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Important Information for Property Owners



North Gila to TS-8 to Yucca



ISSUE 2 • NOVEMBER 2010

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PROJECT STATUS

APS would like to provide an update regarding a proposed transmission project in the Yuma area.

As we communicated in March, APS has restarted its public line-siting efforts for a new double-circuit 230-kilovolt (kV) transmission line from APS's existing North Gila Substation, located at approximately County 6½ and Avenue 9 E, to a new substation tentatively called TS-8 in the south-central Yuma mesa area. APS is planning to meet an anticipated 2014 in-service date.

In addition to the original segment described above, APS is planning for a future section of double-circuit 230kV transmission line continuing from TS-8 to the Yucca Power Plant, located near Somerton Avenue and 8th Street. This new segment also will be considered in our current line siting process.

APS's initial outreach efforts included a newsletter sent to property owners and APS customers in the area, newspaper advertisements, numerous stakeholder discussions and two public open house events in April. (The project study area map, which was printed in the newsletter mailed in March, is included again with this update.)

APS EXPLORING CO-LOCATION OPPORTUNITIES

Initial plans called for a follow-up newsletter and at least one more open house this fall. However, APS is taking additional time to explore opportunities to co-locate our planned facilities with existing or planned electric facilities in the area. We also are refining proposed routes, maps, and other information to share in future public outreach efforts.

NEXT STEPS

The primary intent of this letter is to make you aware that no decisions have been made at this time.

APS expects to move forward with the line-siting process in the coming months, and will keep you informed of next steps. APS remains committed to an extensive public outreach program that actively seeks the community's involvement in evaluating alternative routes for new infrastructure necessary to ensure the safe and reliable delivery of electricity to our customers in the Yuma area.

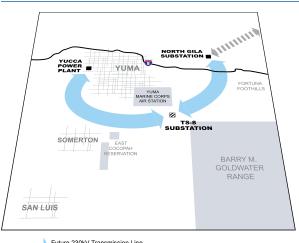
OPPORTUNITIES FOR PUBLIC INFORMATION AND COMMENT

We invite you to participate in the public input process through any of the following methods:

- · Project website, aps.com/siting. Select "Current Projects," then click on the link for the "North Gila to TS-8 to Yucca 230kV Project." (Previous and new communications about this project can be found at the project website.)
- APS Transmission and Facility Siting Project Information Line, 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.
- Future project open house events.
- Future Arizona Power Plant and Transmission Line Siting Committee public hearings.
- Future Arizona Corporation Commission Open meeting.

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

PROJECT STUDY AREA



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)