

September 10, 2012

Dear CPS Energy Customer:

CPS Energy hosted an open house on August 16, 2012 to introduce the Ranchtown Substation Project that will improve the reliability of electric service in your area. In addition to explaining the details of the project to interested parties, the open house was an opportunity for CPS Energy to document feedback from those in the immediate area of the proposed project sites. The valuable feedback CPS Energy received from the open house prompted a modification of the original map included in the invitation to the open house.

Attached is the revised map reflecting the changes generated from feedback received at the open house. Three new potential substation sites were added and are numbered 9, 10 and 11. In addition, the transmission and distribution routes associated with the sites are included on the map and minor changes were made to align existing sites with existing property lines. No other changes were made to the map. The additional sites will be included in CPS Energy's evaluation process along with the original eight sites.

If you have comments or feedback regarding any of the three added sites please make contact with me as soon as possible using the telephone number or e-mail below. If you would prefer to document your comments in writing, please complete the enclosed questionnaire and return it in the self addressed envelope included in this package. If you would like to have your comments regarding the new sites considered in our evaluation process, please return the questionnaire or contact me directly no later than Friday September 28, 2012. Your prompt response is appreciated.

CPS Energy expects to complete the selection process by the end of November 2012. Once the CPS Energy project team selects a preferred site and recommends it to the CPS Energy Board of Trustees, a letter will be sent to you with a map identifying the recommended site and the scheduled date and location for a public input meeting. This meeting will be an opportunity for you to provide input to our Board of Trustees regarding the site selection.

As always, should you have any questions or need additional information feel free to email me at baraney@CPSEnergy.com or call me at 210-353-3107. You can also find the most up to date information regarding the project on the CPS Energy website by typing in the search word "Ranchtown".

Sincerely,

Bruce Raney

Project Manager
CPS Energy