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IMPORTANT INFORMATION FOR PROPERTY OWNERS

Please Attend the Sundance to Pinal South 230kV Transmission Project

Public Information Open House

Tuesday, October 23, 2007 5:30–7:30 p.m.

Central Arizona College – Residence Life Classroom 8470 N. Overfield Road Coolidge, Arizona 85228

(From the main entrance of the campus, take the first left into the residence life parking lot and follow the signs to the meeting room)

For more information please visit our Web site at www.aps.com/siting and select the link for Current Projects





Sundance to Pinal South 230kV Transmission Project

October 2007 • Issue 2

APS Identifies Alternative Transmission Line Routes

Based on several months of environmental and technical analysis, as well as public input, APS has identified a series of alternative route alignments that will be carried forward into the next phase of the Sundance to Pinal South 230kV (kilovolt) Transmission Project.

Arcadis, a consulting firm hired by APS to assist in the project, has completed an environmental analysis on the initial alternative route alignments presented at the first project open house held on Aug. 14 at Central Arizona College. Additional input has been received through comments received at the open house, the project Web site, community and agency meetings, and direct contact with the APS project manager.

In addition to the environmental analysis and public input, representatives from APS' internal departments have conducted analysis on the routes and facilities to ensure that the options that are carried forward meet APS' electrical and system planning needs.

Other information that is part of the decision-making process includes:

- The ability of APS to obtain land rights;
- The total cost of the project; and
- The ability of APS to obtain the necessary approvals for the construction of the project, including regulatory approvals.

Alternative Route Descriptions

The map on the inside of this newsletter illustrates the two primary alternative routes and two corridor areas inclusive of several sub-route options that are currently under consideration. It should be noted that

(Continued on inside)

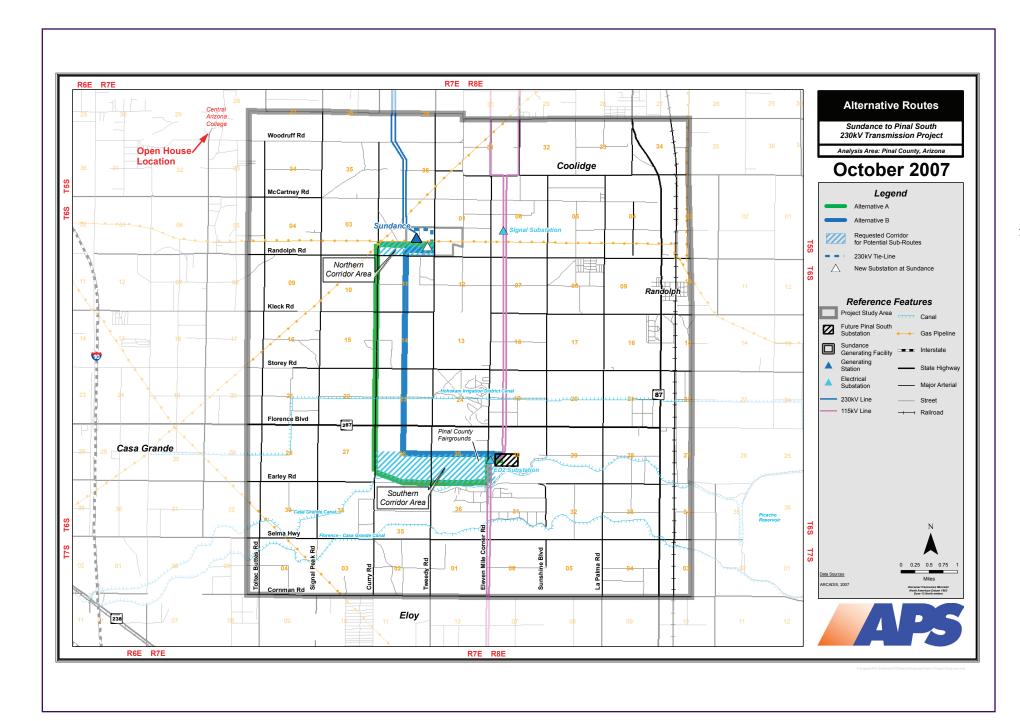
In This Issue

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Questions?
Call 1-866-472-4484
Select Option 2
for Greg Bernosky,
Project Manager



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"We continue to value your feedback as we progress through the line siting and route identification process."

Greg Bernosky, Project Manager

Alternative B (Blue Line)

- This route also originates at the new substation at Sundance and will follow the same alignment as Alternative A to the half-section alignment between Curry and Tweedy Roads.
- continue south along this alignment to the half-section alignment between Florence Boulevard (State Route 287) and Earley Road.
- From this point, APS

- •The route would then
- would parallel the future Pinal West to Southeast Valley/Browning 500/230kV transmission line proposed by Salt River Project (SRP) to the Pinal South Substation.

only one continuous route between Sundance and the Pinal South Substation is required for the project.

Both route alternatives will originate at a new substation, which will be located on 10 acres of the existing Sundance property owned by APS (white triangle on map).

Alternative A (Green Line)

•This route originates at the new substation at Sundance as noted on the map and will parallel the south side of existing and future natural gas pipelines north of Randolph Road to the Curry Road alignment.

- •The location of the route in this area will depend on engineering considerations described under the heading of "Northern Corridor Area".
- Alternative A then follows Curry Road to approximately the Earley Road alignment, which is also generally paralleled by the Casa Grande Canal.
- The route continues east to Eleven Mile Corner Road and then north to the Pinal South Substation.

Northern Corridor Area (Blue Crosshatch)

APS will seek approval for a corridor of sufficient size between the existing and proposed natural gas pipelines and Randolph Road to accommodate the appropriate separation between the pipelines and the proposed transmission line based on engineering and policy requirements.

Southern Corridor Area (Blue Crosshatch)

APS is continuing to work with SRP and Pinal County to identify a potential route for the project in an area that includes the Pinal County Fairgrounds, located immediately east of the existing ED-2 Substation and future Pinal South Substation along Eleven Mile Corner Road. Several sub-route options, including a crossing of the Pinal County Fairgrounds property as well as a series of alignments that would not cross the Fairgrounds, are under consideration. APS anticipates requesting a corridor that would allow the project to be built along Alternative A or B, or a route within the blue-hatched area as noted on the map.

Next Steps

APS will hold a second public open house on this project on Tuesday, Oct. 23 in the Residence Life Classroom of Central Arizona College, 8470 N. Overfield Road in Coolidge. The public may attend any time between 5:30 and 7:30 p.m. to review project information, comment on the routes identified, and ask questions of the project team.

Additionally, APS and Arcadis will continue with the detailed analysis and begin the process of developing its Application for a Certificate of Environmental Compatibility (CEC), which is part of the state-required process to approve this project (Arizona Revised Statute § 40-360). APS plans to announce the identification of a Preferred Route in a final mailing prior to the filing of the CEC Application, anticipated in November 2007.

We continue to value your feedback as we progress through the line siting and route identification process and invite interested parties to provide comments or questions through our Web site at www.aps.com/siting or contact APS Project Manager Greg Bernosky toll free at 1-866-472-4484 (select Option 2 for this project).