS Energy Board of Trustees will be asked to approve this site and route at its meeting to be held on Monday, February 24, 2014. The approved site for the new substation and route for the new transmission line will be posted on the CPS Energy Web site ([cpsenergy.com](http://cpsenergy.com)).

After Board approval, CPS Energy will 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.

Thank you for your valuable input to this process.

Sincerely,

Cathleen Ballard

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