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Important Information for Property Owners

230KV TRANSMISSION PROJECT

North Gila to TS-8 to Yucca



ISSUE 1 • MARCH 2010

In This Issue:

- APS RESTARTS LINE-SITING PROJECT
- ADDITIONAL SEGMENT ADDED TO PROJECT
- STATE SITING PROCESS
- ENVIRONMENTAL PROCESS
- OPPORTUNITIES FOR INFORMATION AND COMMENT
- PROJECT SCHEDULE
- OPEN HOUSES SCHEDULED FOR 5:30 - 7:30 PM, APRIL 6 & 7
(SEE INSIDE FOR LOCATIONS)

QUESTIONS? CALL GREG BERNOSKY AT 602-493-4448 OR 1-866-472-4484

Please visit our project Web site at www.aps.com/siting

230KV TRANSMISSION PROJECT

North Gila to TS-8 to Yucca



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APS RESTARTS YUMA-AREA TRANSMISSION LINE SITING PROJECT

APS is restarting its public line siting efforts for a new double-circuit 230kV (kilovolt) transmission line from the North Gila substation to a new substation tentatively called TS-8 in the Yuma area, in order to meet an anticipated 2014 in-service date.

In September 2008, APS announced a temporary delay in the line siting process for this project, based on an assessment of projected load growth in the Yuma area and an in-service delay for a new 500kV bulk electricity transmission line from Phoenix to the North Gila substation. The 230kV line siting process was suspended by APS before a final identification of alternative routes or approval of the project by the Arizona Corporation Commission (ACC).

An in-service date of 2014 has since been identified for the 500kV project, and APS must develop the North Gila to TS-8 230kV project to meet this timeframe for system operation purposes.

ADDITIONAL 230KV LINE SEGMENT ADDED TO PROJECT

In addition to the original segment from North Gila to TS-8, APS proposes to engage in line siting activities for a new segment of double-circuit 230kV transmission line, continuing from TS-8 to the Yucca Power Plant located near Somerton Avenue and 8th Street. This project previously has been identified in the company's 10-Year Plan, but does not have a specific in-service date at this time. APS believes advance planning for this segment is beneficial for long-term electrical and land-use planning in Yuma.

Both of the proposed projects will increase transmission capacity and reliability in the Yuma area, and potentially accommodate the development of renewable energy projects in the region.

The map included in this newsletter illustrates the proposed transmission system in Yuma.

STATE SITING PROCESS

In accordance with Arizona Revised Statute (ARS § 40-360), APS must obtain approval from the ACC before constructing any new high-voltage power lines greater than 115kV. In compliance with those regulations, APS will prepare a Certificate of Environmental Compatibility (CEC) application for the project.

Once the siting process and public outreach has been completed, the application will be filed with the Arizona Power Plant and Transmission Line Siting Committee. The CEC application includes information on the proposed project's purpose and need, description, cost, and federal and state permitting efforts. After the Arizona Power Plant and Transmission Line Siting Committee completes the public hearings for the project, the Committee will make a formal recommendation on the project to the ACC.

The ACC issues the final approval of the project, including the determination of the preferred route for the transmission line.

ENVIRONMENTAL PROCESS

APS has retained EPG, an environmental consulting firm, to evaluate and expand upon the previous environmental analysis conducted for the North Gila to TS-8 project. APS will use information gathered during the original public line siting process as a key component of its current route identification activities.

The CEC application requires that several environmental factors are evaluated, including existing and planned land uses, landscape scenic quality and views, historic and archaeological features, and plant and wildlife species.

Resource specialists in each of these areas will assess the potential impacts of the project on the route alternatives that are identified. EPG will be responsible for conducting four primary tasks:

1. Regional study area characterization and review of previous/possible identification of new preliminary transmission line alternatives
2. Detailed inventory of resources in the study area

(continued inside)

For more information, please visit the project Web site at www.aps.com/siting

Project Study Area

- 3. Impact assessment and mitigation planning
- 4. Assistance in the preparation of the CEC application

The results of the environmental studies will be a key consideration APS will use in evaluating the different alternative routes.

OPPORTUNITIES FOR PUBLIC INFORMATION AND COMMENT

APS is committed to conducting an extensive public outreach program that actively seeks the community's involvement in evaluating alternative routes for the new electric transmission necessary to ensure the safe and reliable delivery of electricity to all of our customers in the Yuma area.

Please participate in the public input process by reviewing information or submitting comments through one or more of the following methods:

- Project Web site, www.aps.com/siting
Select "Current Projects" and then click on the link for the "North Gila to TS-8 to Yucca 230kV Project"
- APS Transmission and Facility Siting Project Information Line, 1-866-472-4484
Press 1 to be directly connected with the APS Siting Project Manager
- Project newsletters mailed to APS customers and property owners in the project area
- Public open house(s)
- Arizona Power Plant and Transmission Line Siting Committee public hearings
- ACC Open Meeting

In addition, APS will continue to brief affected stakeholders, communities and agencies, and business and civic leaders throughout the line siting process, during which comments and questions are always welcome.

PROJECT SCHEDULE

The process and time required to site power lines varies from project to project. APS anticipates a CEC application submittal for this project in early Fall 2010. Line Siting Committee hearings typically occur within 60 days of the CEC application filing. A final decision on the project by the ACC is expected by early 2011.

INFORMATIONAL OPEN HOUSES

APS has scheduled two initial open house events for this project. The open houses will be conducted in an informal format, allowing the public to talk one-on-one with APS personnel and to review detailed project information. Both sessions will include the same information and APS personnel, and are offered on consecutive nights in different locations within the Yuma area for the convenience of attendees.

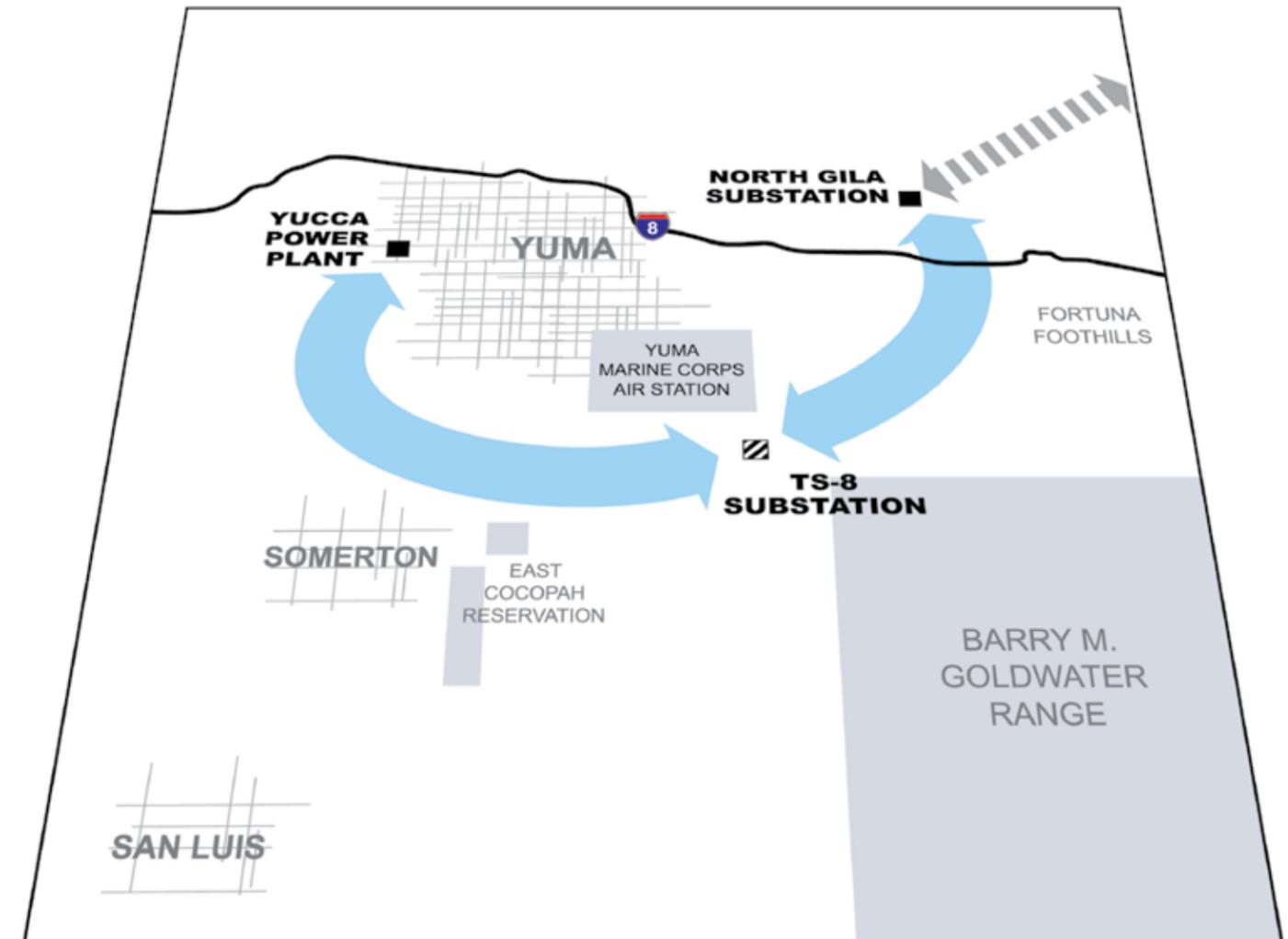
The public is invited to attend either of the two sessions any time between 5:30 p.m. and 7:30 p.m., to talk one-on-one with project team members and review detailed project information. The meetings are scheduled for the following dates:

Tuesday, April 6, at the Booth Machinery Training Center, 6565 E. 30th Street in Yuma

Wednesday, April 7, at the Ramada Chilton Conference Center, 300 E. 32nd Street in Yuma

We look forward to the opportunity to discuss this project with you and hope to see you at one of the two open house events. **Questions or comments about this project can be submitted through the project Web site at www.aps.com/siting or by contacting Greg Bernosky, APS Transmission and Facility Siting Project Manager, toll-free at 1-866-472-4484 or (602) 493-4448.**

APS THANKS YOU FOR YOUR INTEREST AND SUPPORT IN THIS PROJECT.



- Future 230kV Transmission Line (for informational purposes only, no specific location has been determined)
- Future Palo Verde to North Gila #2 500kV Transmission Line (Approved by ACC)
- Existing Power Plant or Substation
- Future Substation (specific location to be determined)