NOTICE OF PROPOSED CONSTRUCTION ON COUNTY RIGHT OF WAY

TO: Kendall County Commissioners Court
Kendall County, Texas

Formal notice is hereby given that _____ proposes to place an _____ within the right-of-way or across, _____ Road, in Kendall County, Texas, as follows: attach sketch- (give location, length, general design, depth, width, etc.)

The object(s) due to be constructed on the county road as shown on the attached drawing shall be in accordance with governing laws, including, but not limited to any rules, regulations and policies of Commissioners Court or the County of Kendall.

I further understand that the County requires proper traffic control measures as those complying with applicable portions of the **Texas Manual of Uniform Traffic Control Devices** required for adoption by the "Uniform Act Regulating Traffic on Highways" (V.C.S. 6701d).

⇨ *The location and description of the proposed construction and appurtenances is more fully shown by schedules and/or complete sets of drawings attached to this notice.*

I further agree to return the road and/or ditches to their original, or better, condition prior to construction.

No more than one-half (½) of any road will be closed at the same time. One-half (½) of the road must be left open allowing traffic to pass.

No ditch in a road will be left open overnight.

No debris or other obstruction will be left in the road or right-of-way once construction is completed.

Kendall County Commissioners' Court will be advised when construction is completed.

Each interruption of the existing road right-of-way will require a new notice of proposed construction to be filed with Commissioners' Court.

I further understand and agree that the County reserves the right to give no less than thirty (30) days notice for the removal of any object previously approved that extends into or across the county right-of-way.

Construction will begin on or after the _____ day of _____, _____.

Name: _____ Company _____

Address: _____ Phone # : _____
_____ Fax # : _____

Company performing the construction _____
Address _____
Phone & Fax # _____

Approved by authorized county official this _____ day of _____, _____.

_____
Kendall County Engineer

rec'd. Sept. 24, 2013
Lance W.

Save Our Scenic Hill Country Environment, Inc.
208 W Ledge Stone Drive
Fredericksburg, Texas 78624

September 17, 2013

Lance Wenmohs
Manager, Siting and Certification
Lower Colorado River Authority
P.O. Box 220
Austin, Texas 78767-0220

Re: Blumenthal Substation and 138-kV Transmission Line Project in Gillespie, Kendall and Blanco counties.

Dear Mr. Wenmohs,

The following comments are being provided on behalf of Save Our Scenic Hill Country Environment, an organization with more than 575 members which include landowners, business and other interested people. We are pleased to have the opportunity to provide information concerning environmental and land use features regarding the subject project.

Our organization is generally supportive of the project based on CTEC and LCRA's stated need to reliably serve an area east of Fredericksburg. However, we believe that the project should minimize negative aesthetic and other effects.

Minimization of negative effects includes the following.

- Placing the substation outside of the viewshed of U.S. 290. This area includes the growing wine industry corridor and the associated large number of visitors.
- Working with impacted landowners and other interested parties to minimize the impacts of the transmission line route and to select appropriate structures regarding type and color where applicable.

We are sensitive to existing and future residential, medical, recreational, municipal, and educational land use areas including but not limited to:

- The wine industry and other businesses along U.S. 290.
- The Lyndon B. Johnson National Historic Park, State Park & Historic Site.
- The Luckenbach entertainment area.
- The Stonewall, Blumenthal and Albert communities and areas.
- The Pedernales River basin.
- South Grape Creek and other streams.

We would ask that the CTEC transmission lines that will connect to the new substation be described and displayed on the Study Area map and subsequent maps.

Again, we are pleased to have this opportunity to provide our input and trust that it will be seriously considered.

Respectfully,

Robert Weatherford
President
Save Our Scenic Hill Country Environment, Inc.

cc: David W. Peterson, P.E. (CTEC)

Hill Country Land Trust

June 18, 2014

Phil Wilson, General Manager
Lower Colorado River Authority
P.O. Box 220
Austin, TX 78767

Dear Mr. Wilson:

In 2012 the Hill Country Land Trust welcomed the news that the Lower Colorado River Authority (LCRA) was forming a land trust (Colorado River Land Trust) to help protect land in the Colorado River basin for future generations of Texans. Becky Motal, general manager at the time, was quoted as saying, "A big part of our mission is land conversation and stewardship of the lower Colorado River."

Since 1999 our land trust has conserved over 5,700 acres through 19 conservation easements in the Hill Country, part of which includes the LCRA service area. One of our most significant donated conservation easements is the 1,561 acre Hershey Ranch located in Southeastern Gillespie County. We were recently dismayed to learn that several proposed routes of the Blumenthal Substation and 138-kV Transmission Line Project pass across the Hershey Ranch.

HCLT is now faced with the challenge to defend the conservation values outlined in this easement, just as the Colorado River Land Trust would be required to do. We are dismayed because money and effort spent on this defense would be better served in acquiring additional conservation easements to protect more of our Hill Country landscape. HCLT struggles to understand how LCRA can solicit conservation easements which require protection and defense in perpetuity while proposing transmission lines over land held by other land trusts.

We request that LCRA, in this case and in future cases, weigh conservation easements as a factor in routing transmission lines. We also ask that LCRA reconsider the routes for this proposed transmission lines and avoid ALL conservation easements.

We look forward to working with the Colorado River Land Trust, especially where our missions overlap and we welcome the opportunity to discuss this issue with any of your representatives.

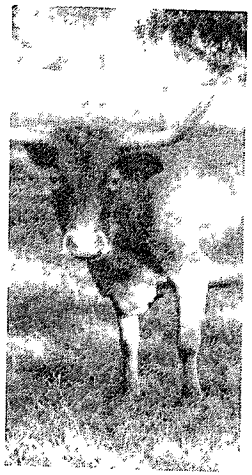
Sincerely,

Katherine J. Peake

Katherine Peake
President

Cc: Lance Wenmohs, LCRA; LCRA Board of Directors; Colorado River Land Trust Board of Directors; and Judy Boyce, Hershey Ranch

Texas currently leads the nation in loss of farm and ranch land. Properties in the 500 to 2000 acre range are most susceptible to fragmentation through development. As property size decreases, production declines, contributions to the local economies diminish and families are forced to seek other means of livelihood. The division of land also increases pressure on wildlife, watersheds and water quality.



The decision to break up a ranch or farm can be driven by economics or hardships, but often it is just the lack of planning or of clear communication among the owners. A conservation easement is a legal document that memorializes the owner's desires for the future use of the land and may provide economic relief and tax benefits to current and future owners of the land.

If you are concerned about the future of your own property, the Hill Country Land Trust stands ready to work directly with you to develop a plan which meets your specific needs and goals. There is no general blueprint for land conservation because each landowner must consider the history, traditions and dreams he has for the future of his own property. Together we can make a difference for the future of the Hill Country.

Hill Country Land Trust
P.O. Box 1724
Fredericksburg, Texas

"Our Choices Today Create The Hill Country Of Tomorrow."

Hill Country Land Trust
Established 1998

"Our Choices Today Create The Hill Country Of Tomorrow."

Most everyone would agree that protecting the Hill Country and its way of life is important. Everything we treasure from the land to the wildlife and even the families who live and work here depend on the wisdom of those who have gone before us. The Hill Country that our children inherit will depend on the stewardship decisions that we make today. Leaving it to chance just doesn't make good sense.

Back in 1998 a group of volunteer Hill Country landowners organized the Hill Country Land Trust (HCLT). Their goal was to help neighbors preserve their legacy Whether it be for a working ranch, a watershed, recreational land or open range, the HCLT has provided the legal tools, called conservation easements, to ensure the long term protection of property.

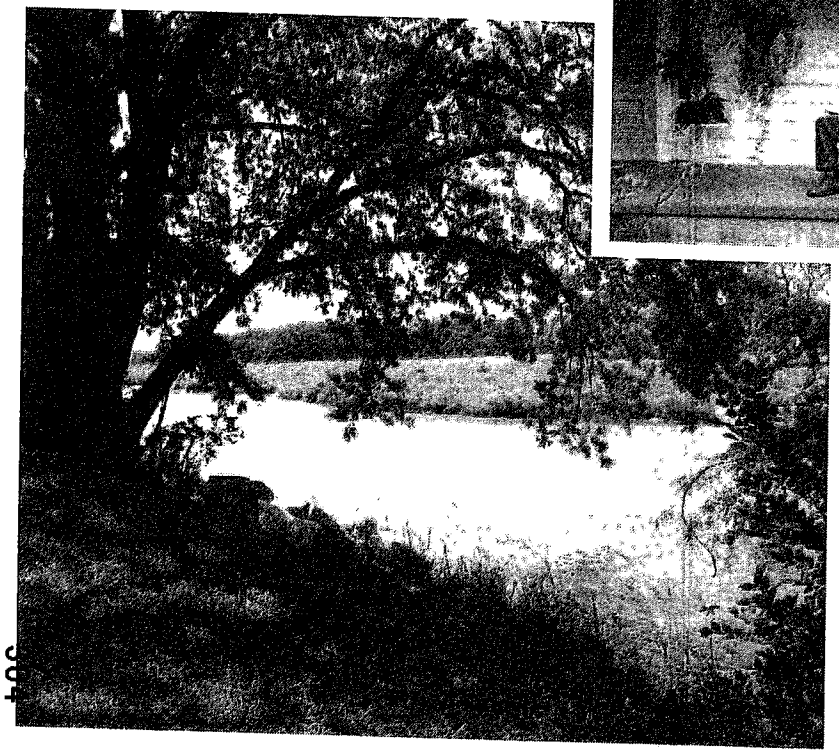
When a landowner chooses to establish a conservation easement, he doesn't give up his rights to continue utilizing the property as he has in the past. A conservation easement simply restricts future development that the owner does not want on his land, regardless of who may own it in the years ahead. He chooses the future for his land.

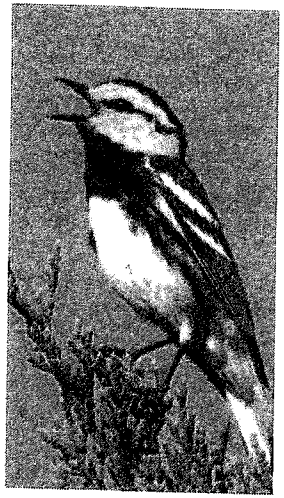
This brochure will answer some questions you may have but we encourage you to contact one of our members to discuss your specific needs and goals for your property.

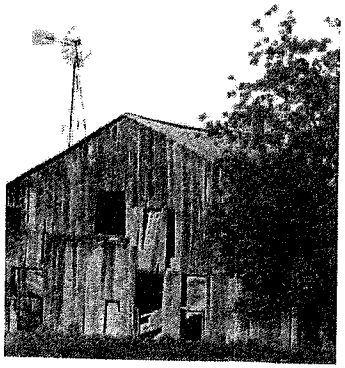
Functions Of The Hill Country Land Trust

- *Our primary function is to assist a landowner in creating a legal document that preserves his long term wishes and to conduct annual inspections to ensure those wishes are honored.*
- *To offer a range of available options tailored to the specific preservation goals of Hill Country landowners.*
- *To work with private landowners who voluntarily elect to preserve the natural character of their property through the donation of land conservation easements.*
- *Dissemination of information on programs and practices that foster responsible land stewardship without sacrificing the economic viability of the land.*
- *To raise public awareness of preservation issues in the Hill Country.*

The Hill Country Land Trust is a non-profit, non-government 501(c)(3) corporation organized by resident landowners concerned that increasingly intense development pressures throughout the Texas Hill Country area threaten to destroy its very nature.







A Conservation Easement is *a permanent deed restriction a property owner may choose to place on his or her land, in order to protect such resources as productive agricultural land, water, wildlife habitat, historic sites or scenic views. Over time the property may change hands, but each successive owner will be bound by the terms of the permanent easement.*

A Conservation Easement is not *a transfer of ownership, nor a grant of free access, or a restriction on any uses specifically reserved by the grantor of the easement.*

The Hill Country Land Trust is active in Menard, Kimble, Mason, Llano, Burnet, Blanco, Hays, Comal, Kendall, Gillespie, Bandera, Real, Kerr, Edwards, Schleicher, Sutton, Lampasas, San Saba, McCulloch counties and surrounding areas.

Hill Country Land Trust

P.O. Box 1724
Fredericksburg, Texas

For more information or to arrange a consultation about your preservation goals call us at 830-997-0027 or go to our website at www.hillcountrylandtrust.org

LCRA
ENERGY • WATER • COMMUNITY SERVICES

June 25, 2014

Katherine Peake
President
Hill Country Land Trust
P.O. Box 1724
Fredericksburg, Texas 78624

Re: Blumenthal – 138-kV Transmission Line Project

Dear Ms. Peake:

Thank you for your letter of June 18 regarding LCRA Transmission Services Corporation's (LCRA TSC's) Blumenthal – 138-kilovolt (kV) transmission line project, and its possible effect on the Hershey Ranch on which the Hill Country Land Trust (HCLT) holds a conservation easement. I took particular note of HCLT's request for LCRA (TSC) to, "...avoid ALL conservation easements" in routing the prospective transmission line routes (emphasis in your letter).

Unfortunately, your request for LCRA to avoid all conservation easements in routing transmission lines is not something LCRA or LCRA TSC can do. As you may know, transmission line routing criteria are contained in the Utilities Code and the Substantive Rules of the Public Utility Commission of Texas (PUC), neither of which currently contain an exception for land trust property. LCRA TSC is not at liberty to ignore those routing criteria, nor can it establish its own routing criteria separate and apart from the statutory and regulatory criteria contained in the statute and the rules.

Your concern for the HCLT's land trust property is certainly understandable. As we have moved through the public input phase of this project, we have heard similar concerns shared by every private property owner who faces the possibility of having the PUC approve a transmission line that crosses his or her property. At this point in the process, LCRA TSC has not selected the final transmission line routes it will propose in the Certificate of Convenience and Necessity (CCN) application, which I am informed by staff will be filed in the fall of this year. However, if any route ultimately proposed in the CCN application by LCRA TSC affects the Hershey Ranch, I would suggest that you intervene in the case and raise your arguments with the PUC, which will ultimately decide where the transmission line will be constructed. If the final route selected by the PUC happens to affect the Hershey Ranch, LCRA TSC representatives will work with the landowner and HCLT to find workable solutions to mitigate any previously identified impacts to the property, as well as to negotiate a value for the transmission line easement.

Finally, I feel compelled to address a point in your letter that suggests an inconsistency in LCRA's involvement in the Colorado River Land Trust and LCRA TSC's preliminary routing proposal on the Hershey Ranch. LCRA believes strongly that land trusts help conservation easement owners better control development on sensitive lands. However, being able to control development on sensitive land does not lead to a conclusion that all necessary public infrastructure should be prohibited. The two are not incompatible.

Again, thank you for taking the time to contact me about HCLT's concerns.

Sincerely,

Phil Wilson
General Manager

cc: LCRA Board of Directors
Colorado River Land Trust Board
Lance Wenmohs

From: Dan Snodgrass [mailto:dsnodgrass@TNC.ORG]
Sent: Friday, May 30, 2014 2:16 PM
To: Lance Wenmohs
Subject: [External] Blumenthal Substation Questionnaire

Lance,

It was nice meeting you yesterday in Lindendale for the meeting with landowners along Highway 1888. As we discussed, I work for The Nature Conservancy and we hold a Conservation Easement on property owned by Chris Hale. As I'm sure you have seen in other locations, the landowners in this area are very concerned about the possibility of the line coming down 1888. Obviously as holder of a Conservation Easement The Nature Conservancy is also very concerned. I would urge you to select routes that don't cross properties that have permanent protection in the way of a conservation easement. These tracts are held in conservation due to the abundance of wildlife species (both threatened and endangered) as well as for the scenic beauty. Although conservation easements don't trump eminent domain, it would be extremely detrimental to the land as well as the ability to use conservation easements as a tool in the future.

Many conservation easements are donated by landowners to prevent fragmentation of land and to protect the biodiversity and unique characteristics of some of the most special places in the country. As our state continues to grow, we undoubtedly need to keep up with needs such as power, but to cross special lands set aside in perpetuity would be very detrimental to our natural resources. Please keep this in mind as the project progresses and search for areas that have the least impact to natural resources and avoid any conservation easements and scenic byways. I plan on participating throughout the process and am available to help in any way that I can to protect properties that are protected with permanent conservation easements.

I enjoyed the meeting yesterday and think you and your colleagues handled yourselves very well in what I know is likely not pleasant conversation at times. I have attached my answers to the questionnaire.

Sincerely,

Dan Snodgrass

Dan Snodgrass
Associate Director of Land Conservation

dsnodgrass@tnc.org
(512) 468-6900 (Mobile)

nature.org

The Nature Conservancy
Johnson City Field Office
302 Main Street
P.O. Box 1207
Johnson City, TX 78636

Fredericksburg
THE TEXAS HILL COUNTRY
Convention and Visitor Bureau

RESOLUTION

WHEREAS, LCRA Transmission Services Corporation (LCRA TSC) and Central Texas Electric Cooperative (CTEC) are proposing to build new electric transmission facilities that could be located in portions of Gillespie, Blanco and Kendall counties; and

WHEREAS, LCRA TSC plans to build a new 138-kV transmission line to connect CTEC's proposed new electric substation in Gillespie county to LCRA TSC's existing 138-kV electric transmission line that runs through northern Kendall and western Blanco counties; and

WHEREAS, the purpose of this project is to improve the reliability of the electric transmission system while meeting the region's growing demands for electric power including CTEC's customers east of Fredericksburg; and

WHEREAS, the scope of the proposed project is significant, requiring 10 to 20 miles of new transmission line and 10 to 20 acres of land for the new substation; and

WHEREAS, U.S. Highway 290 East between Stonewall and Fredericksburg is the main approach route for visitors coming to Fredericksburg and Gillespie County from the four major metropolitan areas of Texas; and

WHEREAS, *Wine Enthusiast* magazine in February, 2014 named the Texas Hill Country as one of the 10 Best Wine Travel Destinations in the world for 2014; and

WHEREAS, the electric project's study area is the very epicenter of this wine industry in Gillespie County, generating increasing amounts of sales tax for the county and an expanding customer base for CTEC; and

WHEREAS, Hill Country views and aesthetics are a vital part of the appeal of businesses in "Texas Wine Country," including wineries, peach orchards and Wildseed Farms;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF THE FREDERICKSBURG CONVENTION AND VISITOR BUREAU:

That the Fredericksburg Convention and Visitor Bureau is generally supportive of the project based on the need for additional electric capacity in the service area; however, the project should minimize negative aesthetic and economic impacts in this rapidly growing business corridor of Gillespie County along Highway 290. Specifically, the substation should be set back a minimum of one-half mile from U.S. Highway 290 and the associated 138-kV transmission lines should also be

set back a minimum of ½ mile from U.S. Highway 290. Additionally, the transmission lines should not be located in the view shed of any established winery or tourism-oriented business.

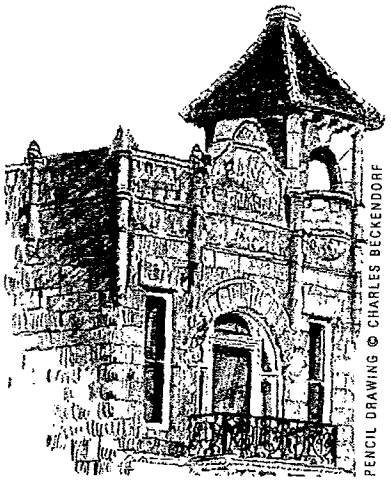
Passed and approved this 27th day of May, 2014.

Mary Easterling, Chairman

Gillespie County

Economic Development Commission

FREDERICKSBURG - HARPER - STONEWALL - DOSS - WILLOW CITY



May 20, 2014

Mr. Lance Wenmohs
Manager, Siting and Certification
Lower Colorado River Authority
P.O. Box 220, Mail Stop DSC-D204
Austin, TX 78767-0220

RECEIVED
MAY 22 2014
By L. Wenmohs

Dear Mr. Wenmohs:

Attached please find the Resolution passed by the Gillespie County Economic Development Commission at our Board of Directors meeting on May 16, 2014, relating to the Blumenthal Substation and 138-kV Transmission Line Project. I don't think many of us can oppose the apparent need for additional electric capacity east of Fredericksburg. However, we would ask that LCRA and CTEC be prudent in siting of the substation and routing of the associated transmission lines and attempt to minimize negative aesthetic and economic impacts to the area.

Thank you for the opportunity to provide this input.

Sincerely,

Tim Lehmberg
Executive Director

Enclosure
cc: Mr. Robert A. Loth III

302 EAST AUSTIN - FREDERICKSBURG, TEXAS 78624 - PHONE 830.997.6523 - 888.997.3600 - FAX 830.997.8588

RESOLUTION

WHEREAS, LCRA Transmission Services Corporation (LCRA TSC) and Central Texas Electric Cooperative (CTEC) are proposing to build new electric transmission facilities that could be located in portions of Gillespie, Blanco and Kendall counties; and

WHEREAS, LCRA TSC plans to build a new 138-kV transmission line to connect CTEC's proposed new electric substation in Gillespie county to LCRA TSC's existing 138-kV electric transmission line that runs through northern Kendall and western Blanco counties; and

WHEREAS, the purpose of this project is to improve the reliability of the electric transmission system while meeting the region's growing demands for electric power including CTEC's customers east of Fredericksburg; and

WHEREAS, the scope of the proposed project is significant, requiring 10 to 20 miles of new transmission line and 10 to 20 acres of land for the new substation; and

WHEREAS, U.S. Highway 290 East between Stonewall and Fredericksburg is the main approach route for visitors coming to Fredericksburg and Gillespie county from the four major metropolitan areas of Texas; and

WHEREAS, Wine Enthusiast magazine in February, 2014 named the Texas Hill Country as one of the 10 Best Wine Travel Destinations in the world; and

WHEREAS, the electric project's study area is the very epicenter of this wine and tourism industry;

NOW THEREFORE, BE IT RESOLVED BY THE GILLESPIE COUNTY ECONOMIC DEVELOPMENT COMMISSION:

That the Gillespie County Economic Development Commission is supportive of the project based on the need for additional electric capacity in the service area; however, the project should minimize negative aesthetic and economic impacts to the area. Specifically, the substation and associated 138-kV transmission lines and poles should be set back a minimum of one-half mile from U.S. Highway 290 and those transmission lines and poles should not be located in the immediate viewshed of any winery, tourism or agritourism-oriented business. LCRA TSC and CTEC should work with landowners to minimize the impacts of the transmission line route and be sensitive to their requests regarding structure type and placement. LCRA TSC and CTEC should treat landowners courteously, professionally and justly; including appropriate compensation for land, easements and any diminishment in value of the property's remainder.

Passed and approved this 16th day of May, 2014.

Tim Lehmberg, Executive Director

Texas Wine and Grape Growers Association
RESOLUTION

WHEREAS, LCRA Transmission Services Corporation (LCRA TSC) and Central Texas Electric Cooperative (CTEC) plan to build a new 138-kV transmission line to connect CTEC's proposed new electric substation in Gillespie county to LCRA TSC's existing 138-kV electric transmission line that runs through northern Kendall and western Blanco counties; and

WHEREAS, the purpose of this project is to improve the reliability of the electric transmission system while meeting the region's growing demands for electric power including CTEC's customers east of Fredericksburg; and

WHEREAS, the scope of the proposed project is significant, requiring 10 to 20 miles of new transmission line and 10 to 20 acres of land for the new substation; and

WHEREAS, the acres of land are part of commercial winery and vineyard operations that could be significantly compromised; and

WHEREAS, the Texas Wine and Grape Industry provides an economic impact to the State of Texas exceeding $1.8B; and

WHEREAS, the electric project's study area is the very epicenter of this wine industry in Gillespie County, and the state of Texas, generating increasing amounts of sales tax for the county and an expanding customer base for CTEC, as well as, supporting area job growth and statewide agriculture growth; and

WHEREAS, the Texas Hill Country aesthetics are a vital and required part of the desirability of the area that brings visitors to "Texas Wine Country," specifically the wineries, vineyards and other related agri-tourism businesses;

NOW THEREFORE, BE IT RESOLVED BY THE TEXAS WINE AND GRAPE GROWERS ASSOCIATION:

That the Texas Wine and Grape Growers Association understands the need for additional electric capacity in the service area; however, the project should minimize negative aesthetic and economic impacts in this rapidly growing business corridor of Gillespie County along Highway 290.

We support the resolution passed by the Fredericksburg Wine Road 290 who stage the substation should be set back a minimum of one-half mile from U.S. Highway 290 and the associated 138-kV transmission lines should also be a minimum of one-half mile from U.S. Highway 290 and should not be located in the view shed of any established winery or tourism-oriented business.

Passed and approved this 29th day of May, 2014.

Jim Evans, President, Four Point Cellars, Fredericksburg
Pat Brennan, Director, Four Point Cellars, Fredericksburg
Monty Dixon, President Elect, Bar Z Winery, Canyon
John Rivenburg, Treasurer, Bending Branch Winery, Comfort
Bob Landon, Secretary, Landon Winery, McKinney and Greenville
Cliff Bingham, Director, Bingham Family Vineyards, Meadow
Dusty Evans, Director, Sprayberry Vineyards, Midland
Jon Bowden, Director, Alta Mira Vineyards, Houston
Ron Yates, Past President, Spicewood Vineyards, Spicewood

Chris Hull, Director, Llano Estacado Winery, Lubbock
Brian Heath, Legislative Committee, Grape Creek Vineyards, Fredericksburg
Susan Steger, Director, Tara Vineyards & Winery, Athens
Bill Blackmon, Director, William Chris Vineyards, Hye
Dana Pool, Director, Los Pinos Ranch Vineyards, Pittsburg
Debbie Reynolds, Executive Director, Texas Wine and Grape Growers Association, Grapevine

Texas Wine and Grape Growers Association
624 S. Dooley Street
Grapevine, TX 76051

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Appendix B

Public Involvement

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INDEX TO APPENDIX B

Public Involvement Documents

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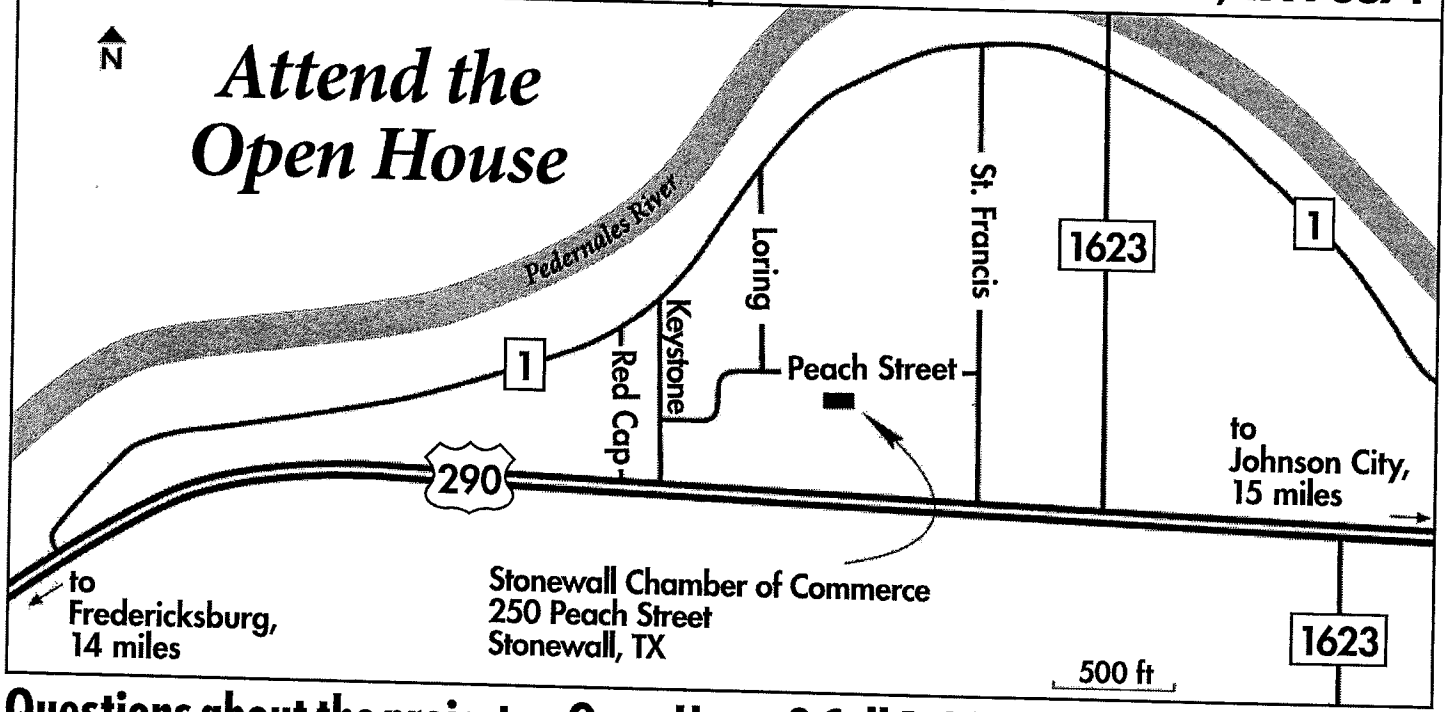
Open House: New Blumenthal Substation and 138-kV Electric Transmission Line Project

Thursday, May 15 | 5:30-7:30 p.m.

Stonewall Chamber of Commerce | 250 Peach St., Stonewall, TX 78671



Questions about the project or Open House? Call 1-800-776-5272, ext. 4495.

The public is invited to learn about a new electric substation and transmission line project in Gillespie, Kendall and Blanco counties. LCRA Transmission Services Corporation (LCRA TSC) and Central Texas Electric Cooperative (CTEC) are proposing to build the Blumenthal Substation and 138-kV Electric Transmission Line Project.

The new transmission line will connect CTEC's planned Blumenthal electric substation to be located in the Blumenthal area east of Fredericksburg, to LCRA TSC's existing Kendall-to-Mountain Top 138-kV transmission line in northern Kendall and western Blanco counties.

Central Texas Electric Co-op

LCRA
ENERGY • WATER • COMMUNITY SERVICES

Central Texas Electric Co-op

LCRA
ENERGY • WATER • COMMUNITY SERVICES
TRANSMISSION SERVICES CORPORATION

May 5, 2014

[First Name] [Last Name] [Suffix]
[Address_1]
[Address_2]
[City], [State] [Zip]

Re: Blumenthal Substation and 138-kV Transmission Line Project
Blanco, Gillespie and Kendall counties

Property ID: [PROP_ID]

Dear Landowner:

You have been identified as a landowner who could be affected by an electric transmission line project in your area. I want to personally invite you to an open house on May 15 to learn more about the Blumenthal Substation and 138-kilovolt (kV) electric transmission line project.

LCRA Transmission Services Corporation (LCRA TSC) and Central Texas Electric Cooperative (CTEC) are proposing to build new electric transmission facilities that could be located in portions of Blanco, Gillespie and Kendall counties. LCRA TSC plans to build a new 138-kV transmission line on single-circuit structures to connect CTEC's proposed new Blumenthal Substation, which will be located in the Blumenthal area, to LCRA TSC's existing 138-kV electric transmission line that runs through northern Kendall and western Blanco counties (T-342).

The purpose of this project is to improve the reliability of the electric transmission system while meeting the region's growing demands for electric power. The new transmission line will provide a power source to CTEC's proposed Blumenthal Substation, which will serve the electric requirements of CTEC's customers located east of Fredericksburg. The entire project will be about 10 to 20 miles long, depending on the final route.

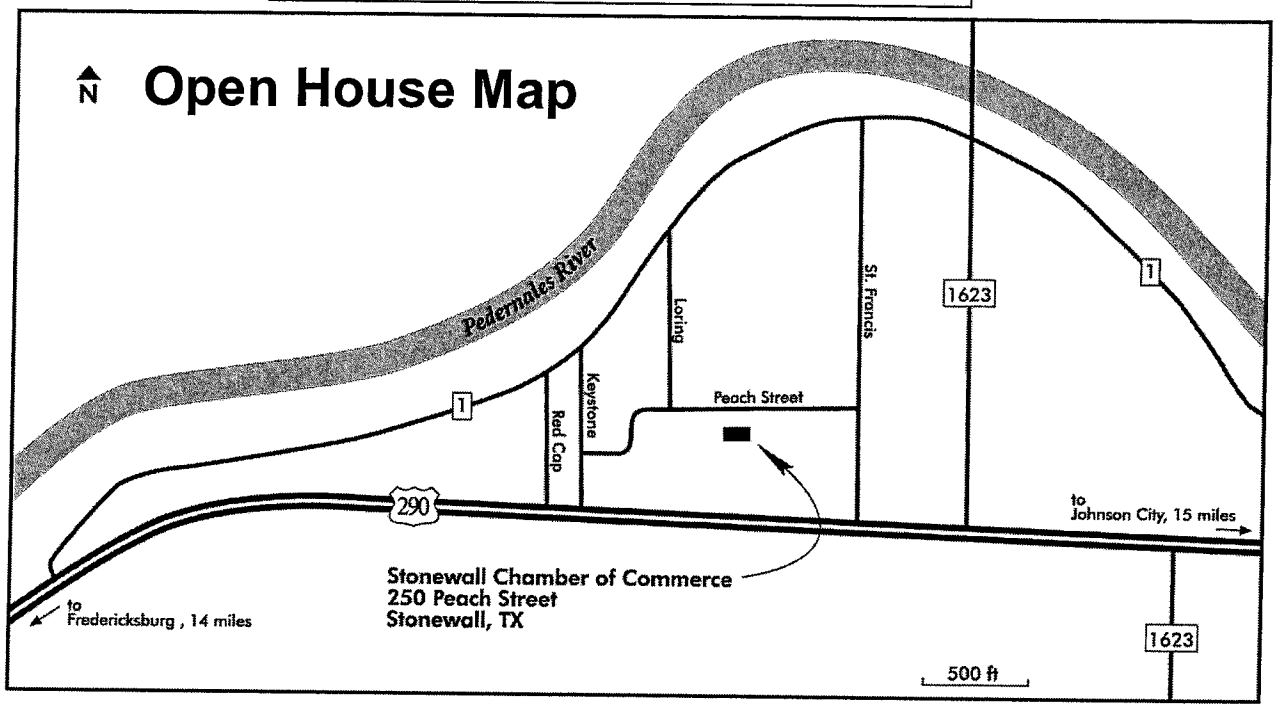
LCRA TSC will request Public Utility Commission of Texas (PUC) approval to amend its Certificate of Convenience and Necessity for this project. We have enclosed a list of frequently asked questions explaining the project and providing additional information about LCRA, LCRA TSC, and CTEC. Power Engineers, a consulting firm hired by LCRA TSC for this project, has identified several preliminary alternative transmission line route segments and alternate substation locations for consideration, which are shown on the enclosed map. Maps with greater detail, and additional project information, will be available at the open house. The preliminary route segments and alternate substation locations are subject to modification based on further study and information gathered at the open house.

LCRA TSC and CTEC are inviting the potentially affected landowners and the general public to the open house. Potentially affected landowners are people listed on the current county tax rolls as owners of land within 300 feet of the center line of any proposed preliminary route segments. Public input is

important, especially in evaluating locations for new transmission facilities and assessing the project's impacts. The open house will have an informal "come-and-go" format consisting of staffed information stations addressing specific aspects of the project. LCRA TSC and CTEC staff will not give a formal presentation. Visitors are encouraged to review each station at their own pace and ask questions.

The open house will be Thursday, May 15, at the Stonewall Chamber of Commerce, 250 Peach St. Your input would be greatly appreciated, so we hope you will come by anytime between 5:30 and 7:30 p.m.

Open House Details
Thursday, May 15, 2014
Anytime between 5:30-7:30 p.m.
Come-and-go format • No formal presentation
Stonewall Chamber of Commerce
250 Peach St., Stonewall, TX



If you have any questions about the project or upcoming open house, please call 800-776-5272, Ext. 4495, or send an email to lance.wenmohs@lcra.org. If you are unable to attend the open house, please visit the project webpage for more information on www.lcra.org by typing "Blumenthal" in the search box to find the Blumenthal Substation and 138-kV Transmission Line project. I encourage you to download the questionnaire and mail or e-mail your comments/concerns to me by May 30, 2014. I look forward to seeing or hearing from you.

Sincerely,

Lance Wenmohs

Lance Wenmohs
Manager, Siting & Certification
Lower Colorado River Authority
P.O. Box 220, MS DSC-D204
Austin, Texas 78767-0220

Enclosures

Blumenthal Substation and 138-kV Transmission Line Project
Questionnaire
Open House – May 15, 2014

This questionnaire will help Central Texas Electric Cooperative (CTEC) and LCRA Transmission Services Corporation (LCRA TSC)* understand public interests and concerns about the proposed Blumenthal Substation and 138-kilovolt (kV) Transmission Line Project. The information provided by you and other interested citizens is one element carefully considered in the transmission line route selection process. Once you have viewed the exhibits available on the web site, please print and complete this questionnaire, then mail or fax it, or scan and send by email to Lance Wenmohs by May 30, 2014.

Lance Wenmohs
LCRA Regulatory Affairs
Mailstop DSC – D204
P.O. Box 220
Austin, TX 78767-0220
Fax: 512-578-4413
Email: lance.wenmohs@lcra.org

1. **Did you attend the open house for this project on May 15, 2014?** *If no, skip to question 3.*

   Yes ☐ No ☐

2. **In relation to the May 15 open house, rate each of the following:**

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	N/A
I was given an opportunity to ask questions and receive answers.	○	○	○	○	○	○
LCRA and CTEC staff were knowledgeable about the meeting topic.	○	○	○	○	○	○
LCRA and CTEC staff listened to my issues and concerns.	○	○	○	○	○	○
This meeting was a good use of my time.	○	○	○	○	○	○

Please explain your responses:

_____

_____

_____

* LCRA TSC is subject to Chapter 552 of the Texas Government Code, commonly known as the Public Information Act. Responses to this questionnaire are subject to release as public information unless parts are determined to be exempt from disclosure under the Act. Marking portions of your response as "confidential" will not guarantee that information will not be released under the Act, but it will help us in evaluating whether an exception might apply.

3. **Which of the following apply to your situation?** *Check <u>all</u> that apply.*

- ☐ I am located in the project area.
- ☐ A potential line route segment is on my land or near my home or business. Applicable route segment(s): _____
- ☐ An existing transmission line is on my land or near my home. Applicable route segment(s): _____
- ☐ A potential Blumenthal Substation site is on my land or near my home/business. Applicable substation site(s):_____
- ☐ Other. Please specify (e.g. I lease land and/or I am responsible for land improvements or upkeep near a potential line route segment or substation site).

_____

4. **Do you understand why this project is needed?** Yes ☐ No ☐

_____

_____

5. **Were the exhibits and information provided on the web site helpful?**

Yes ☐ No ☐

How could we have improved these exhibits and the information provided?

_____

_____

_____

_____

_____

_____

6. **LCRA TSC and its consultant for this project, Power Engineers, take many environmental and land use features into consideration when identifying possible routes for electric transmission facilities, including, but not limited to the following.**

- Nearby residences, businesses, cemeteries, schools, churches, hospitals, nursing homes and other structures
- Nearby commercial radio transmitters, microwave relay stations or similar electronic installations
- Nearby parks and/or recreational areas
- Nearby historical or archaeological sites
- Nearby airport runways, airstrips or heliports
- Agricultural areas irrigated by traveling irrigation systems
- Environmentally sensitive areas
- Threatened or endangered species
- Floodplains

Power Engineers has shown these features on the Land Use and Environmental Constraints Map. Are those features accurately located?

Yes ☐ No ☐. Don't Know ☐

If no, please list the corrections below, mark them on the map, print and send with this form.

_____

_____

Are you aware of any other features that are not shown on the Land Use and Environmental Constraints Map?

Yes ☐ No ☐

If yes, please list them below, mark them on the map, print and send with this form.

_____

_____

7. **Which route segment(s) do you prefer and why?** *Responding to this question does not constitute a "vote" for or against any proposed route segment(s).*

_____

_____

_____

8. **Which route segment(s) do you <u>not</u> favor and why?** *Responding to this question does not constitute a "vote" for or against any proposed route segments(s).*

_____

_____

_____

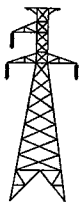
9. **Identifying a route and constructing transmission lines involves many considerations. Please rank these factors in the order of importance to you. Indicate the most important factor with a 1, second most important with a 2, third most important with a 3, and so on.**

___ Maintain reliable electric service
___ Use or parallel existing electric transmission line right of way where possible
___ Parallel other existing compatible right of way (e.g. roads, highways) where possible
___ Parallel property lines where possible
___ Maximize distance from residences
___ Maximize distance from schools, churches, nursing homes, etc.
___ Maximize distance from commercial buildings
___ Maximize distance from historic sites or areas
___ Maximize distance from parks and recreational areas
___ Minimize visibility of the lines
___ Minimize environmental impacts
___ Other _____

10. **Below and shown on the 138-kV Structure Options display board (<u>see open house exhibits on the web site</u>) are a variety of transmission structure types. Please rank your preferred structure type from Most Preferred (1) to Least Preferred (3). Please explain your choices below.**

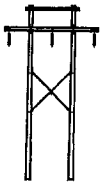
Single-Pole

___



Lattice Tower

___



H-Frame

___

_____

_____

_____

11. If the transmission line route is on your property, is there a specific location that you would prefer for the right of way of the line?

Yes ☐ No ☐

If yes, please describe the location below, mark it on the map to show the location, print and send with this form.

_____

_____

_____

_____

12. Is there any other information you would like the project team to know or take into consideration when evaluating the alternative locations for the new line?

_____

_____

_____

_____

_____

_____

13. Please provide your name and address below. This is optional.

Name: _____ **Date:** _____

Address: _____

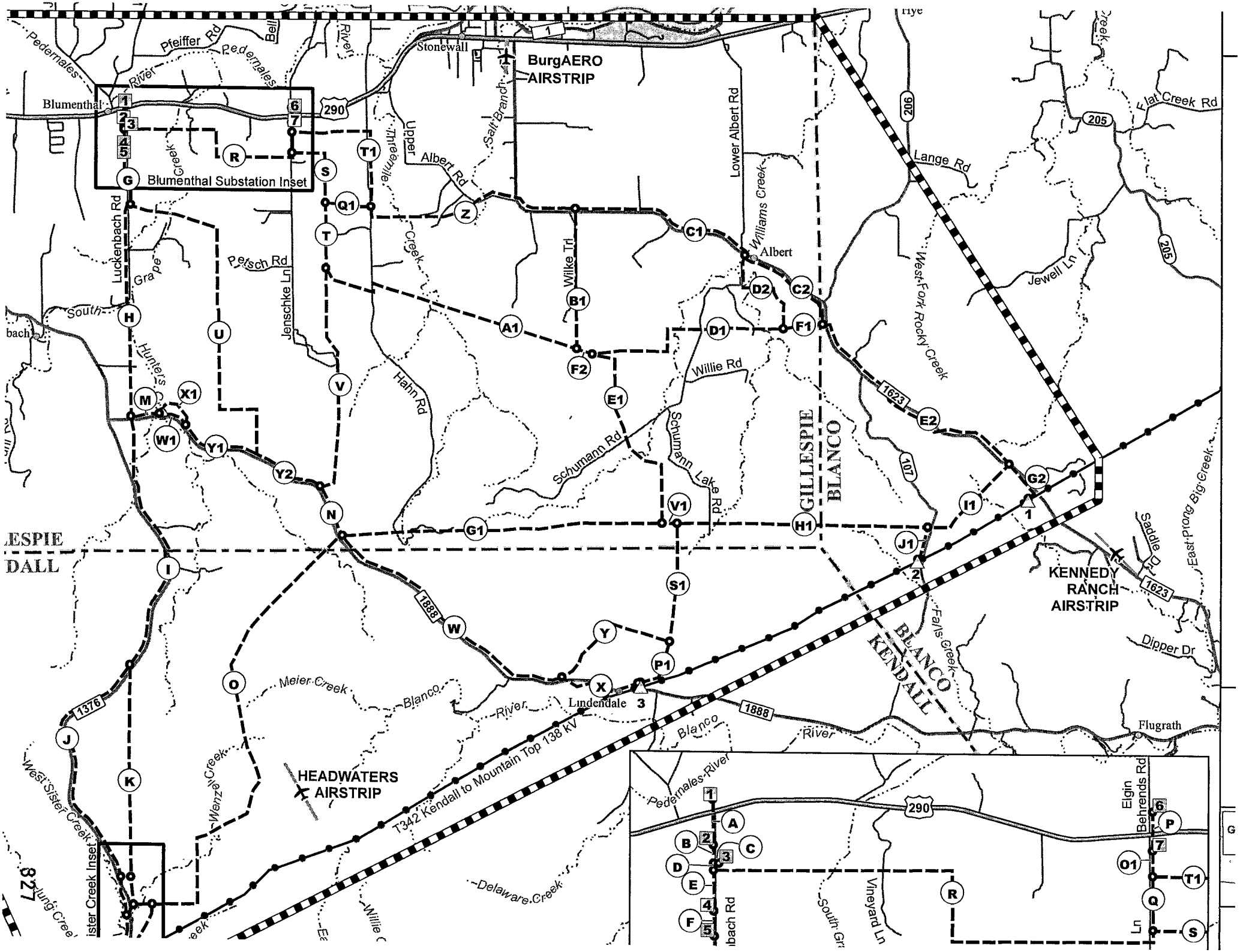
City, State, Zip: _____

Telephone: _____

Email: _____

If you would like an LCRA TSC representative to contact you to discuss this project further, please call 800-776-5272, Ext. 4495.

Thank you for your comments. Please print and complete this questionnaire, mail or fax it or scan and send by email (see top of this form for contact information).


Blumenthal
Blumenthal Substation Inset
Pfeiffer Rd
Pedernales River
Bell
Stonewall
BurgAERO AIRSTRIP
290
Salt Branch
Upper Albert Rd
Lower Albert Rd
Williams Creek
Albert
Lange Rd
Flat Creek Rd
205
206
Luckenbach Rd
Petsch Rd
Jenschke Ln
Wilke Trl
Jewell Ln
West Fork Rocky Creek
Willie Rd
Hahn Rd
Schumann Rd
Schumann Lake Rd
1623
107
GILLESPIE
BLANCO
KENNEDY RANCH AIRSTRIP
Saddle Rd
East Prong Big Creek
Dipper Dr
Falls Creek
BLANCO
KENDALL
1888
1376
Meier Creek
Blanco River
Lindendale
HEADWATERS AIRSTRIP
T342 Kendall to Mountain Top 138 kV
Flugrath
Delaware Creek
Vineyard Ln
Elgin Behrends Rd
827

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Frequently Asked Questions

Blumenthal Substation and 138-kV Transmission Line Project

Blanco, Gillespie and Kendall Counties

MAY 2014

Q. What is the Lower Colorado River Authority (LCRA)?

A. LCRA is a conservation and reclamation district created by the Texas Legislature in 1934. It has no taxing authority and operates solely on utility revenues and fees generated from supplying energy, water and community services. LCRA supplies cost-effective electricity for Central Texas, manages water supplies and floods in the lower Colorado River basin, provides public parks, and supports community development in 58 Texas counties.

Q. What is LCRA Transmission Services Corporation (LCRA TSC)?

A. Senate Bill (SB) 7, passed by the Texas Legislature in 1999, restructured the state's electric industry and allowed LCRA to provide transmission services throughout Texas. Provisions of SB 7 required utilities to separate electric generation and transmission businesses. As a result, LCRA created LCRA Transmission Services Corporation (LCRA TSC) in 2001 to meet these requirements. As of Jan. 1, 2002, all of LCRA's transmission assets were transferred to this nonprofit corporation. LCRA TSC owns or operates more than 4,800 miles of transmission lines, more than 350 substations and a System Operations Control Center. LCRA staff operates and maintains those facilities for LCRA TSC, which provides wholesale transmission services to eligible customers located in South, West, and Central Texas.

Q. What is the Blumenthal 138-kV Transmission Line Project?

A. LCRA TSC is proposing to build and operate a new single-circuit 138-kilovolt (kV) transmission line as part of an overall Transmission System Improvements Plan. The new transmission line will connect Central Texas Electric Cooperative's (CTEC) new Blumenthal Substation, to be located in the Blumenthal area, to LCRA TSC's existing Kendall-to-Mountain Top (T-342) transmission line, which runs through northern Kendall and western Blanco counties. The new transmission line may be located in portions of Blanco, Gillespie and Kendall counties. The entire project will be about 10 to 20 miles long, depending on the final route.

Q. What is the proposed Blumenthal Substation and why is it needed?

A. The Blumenthal Substation is a proposed load-serving substation needed to support current and forecasted electric load growth and to provide reliable electric service in CTEC's service area. CTEC will acquire about three acres of land and construct the new Blumenthal Substation.

Q. Why are the Blumenthal Substation and 138-kV transmission line needed?

A. CTEC has experienced a large increase in demand for electricity in its service area, especially the area from eastern Gillespie County extending to western Blanco County and northern Kendall County. The proposed new Blumenthal Substation and transmission line would transmit power from existing LCRA TSC transmission lines to CTEC and its member owners.

CTEC is a Direct-Connect Transmission Customer of LCRA TSC. LCRA TSC delivers wholesale power via its high-voltage transmission lines to CTEC who then directs that power to its end users (homes and businesses) via lower-voltage distribution lines.

The existing CTEC distribution lines coming out of the Goehmann Lane Substation serve customers located in eastern Gillespie County, parts of western Blanco County, and parts of northern Kendall County. This portion of the CTEC distribution system has experienced several recent outages. The Blumenthal Substation and 138-kV transmission line project would improve electric reliability in these areas.

Q. Who determines when and where new lines are needed?

A. The Public Utility Commission of Texas (PUC) decides if new lines are needed to supply electric service. LCRA TSC will conduct a routing study and obtain public input related to siting the new electric facilities. The PUC ultimately decides the route of new transmission lines.

Q. What is the Electric Reliability Council of Texas (ERCOT)?

A. ERCOT is the organization entrusted with keeping electric power flowing to about 20 million Texans, representing 85 percent of the state's electric load and about 75 percent of its land area. As the independent system operator for its region, ERCOT manages the scheduling of power on an electric grid consisting of 78,000 megawatts of generation capacity and 38,000 miles of transmission lines. ERCOT is a nonprofit corporation regulated by the PUC.

Q. How does electricity get to homes?

A. To meet the electricity needs of cooperative member owners, electrical power first travels from generating plants, connected to the ERCOT system, through a network of high-voltage transmission lines and voltage transformation equipment connected at voltage levels including 138 kV and 69 kV. The voltage is then reduced or "stepped down" to a distribution-level voltage through a transformer at a substation. The voltage step down is typically to 13 kV or 25 kV. The electricity is then distributed out of the substation along these lower voltage distribution lines, ultimately supplying the electrical power to the cooperative member owners through one last level of voltage transformation near homes and businesses.

Q. How is CTEC involved with this project?

A. CTEC purchases its electricity from electric suppliers in the ERCOT region. The electricity is transmitted over the transmission systems owned and maintained by LCRA TSC and other transmission service providers to CTEC. CTEC then resells and distributes that electricity to its retail customers. As a result, CTEC customers will benefit directly from this project.

CTEC will acquire the land for the new Blumenthal Substation and construct it. Once the new substation is completed, CTEC will construct new lower voltage distribution lines out of the substation to supply the area's electricity.

Q. There are large electric transmission lines recently constructed in the Comfort, Kerrville and Junction areas. Is this project related to that transmission line project?

A. No. That is a 345-kV electric transmission line directed by the PUC to be built as part of the state's Competitive Renewable Energy Zones (CREZ) project. CREZ is designed to be a bulk electricity transfer project to move large quantities of power throughout the state. The Blumenthal 138-kV project is in no way related to CREZ, and is a smaller-scale electric transmission project designed to address local electricity issues and meet the area's needs for reliable electric service.

Q. Where will the new substation and transmission line be located?

A. The exact location of these facilities has not yet been determined. LCRA TSC has contracted with an environmental and engineering firm to conduct a routing study, which will identify several alternative sites for the new Blumenthal Substation and several transmission line routes to connect the existing LCRA TSC Kendall-to-Mountain Top transmission line (T-342) to the various alternate Blumenthal Substation sites. The PUC will decide the route for any new transmission line it approves. Several alternate substation locations and alternate transmission line routes will be provided to the PUC. Only one substation site and one transmission line route connecting the substation to T-342 will be constructed.

Q. How does LCRA TSC identify and consider routes for the transmission line?

A. LCRA TSC and its routing consultant, Power Engineers, develop a study area that includes the end points of the transmission line -- the existing Kendall-to-Mountain Top transmission line (T-342) and the proposed new Blumenthal Substation alternate sites. LCRA TSC gathers data, maps, aerial photos and input from federal and state agencies and local officials. LCRA staff also conducts field reconnaissance from public access points like roads and highways. Using this information, LCRA TSC identifies environmental and land use constraints such as subdivisions, parks and known cultural resource sites within the study area. Then, staff identifies preliminary alternate sites for the new Blumenthal Substation. Several preliminary route segments connecting the end points are identified and drawn to avoid these constraints as much as possible; realizing it is impossible to avoid all constraints. These preliminary route segments and alternate substation sites are then presented to the public at an open house. Although several alternate route segments and substation sites will be shown at the open house, only one substation site and one route connecting the substation to T-342 will be constructed.

As the public input process continues, route segments and alternate substation sites may be modified, eliminated or added. Ultimately, the routes will be evaluated using factors that include public input, human/natural/cultural resource impacts, engineering, construction, operation and maintenance issues and cost. This process will identify several alternative routes connecting the project end points. These routes are then included in LCRA TSC's Certificate of Convenience and Necessity (CCN) application to the PUC. The PUC will make the final decision whether to approve the application and will select the route and substation site to build.

Q. What will the transmission line structures look like?

A. LCRA TSC is considering various structure types for this project (e.g. steel or concrete monopoles, steel or concrete H-frames, and steel lattice structures). Right of way, engineering, public input and cost constraints will be used to decide the preferred structure type. Typical transmission structures supporting 138-kV lines will be 50 to 125 feet above the ground. Typical span lengths between structures for projects like this range from 600 to 1,000 feet. The PUC ultimately will approve the structure type(s) for the project. LCRA TSC shows diagrams and photos of the typical transmission line structures at its open houses.

In some locations and along certain route segments, only H-frame structures can be used to avoid potential impacts to an existing Federal Aviation Administration communication beacon located just south of US Highway 290.

Q. What will be located at the site where the new transmission line ties into the existing transmission line?

A. During the routing phase of the project, the routing consultant and LCRA TSC will identify and evaluate a few alternate connection (also called tap point) locations along T-342 (LCRA TSC's existing Kendall-to-Mountain Top 138-kV transmission line). After the PUC approves a route, LCRA TSC will acquire about two acres of land for the tap point location. Equipment at the tap point will include a 138-kV operating bus, three 138-kV motor-operated switches with interrupters, a remote terminal unit and a control house.

Q. How will I be affected if the route crosses my land?

A. Once the PUC selects a route, LCRA TSC will work with each property owner to purchase an easement to construct, operate and maintain the new electric transmission line. An easement gives a utility the right to use privately owned land for a specific purpose. The landowner retains ownership of the property. The easement is described in a legal document subsequently recorded in the county deed records and available for public inspection. Other than the utility facilities, no above-ground structures may be located within the easement. Normal agricultural and recreational activities including farming, ranching, hunting and hiking may take place within the easement area.

Q. What is the process for defining or describing an easement?

A. LCRA TSC will contact owners of the property to be crossed by the transmission line after the PUC approves the route for the transmission line. The landowners are notified of the need to conduct surveys on the property. Crews conduct a land survey to establish boundaries of the easement. At the same time, environmental and cultural resources surveys are conducted. The easement area is defined and described by a registered professional land surveyor. This survey, referred to as a "metes and bounds" survey, is a description of the exact measurements of the land needed for the facilities.

Q. How much does LCRA TSC pay for an easement?

A. LCRA TSC pays fair market value for transmission line easements and supplemental easements. A copy of the fair market value report is provided to a property owner at the time an offer is made to purchase the easement.

Q. What is eminent domain?

A. Eminent domain is the right granted to certain entities such as utilities and governmental bodies to acquire property for public use, as long as the property owner is paid just compensation. The power of eminent domain may be used for such things as schools, parks, roads, highways, fire and police stations, public buildings and utilities. As public utilities, LCRA TSC and CTEC have the right to exercise eminent domain. However, LCRA TSC and CTEC are obligated to negotiate in good faith with property owners for the purchase of the property or easement rights they need before invoking the authority of eminent domain.

Q. How wide is the easement for the transmission line?

A. Easements for this proposed 138-kV transmission line typically range between 80 and 130 feet wide. The exact width of the easement will depend on the type of structure selected, engineering constraints and other factors.

Q. Will LCRA TSC clear the entire easement area?

A. LCRA TSC will clear the work zone along the easement typically 60 to 90 feet wide. Additional clearing less than or equal to the 80- to 130-foot easement width also will be required to allow for conductor (also called wire) sag and swing due to anticipated wind conditions. In environmentally sensitive areas, minimal clearing is typically required.

Q. Do LCRA TSC and CTEC pay property taxes on transmission and substation facilities?

A. Yes. LCRA TSC pays local property taxes on the transmission facilities, land and land rights that it owns. LCRA TSC has paid more than $2 million in property taxes to school districts and other local jurisdictions in Gillespie County since its creation in 2002. LCRA TSC also pays state and local sales and use taxes for goods and services defined as taxable by state law.

CTEC also pays property taxes on its facilities and land located within its service area. In 2012, CTEC paid property taxes in its service area totaling about $473,500.

Q. What about electric and magnetic fields?

A. Electric and magnetic fields (EMF) are found everywhere, especially where electricity is used, including household appliances (such as hair dryers, computers and televisions), electrical equipment, communications equipment and power lines. Some concerns have been raised in the past about potential health effects of EMF. Extensive scientific research has established no direct link between exposure to power lines and adverse health effects. Neither the state nor federal government has established any health standards relating to EMF. For more information, visit the Electric and Magnetic Field section of the LCRA website at http://lcra.org/energy/energy-education-and-safety/safety/Pages/electric-and-magnetic-fields.aspx

Q. What are the next steps for this project?

A. After the open house, LCRA TSC and its routing consultant will evaluate all public comments and conduct additional engineering and environmental analysis of the options. Some of the preliminary route segments and substation locations may be eliminated or modified. Others may be added based on public input and additional analysis. A set of primary alternative routes made up of the various segments and alternate substation locations will be identified and evaluated in detail. The consultant will prepare a project Environmental Assessment and Alternative Route Analysis report (sometimes called an EA or routing study) for LCRA TSC to review. LCRA TSC will then prepare the Certificate of Convenience and Necessity (CCN) application and submit it to the PUC. Upon submitting the CCN application (currently scheduled for late 2014), LCRA TSC will mail letters to potentially affected landowners about how they can participate in the proceeding. Public notifications regarding the CCN application filing also will be published in area newspapers. If the PUC approves the project, final notices will be sent to landowners advising them of the approved route. The PUC should reach a decision on the CCN application within a year after the application is filed.

Q. What happens once the PUC approves the project?

A. Once the PUC approves the project, LCRA TSC will conduct land, environmental and cultural resources surveys to prepare the necessary plans and specifications to construct the transmission line. CTEC will do the same for the substation portion of the project. Then LCRA TSC will prepare the right of way for construction. After the right of way is prepared, construction equipment and workers will enter the right of way to install new structures and conductors. CTEC will begin clearing, grading

and constructing the new Blumenthal Substation after it purchases the required land from the landowner.

Q. When will this 138-kV transmission line and new substation be in operation?

A. If approved by the PUC, the new transmission line and substation are scheduled to be operational by 2018.

Anyone with questions about the Blumenthal 138-kV Project can send a letter, email or call Lance Wenmohs or visit www.lcra.org/energy:

Lance Wenmohs
Manager, Siting and Certification

Lower Colorado River Authority
P.O. Box 220, Mail Stop DSC-D204
Austin, TX 78767-0220

lance.wenmohs@lcra.org
800-776-5272, Ext. 4495, or 512-578-4495

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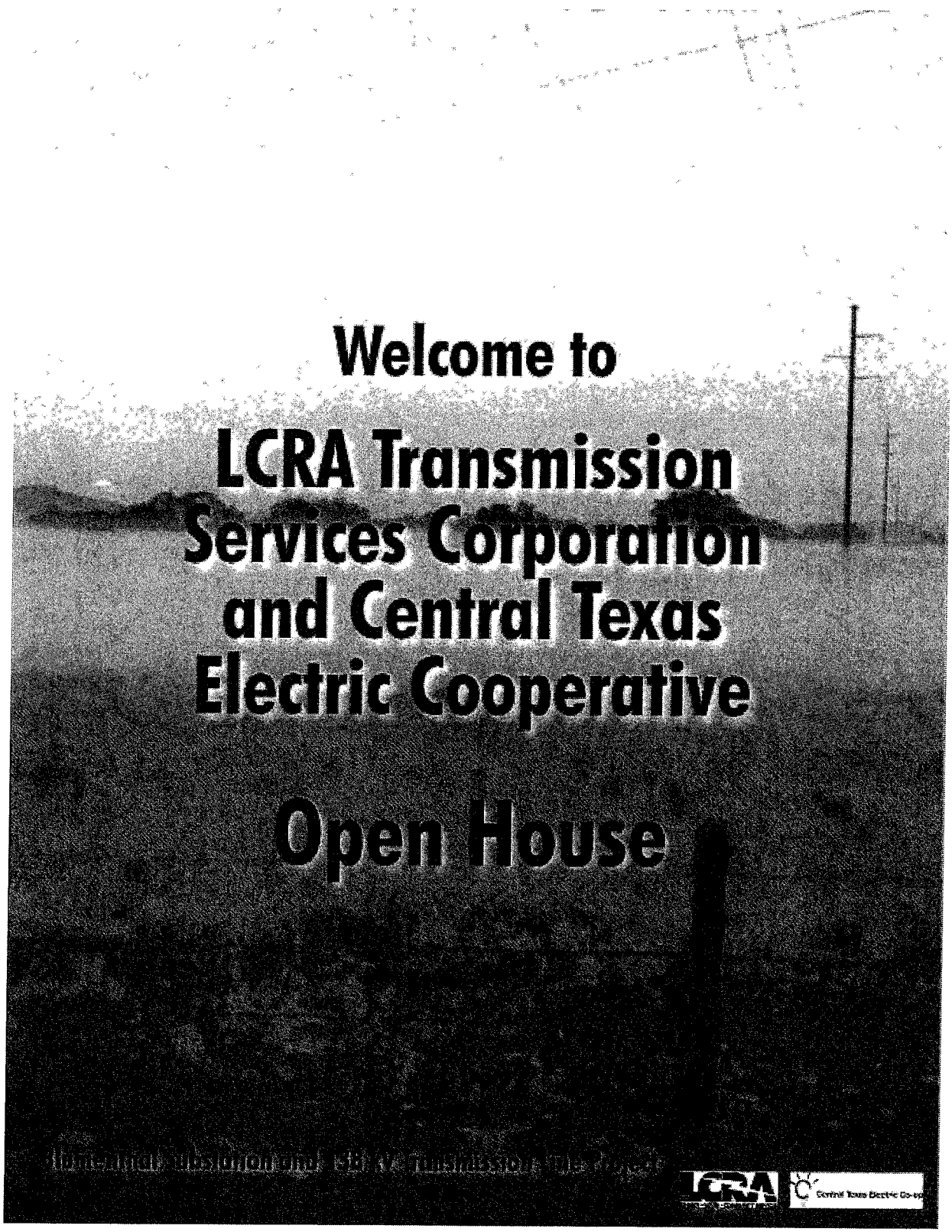
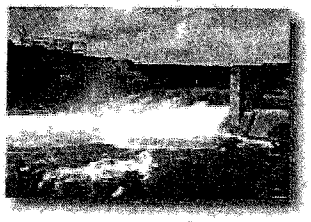

Welcome to
LCRA Transmission Services Corporation and Central Texas Electric Cooperative
Open House

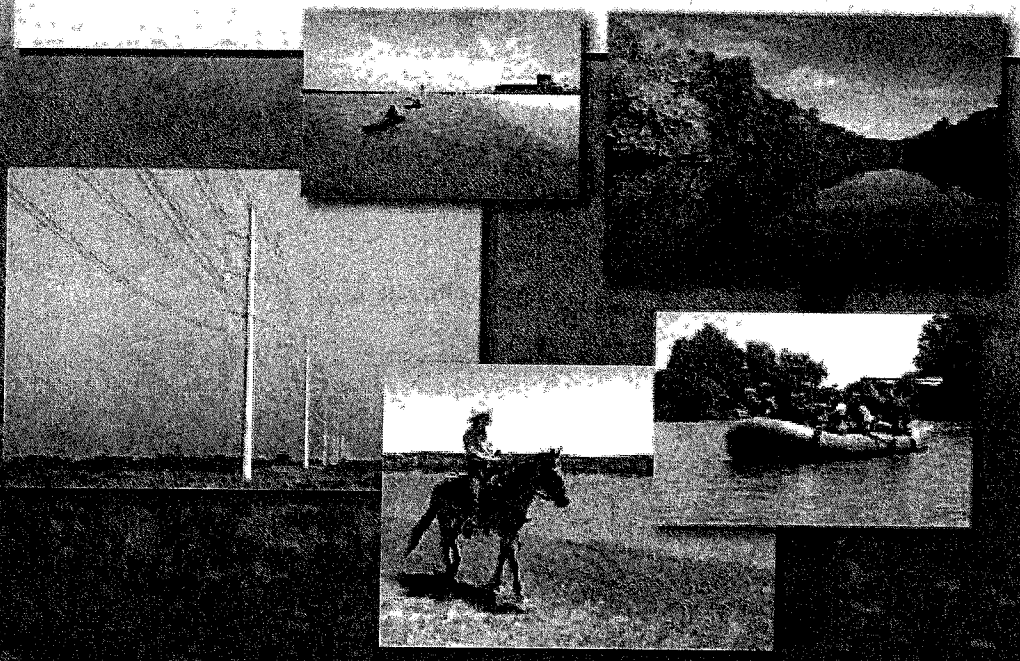
What Is LCRA?



The Lower Colorado River Authority (LCRA) was created by the Texas Legislature in 1934 to serve the people of Texas in a variety of ways. We generate and supply wholesale power to cities and electric cooperatives that serve more than 1 million people. Through a nonprofit corporation, LCRA TSC, we transmit electricity to an area covering most of Texas.

But LCRA is much more than an electric utility. We also:

- Protect the quality of the lower Colorado River and Highland Lakes.
- Manage floods through dams on the Highland Lakes in Central Texas.
- Own more than 16,000 acres of parks, preserves, nature centers, and recreational facilities.



Transmission Construction and 138 kV Transmission Line Projects

LCRA

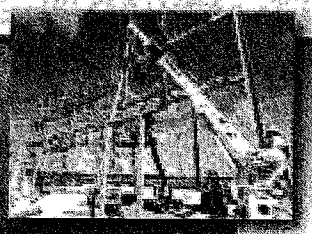
Central Texas Electric Co-op

What Is LCRA TSC?

LCRA Transmission Services Corporation (LCRA TSC) is a nonprofit corporation for LCRA's transmission operations. It was created by LCRA as a result of Senate Bill 7, the 1999 state law that restructured the state's electric industry. All of LCRA's transmission assets were transferred to LCRA TSC in 2002.

The nonprofit corporation:

- Provides vital facilities in the state's transmission grid between power plants and local electric delivery systems.
- Operates about 5,100 miles of transmission lines.
- Operates about 360 substations and other facilities.
- Owns a state-of-the-art System Operations Control Center that operates 24 hours a day every day.
- Provides vital links between Texas power plants and the state's interconnected power grid.
- Is regulated by the Public Utility Commission of Texas.
- Pays local property taxes on transmission facilities, land, and land rights it owns.



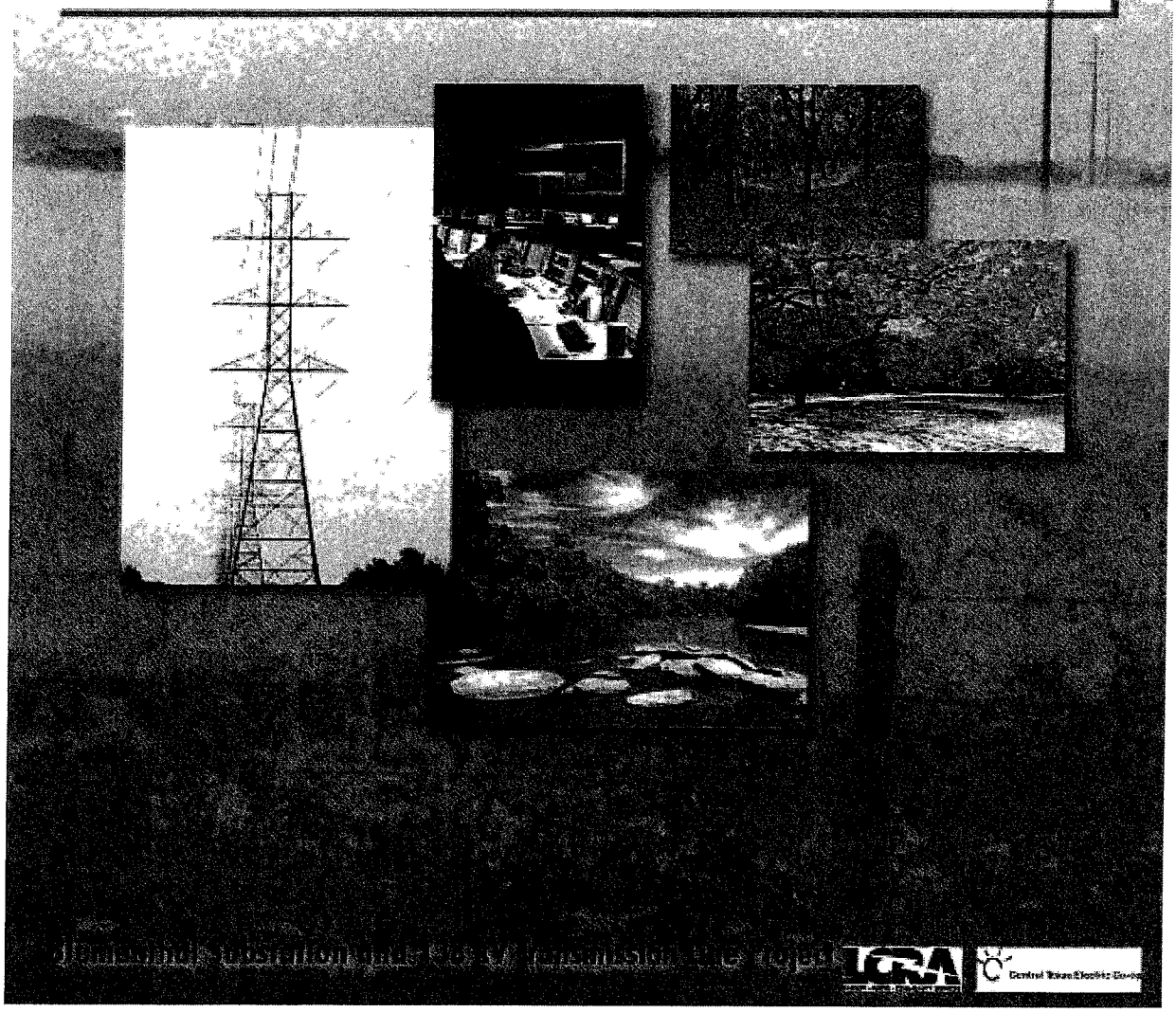
Hunter Rd. Substation and 138 kV Transmission Line Project

LCRA

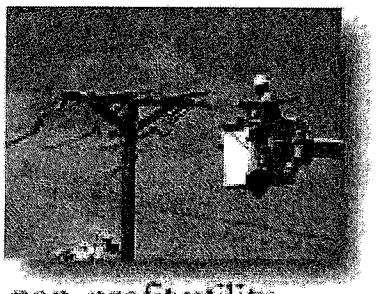
Central Texas Electric Co-op

Our Mission

The Lower Colorado River Authority (LCRA) provides reliable, cost-effective electric, water, and other public services of value and is a responsible steward of the river and the basin's natural resources. LCRA is a Texas conservation and reclamation district operating with no taxing authority.



What Is CTEC?



Proudly serving the Texas Hill Country for 66 years.

Central Texas Electric Cooperative (CTEC) is a private, non-profit utility, owned and controlled by the members it serves. CTEC received its charter from the State of Texas on June 19, 1947.

CTEC provides electric service to 37,000 meters across 11 counties: Gillespie, Llano, Mason, Kimble, San Saba, Blanco, Kendall, Kerr, Real, Menard, and McCulloch. CTEC purchases wholesale power for its members and distributes it across a network of 6,000 miles of line which it owns and maintains. In addition to the Cooperative main office in Fredericksburg, branch offices are located in Mason, Llano, and Kingsland. The Co-op employs 140 people who serve a 4600 sq. mi. service territory.

Although a non-profit, the Cooperative does pay property taxes to each taxing district among the 11 counties served.

CTEC's Mission

The mission of Central Texas Electric Cooperative is to provide our member-owners reliable, high quality utility service at a reasonable cost.

Fredericksburg Substation and 138 kV Transmission Line Project

Public Utility Commission

Certification Process for Transmission Lines

Define Project

- Identify beginning and end points for project
(e.g., existing LCRA TSC Kendall-to-Mountain Top line and proposed new Blumenthal Substation)

Environmental Assessment and Routing Analysis

- Identify study area based on project definition.
- Gather data about study area.
- Map environmental and land use constraints in study area.
- Determine preliminary routing segments based on maps, aerial photos, constraints data, and field visits.
- Hold open houses to gather public input.
- Analyze preliminary routing segments to develop the primary alternative routes.
- Prepare Environmental Assessment Report.

PUC Application Process

- Submit an application to the PUC to amend LCRA Transmission Services Corporation's Certificate of Convenience and Necessity (CCN).
- Upon filing of the application, notices will be sent to landowners whose property may be crossed or is within 300 feet of any alternative routes.
- Notices also will be sent to municipalities and electric utilities that are within five miles of the project and to municipal and county governments where the project is located.
- Following the filing of the application, interested parties will have an opportunity to participate in an intervention process.

PUC Staff Review

PUC staff conducts review and makes recommendation to approve project as submitted or approve with modifications.

NO ← **Intervention?** → YES

Administrative Hearing

- Technical review of project routing
- Testimony filed by all parties
- Administrative hearing
- Administrative law judge prepares proposed final order

PUC Makes Decision

- Approve application
- Approve application with modifications
- Deny

- PUC approval of a CCN application gives LCRA Transmission Services Corporation the authorization to build the new transmission project along the route selected by the PUC.

Project Purpose and Need

What is the Scope of the Project Proposed by LCRA TSC

To construct a high voltage (138-kV) transmission line connecting a new electric load-serving substation to be located in Gillespie County to an existing transmission line that runs along western Blanco and northern Kendall counties.

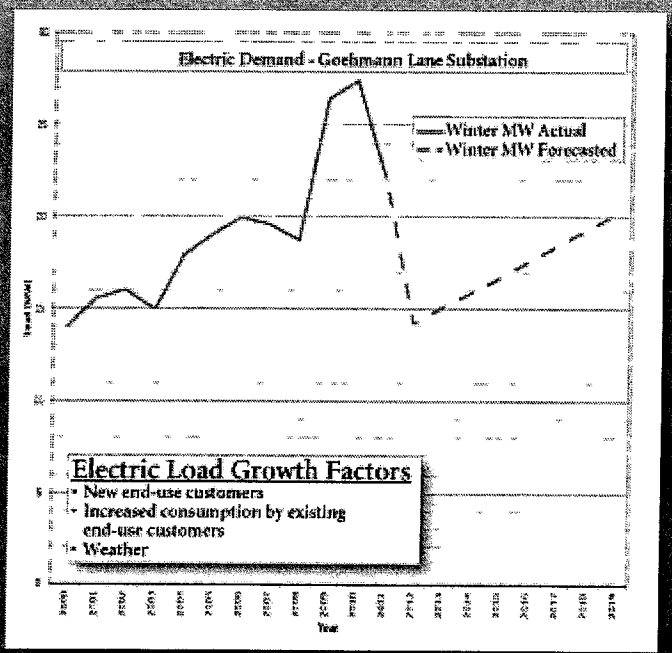
Why Is This Transmission Line Necessary?

The transmission line is needed to connect a new electric load-serving substation (Blumenthal Substation) to the area's transmission system.

Why Is The Blumenthal Substation Necessary?

The Blumenthal Substation is needed to avoid:

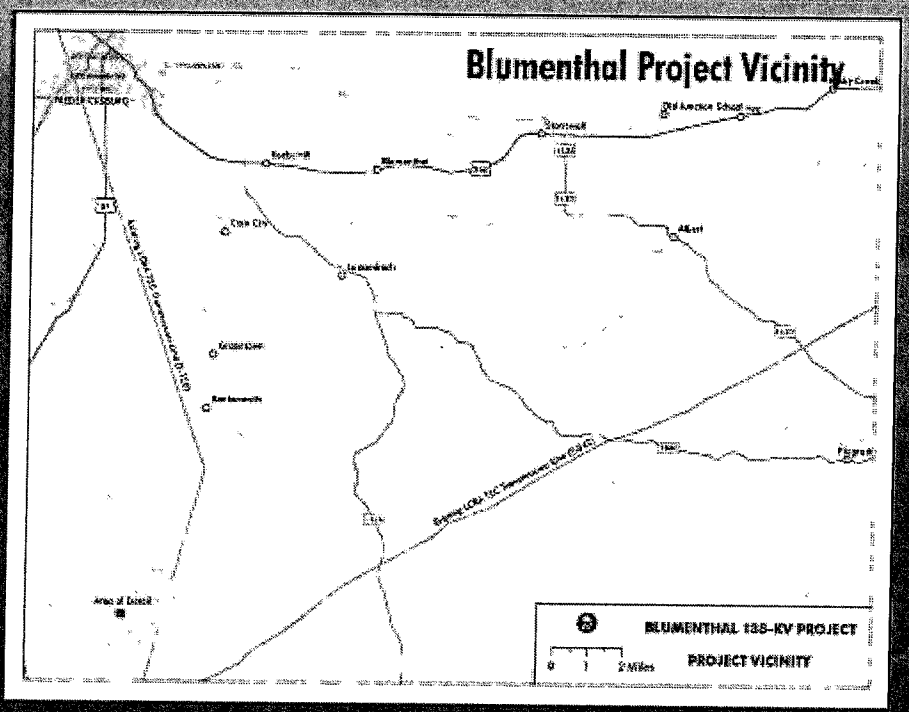
- High loading levels of existing distribution system facilities under normal conditions;
- Extended electric service outages for load served out of the Goehmann Lane Substation;
- Loading levels that exceed transmission equipment capability under emergency conditions;
- Transmission voltage levels that fall below acceptable limits under emergency conditions.



What Alternatives Were Considered?

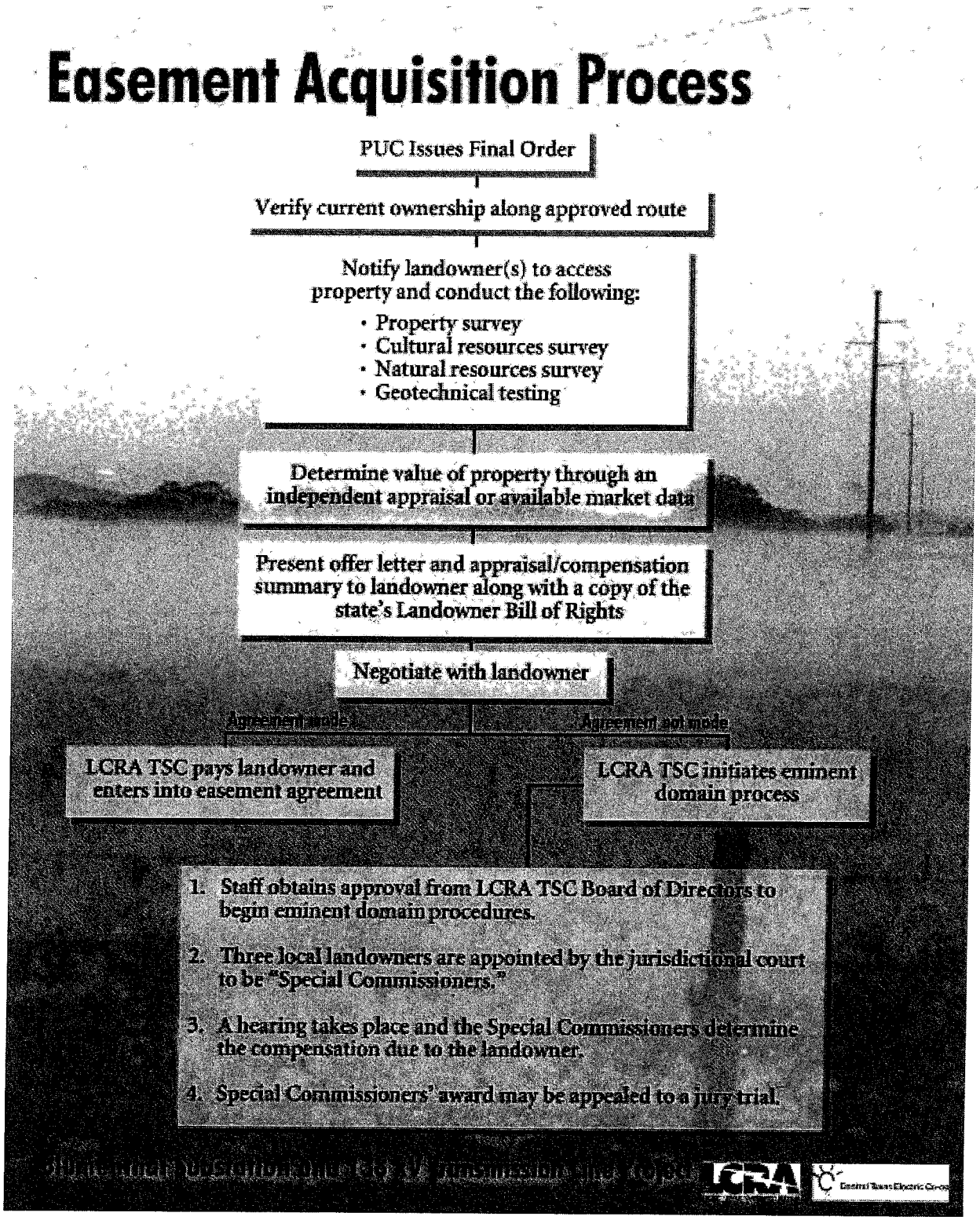
What Project Alternatives Were Considered?

- Transferring load to nearby substations has been ongoing for several years; however, as load continues to develop east of Fredericksburg, this option has been exhausted.
- The expansion and upgrade of the distribution system utilizing existing transmission lines were explored; however, these solutions did not adequately address the overall and long-term area's electric system needs.
- A new transmission line connecting to an existing high voltage transmission line that runs west of the study area and south of Fredericksburg was explored; however, this connection created other problems and did not provide the reliability or transmission capacity provided by the proposed project.
- In addition to not meeting local, state, and federal requirements for the provision of reliable electric service, continuing to serve the area's electric load without this project will result in electric service degradation impacting a large and growing number of CTEC end-use consumers.



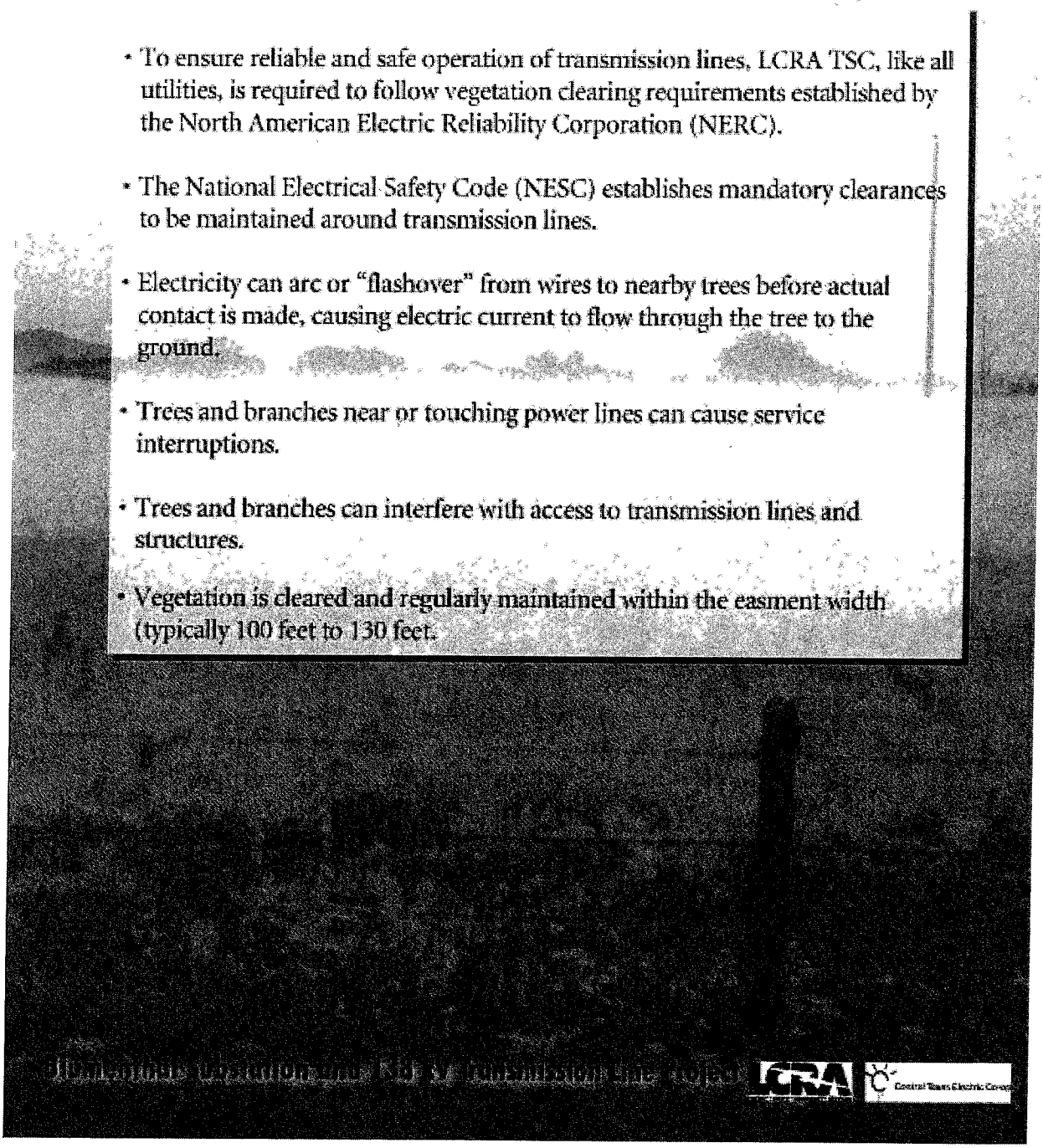
Blumenthal 138-kV Transmission Line Project

Easement Acquisition Process



Typical Right-of-Way Maintenance

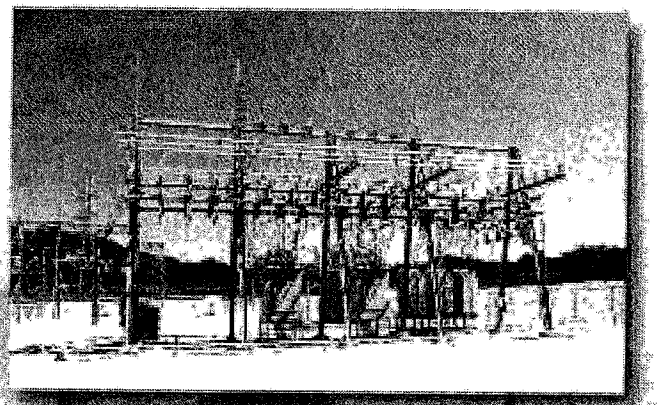
- To ensure reliable and safe operation of transmission lines, LCRA TSC, like all utilities, is required to follow vegetation clearing requirements established by the North American Electric Reliability Corporation (NERC).
- The National Electrical Safety Code (NESC) establishes mandatory clearances to be maintained around transmission lines.
- Electricity can arc or "flashover" from wires to nearby trees before actual contact is made, causing electric current to flow through the tree to the ground.
- Trees and branches near or touching power lines can cause service interruptions.
- Trees and branches can interfere with access to transmission lines and structures.
- Vegetation is cleared and regularly maintained within the easment width (typically 100 feet to 130 feet.

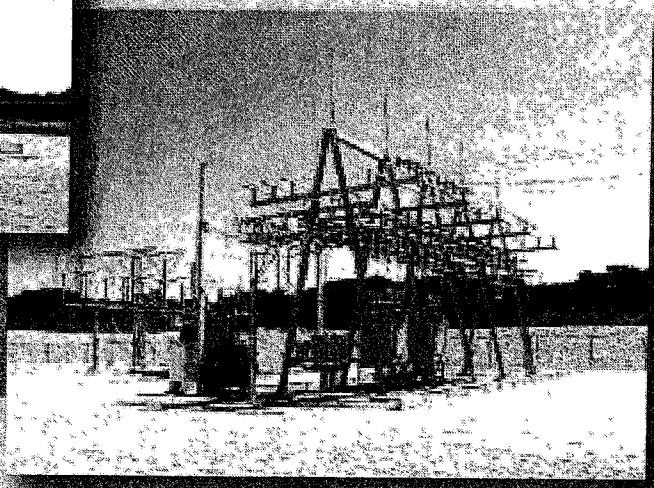


CTEC Substation Design

How big are substations?

CTEC will own the new Blumenthal substation which will be approximately three acres in size.





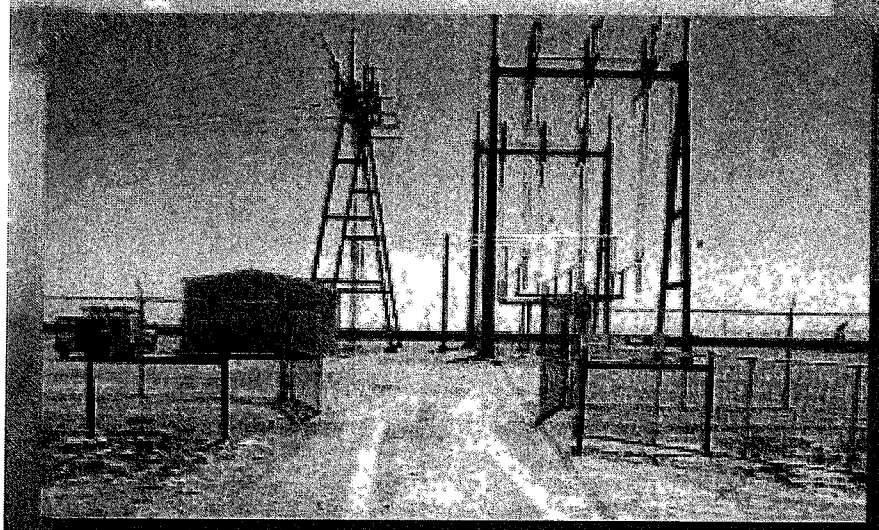
Where Will It Be Located?

The new substation will be located generally in the area of the Blumenthal community, approximately 10 miles east of Fredericksburg. The exact location will be determined after the Public Utility Commission approves a route for the LCRA TSC transmission line, which is associated with the substation project.

Tap Point Design

How Big Are Tap Points?

LCRA TSC will own the new Blumenthal Tap Point which will be approximately three acres in size.



Where Will It Be Located?

The tap point will be located along or very near LCRA TSC's existing Kendall-to-Mountain Top 138 kV transmission line (T-342).

Several alternative tap point locations are being considered. The tap point location will depend on the route approved by the Public Utility Commission.

Blumenthal Substation and 138-kV Transmission Line Project
Simulated Structure: Single Pole
Photo Simulations are for demonstration purposes only. Final design may change pending review

Blumenthal Substation and 138-kV Transmission Line Project
Simulated Structure: Lattice Tower
Photo Simulations are for demonstration purposes only. Final design may change pending review

Blumenthal Substation and 138-kV Transmission Line Project
Simulated Structure: H Frame
Photo Simulations are for demonstration purposes only. Final design may change pending review.