



Frequently Asked Questions Regarding Proposed 345-kV La Palma to Kingfisher Transmission Line Project

These Frequently Asked Questions will be updated regularly with new developments and information. For more information, please call either AEP Texas at **512-481-4572** or Sharyland Utilities at **866-354-3335**.

About the Project

1. What is the project?

The project is a new proposed 345 kilovolt (kV) transmission line that will connect the existing La Palma 345-kV Station owned by American Electric Power Texas (AEP Texas) located south of the intersection of W Stenger St. and State Highway 77 in San Benito, Texas, to a new Kingfisher Station that will be constructed and owned by Sharyland Utilities, L.L.C. (Sharyland), and will be located on the west side of County Road 315 (Casey Road) approximately 0.8 miles south of FM 510 east-southeast of San Benito along an existing transmission line owned by Sharyland.

Based upon the final route approved by the Public Utility Commission of Texas (PUCT), the total transmission line project length will be approximately 5 miles.

2. Why is the project needed?

On September 23, 2021, the PUCT determined that this project was needed to ease existing transmission constraints that currently limit the flow of electricity in and out of the South Texas region. The PUCT ordered AEP Texas and Sharyland to begin the process of developing preliminary routes and approved a final route on December 15, 2022.

About the Parties Involved

3. What companies will be constructing this new transmission line?

The line will be constructed by both AEP Texas and Sharyland. AEP Texas will be constructing the western portion of the line coming out of its existing La Palma 345-kV Station, and Sharyland will be constructing the eastern portion of the line running to its new Kingfisher Station east-southeast of San Benito.

4. What is AEP?

AEP Texas is a Texas-based electric distribution and transmission utility that is fully regulated by the PUCT. AEP Texas provides both of these services to the majority of the San Benito area. AEP Texas is committed to providing safe, reliable, and efficient transmission and distribution services to its customers. AEP Texas has been and continues to be committed to meeting the service needs of its customers and in doing so works with the PUCT, the Electric Reliability Council of Texas (ERCOT) and other providers to meet these electric service needs.

For more information about AEP Texas, please visit www.aeptexas.com/company/.

5. What is Sharyland?

Sharyland is a Texas-based electric transmission utility that is fully regulated by the PUCT. We are committed to providing safe, reliable, and efficient transmission and substation services, ensuring operational excellence, and investing to support the infrastructure needs of the Electric Reliability Council of Texas (ERCOT).

Sharyland currently owns and operates approximately 64 miles of 138kV and 345kV electric transmission located in the Lower Rio Grande Valley region of Texas. Sharyland also owns and operates a two-unit 300MW High Voltage

Direct Current Tie (DC Tie), which links the ERCOT grid with the Mexican national grid, operated by the Centro Nacional de Control de Energia (CENACE).

For more information, please visit www.sharyland.com.

6. What is the PUCT?

The PUCT is the state agency that was created by the Texas Legislature to provide statewide regulation of the rates and services of certain electric, telecommunications, and water utilities. The PUCT has jurisdiction over both AEP Texas and Sharyland.

About the Routing Process

7. How was the route for this project determined?

AEP Texas and Sharyland retained a consulting firm, POWER Engineers, Inc., to conduct an environmental assessment and preliminary alternative route development and analysis for the proposed 345-kV transmission line.

AEP Texas' and Sharyland's consulting firm sent notification of the project to applicable local, state, and federal agencies. These agencies' concerns were addressed throughout the regulatory, construction, and operational phases of the project.

AEP Texas and Sharyland hosted public meetings in March and April of 2022 with potentially directly affected landowners to discuss the preliminary alternative routes and obtain public input for the route development process.

Once the environmental assessment and preliminary route analysis was completed and the public input was considered, AEP Texas and Sharyland refined the possible routes for this line that was filed with the PUCT in an application for a Certificate of Convenience and Necessity (CCN).

8. When did AEP Texas and Sharyland file a CCN application to determine a route for the proposed transmission line and how did the PUCT select a route?

The PUCT ordered AEP Texas and Sharyland to file the CCN application no later than June 30, 2022. Accordingly, AEP Texas and Sharyland filed the CCN application on June 29, 2022.

As part of the CCN application, AEP Texas and Sharyland offered a set of alternative routes with some geographic diversity for the PUCT to consider.

By law, the PUCT considered a number of factors when evaluating possible routes for the proposed line, including, for example, cost, environmental impacts, whether or not the proposed routes use or parallel existing compatible rights of way, property lines, or other natural features determined compatible. The PUCT also took into account the proximity of the proposed routes to existing habitable structures, like homes and businesses, community values, proximity to recreational and park areas, and historical and aesthetic values. Ultimately, the PUCT approved only one final route.

9. Did landowners have an opportunity to participate in the route selection and regulatory process?

Yes. AEP Texas and Sharyland hosted three public open house meeting(s) in San Benito on March 8th and 9th, and again on April 12th, 2022.

Potentially directly affected landowners and the general public could attend, review all the proposed routes, and offer suggestions or voice concerns. Notices for these public meetings were sent directly to potentially directly affected landowners. Additionally, notice of the public meetings was published in local newspapers.

Also, when the CCN application was filed, AEP Texas and Sharyland sent written notices to all directly affected landowners, local governmental officials, local electric utilities, other agencies, and notices were also published in local newspapers. In addition, AEP Texas and Sharyland provided potentially affected landowners with contact information and instructions on how they could fully participate in the CCN proceedings before the PUCT.

10. What is the expected timeline going forward?

Now that the PUCT has approved a final route for the project, AEP Texas and Sharyland will begin survey work and right-of-way acquisition. It is expected that construction of the transmission line may begin in early 2023, and the project is expected to be in-service by mid-2026.

About the Right-of-Way Process

11. What is a right-of-way easement?

A right-of-way easement is a legal document that gives a utility certain rights to use privately-owned land for a specific purpose. The landowner retains ownership of the property. The proposed project will require easements to be obtained from directly affected landowners on the route that is ultimately approved by the PUCT. Easement rights will be purchased along the path of the transmission line as needed to allow for the construction, installation, operation, and maintenance of the transmission line.

12. How wide an easement will AEP Texas and Sharyland be seeking?

The typical easement for this project will be 150-feet wide. Additional easement area may be necessary in some locations for specialized structures or where multiple structures are necessary at significant angles in the lines. Additionally, temporary workspaces may be acquired for access to the approved route or temporary construction facilities. All temporary workspaces will terminate when the project is completed.

13. How does an easement affect the directly affected landowner's use of the property?

Easements provide the utility the ability to safely clear the right-of-way, construct, operate and maintain electric facilities within the easement. The directly affected landowner may continue to use the property in the easement for activities such as ranching, farming, and hunting; provided that the activity does not interfere with the construction, and safe operation and maintenance of the line. PUCT rules require that new easements must include a provision that prohibits the construction of any new above-ground structures within the right-of-way.

14. How much will AEP Texas and Sharyland pay for right-of-way easements?

AEP Texas and Sharyland plan to pay a fair market value for transmission line easements. The fair market value is determined by conducting a market study or an appraisal for the easement to be obtained. AEP Texas and Sharyland will also include financial damages for things such as crops that may be damaged during construction.

15. Will AEP Texas and Sharyland use eminent domain to obtain right-of-way?

AEP Texas and Sharyland are both certificated electric utilities that are fully regulated by the PUCT, and as such, have the power of eminent domain. However, AEP Texas and Sharyland make every effort to work with directly affected landowners throughout the right-of-way acquisition process to avoid a situation that involves eminent domain and the court costs and legal fees that come with it.

About the Construction Process

16. How will directly affected landowners be affected by the construction of the transmission line?

After AEP Texas or Sharyland has obtained the necessary easement from a landowner, the landowner will be contacted prior to clearing and construction activities. Clearing includes the removal of trees and shrubs in the easement that could interfere with the safe operation and the maintenance of the transmission line. If necessary, erosion control measures will be implemented during the clearing and construction process. AEP Texas or Sharyland will undertake reasonable efforts to minimize disturbances to the landowner's use of the property and to minimize the impact to landowner's property during clearing and construction activities.

After completing construction of the transmission line, the surface of the easement area will be restored as closely as possible to its original contours and grades. The easement area will also be re-vegetated as necessary using native species while giving consideration to landowner preferences.

17. What type of structures will be used to construct the line?

AEP Texas' and Sharyland's typical structure will be of a steel single-pole double-circuit capable design. The typical steel single-pole structure height will be approximately 155 feet with a typical span distance between structures between 700 and 800 feet. A structure height must provide the minimum clearances to the ground, roadways, structures, and other utility structures to comply with the National Electrical Safety Code (NESC). These clearance requirements are for the safety of the general public.

18. Are these structures secure and safe?

Yes. AEP Texas and Sharyland design and construct transmission lines with safety in mind. The materials that are used comply with the strength requirements of all applicable codes, including the NESC (as required by Texas statute) and the American Standard Testing Materials Specifications. Sharyland's and AEP Texas' design and construction practices meet or exceed all of these codes and specifications. These codes and specifications were developed in part to protect the general public from potential electrical hazards. Also, if a severe event occurs such as extreme wind conditions, and causes an overhead conductor to break and fall to the ground, AEP Texas and Sharyland have protective devices in place to de-energize the line to further protect the general public. It is important to remember that a conductor on the ground should always be considered dangerous. AEP Texas and Sharyland request that if one is found, contact with it should be avoided, and AEP Texas or Sharyland should be called immediately.