



Rosemont 138-kV Transmission Line Project

Project Newsletter #1

March 2009

Introduction

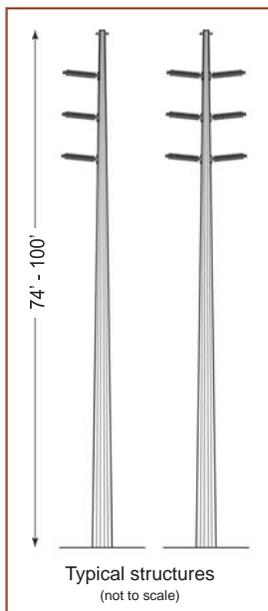
Tucson Electric Power (TEP) is in the preliminary stages of planning for the construction and operation of new electrical transmission facilities to serve the proposed Rosemont Copper Company (Rosemont) operations in the Santa Rita Mountains southeast of Tucson. The power delivery requirements will necessitate expansion of the existing electrical system in the area, including construction of a new 138-kilovolt (kV) transmission line, a new substation at the Rosemont facilities, and upgrades to an existing substation. The transmission line is expected to be in service by early 2011.

Purpose and Need

As a public utility regulated by the Arizona Corporation Commission (ACC), TEP is obligated to make service available to customers who request it and are able to pay the necessary costs. The proposed 138-kV transmission line and substation are needed to provide adequate and reliable power for operation of the proposed Rosemont facilities. No existing transmission lines or substations are capable of providing service for this purpose and need.

Project Description

The proposed Rosemont 138-kV Transmission Line could extend up to 30 miles from TEP's existing transmission system to a proposed substation located on Rosemont property approximately 11 miles east of Green Valley. Various locations are being considered for the line's starting point including, but



not limited to, TEP's South and Vail substations. Either of these substations would have adequate electrical capacity to serve the estimated 133-megawatt load that would be required for Rosemont Copper's operations. The line would follow an estimated 100-foot-wide right-of-way path acquired by lease or easement purchase. The proposed Rosemont Substation would be built on approximately 1 acre of Rosemont property. Although this is planned as a single circuit transmission line, in accordance with TEP's design standards, the transmission line structures would be built to accommodate a second circuit, if necessary.

Project Area

The project area incorporates all areas where the facilities could possibly be built. The area generally consists of state and federal land, including Coronado National Forest and Bureau of Land Management administered land, as well as privately-owned land in Pima County. A portion of the state land in the project area is the Santa Rita Experimental Range, managed by the University of Arizona. A map of this area is included in this newsletter.



Undeveloped lands within the central portion of the project area

The project area includes roads, railroads, power lines, and other existing linear features. Existing 115-kV, 138-kV, 230-kV, and 345-kV transmission lines and lower-voltage distribution lines generally follow roadways; two of these lines cross the Santa Rita Experimental Range within the project area. U.S. Interstate (I)-10 crosses the northern portion of the project area, while I-19/U.S. Highway 89 and the Union Pacific Railroad cross the western portion. State Route 83 extends north to south in the eastern portion of the project area, and the Pima/Santa Cruz County line is near the southern boundary.

The project area features a mixture of relatively flat lands that generally consists of creosote bush scrub and semidesert grassland. Several ephemeral washes/drainages extend into the area from the Santa Rita Mountains.

The communities of Sahuarita, Green Valley, and Vail and portions of Tucson are included in the study area, as are some rural residences and land used for agriculture or commercial and industrial purposes.

Arizona Corporation Commission Approval

Arizona Revised Statutes 40-360 to 40-360.13 require TEP to obtain a Certificate of Environmental Compatibility (CEC) from the ACC prior to construction of a high-voltage transmission line. TEP's CEC application will include a project description and environmental analysis to be reviewed by the Arizona Power Plant and Transmission Line Siting Committee. The application is likely to recommend a preferred and alternate route(s). After a decision by the Line Siting Committee, the ACC will review that decision and approve, deny, or modify it.

Planning Process and Project Schedule

TEP will complete environmental studies and solicit public comments on its plans before seeking approval of this proposed project. TEP will be conducting the planning process over the next several months and anticipates filing a CEC application in the second half of 2009. A diagram summarizing the planning process is included in this newsletter.

TEP has begun to collect data for a regional environmental inventory representing the resource areas. The project team has begun analyzing data and identifying opportunities and constraints for potential transmission line links that can be used to develop routes within the project area. This information will be displayed at the first set of public open houses.

Please attend one of the upcoming
**PUBLIC INFORMATION
OPEN HOUSES**

March 24, 2009 5:30-7:30PM

Acacia Middle School
12955 East Colossal Cave Road
Vail, Arizona 85641

March 25, 2009 5:30-7:30PM

Canoa Hills Social Center
Palo Verde Room
3660 South Camino del Sol
Green Valley, Arizona 85622

Environmental Studies

Through its environmental consultant, Environmental Planning Group (EPG), TEP will consider many environmental factors, including existing and future land uses as well as visual, cultural, archaeological, and biological resources based on environmental analyses and studies. Environmental analyses as well as other factors will be considered before selecting proposed routes for this project. Evaluating these environmental factors is an important component of the CEC application.

TEP will consult with federal, state, and local jurisdictions, as well as other interested parties, regarding potential environmental constraints in the project area. TEP will review and evaluate the environmental constraints identified throughout the planning process and incorporate appropriate mitigation measures to avoid or minimize environmental impacts.

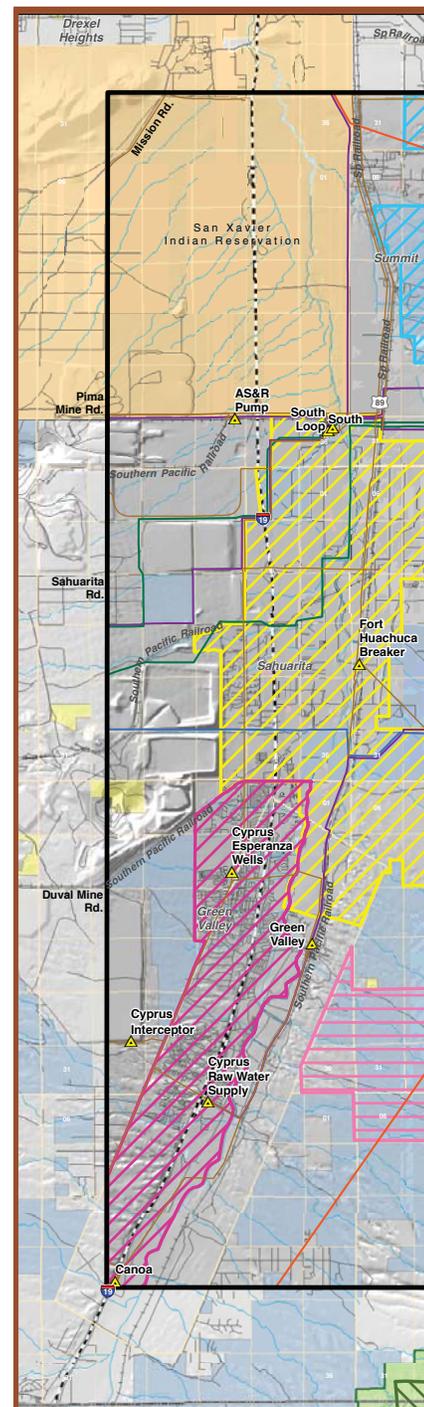
Public Participation

Public and agency input is another important component of the TEP decision process for selecting a proposed route(s). TEP will distribute information regarding the Rosemont project and request public input during individual meetings with community leaders, elected officials, and stakeholders, as well as through public open house meetings, informational newsletters, a telephone information line, and media briefings.

Numerous public open house meetings will be conducted within the project area and announced via project newsletters and the project Web site. The public will have opportunities to review key information, interact with project staff, and provide comments regarding the proposed transmission line project. See the box to the left for upcoming public open house information.

Contact Information

To offer comments or request additional information concerning the Rosemont 138-kV Transmission Line Project, please call the toll-free project telephone information line at **(866) 632-5944** or visit TEP's Web site at **www.tep.com**.



PLANNING
PROCESS

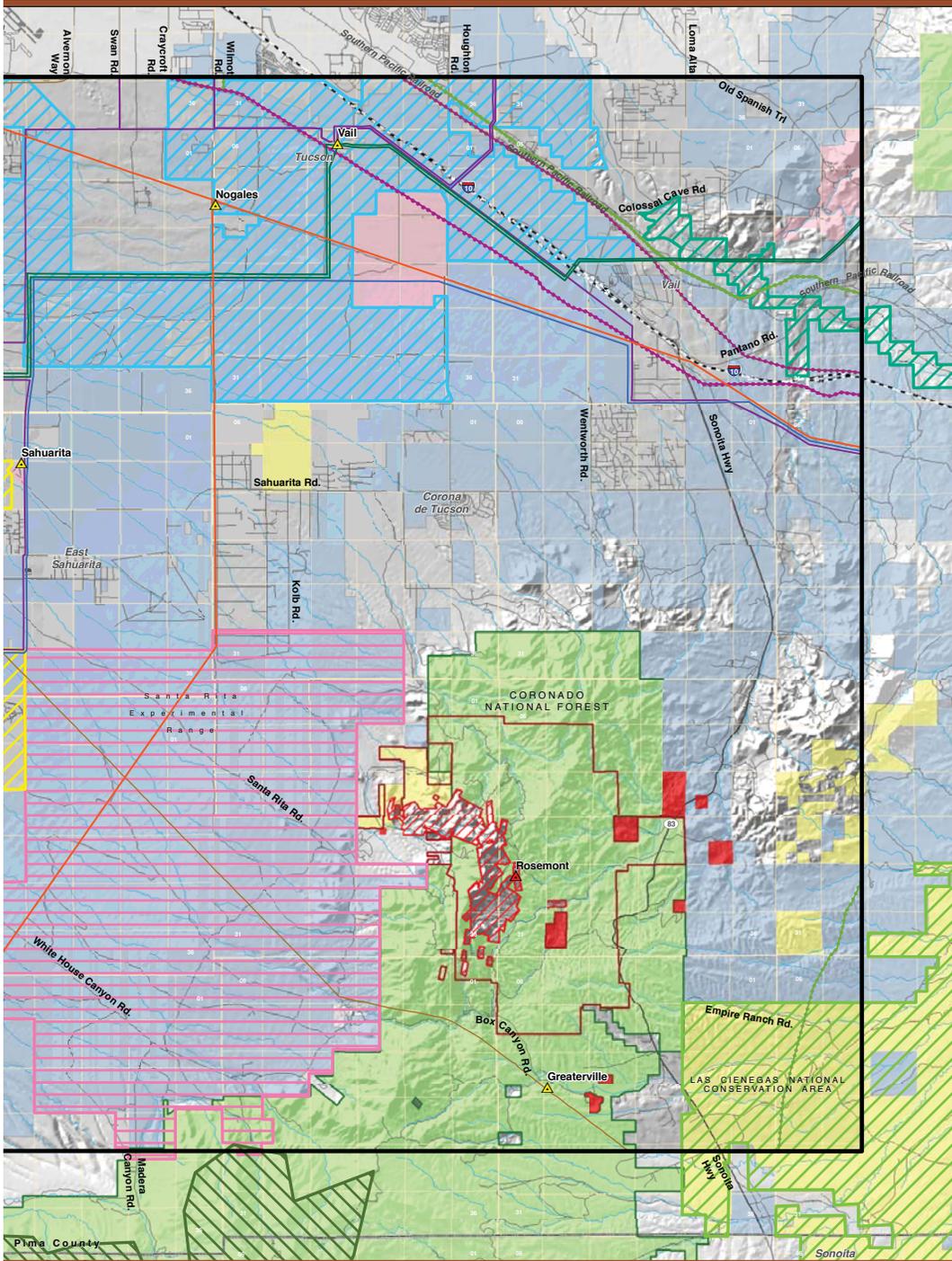
TASK 1
Siting Criteria, Define Study Area,
and Secondary Data Collection

PUBLIC
PARTICIPATION
ACTIVITIES

- Community leader and elected official briefings
- Project fact sheet

ESTIMATED
TIMELINE

2008 - Winter 2009



Rosemont 138-kV Transmission Line Project Jurisdiction and Ownership

Legend

Land Managing Areas

- U.S. Forest Service
- Bureau of Land Management
- National Park Service
- Indian Reservation
- Arizona State Land
- Local Park (Pima County)
- Unincorporated Pima County

Planning Jurisdictions

- Green Valley Planning Area
- Sahuarita Incorporated Boundary
- Tucson Incorporated Boundary

Special Management Areas

- Mt. Wrightson Wilderness
- Santa Rita Experimental Range
- Las Cienegas National Conservation Area
- Cienega Creek Natural Preserve

Rosemont Copper Facilities

- Patented Claims
- Claim Boundary
- Private Lands

General Reference Features

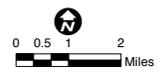
- Existing Substation
- Proposed Rosemont Substation
- Existing 345-kV Transmission Line
- Existing 230-kV Transmission Line
- Existing 138-kV Transmission Line
- Existing 115-kV Transmission Line
- Existing 46-kV Transmission Line
- Gas Pipeline (12" or greater)
- Gas Pipeline (Less than 12")
- National Forest Boundary
- Project Area Boundary
- County Boundary
- Interstate
- Highway
- Secondary Road
- Railroad
- Lake
- River / Wash
- Township Boundary
- Section Boundary

Project Location



Sources

StreetMap USA 2008; TEP 2008; EPG, 2008, Pima County 2008, Rosemont Copper Company 2008



| TASK 2 Opportunities/Constraints Analysis and Link Alternatives Identification | TASK 3 Detailed Inventory and Link Alternatives Assessment | TASK 4 Route Alternatives Selection and Resource Surveys | TASK 5 Preparation and Filing of CEC Application | TASK 6 CEC Hearings |
|---|--|--|--|---|
| <ul style="list-style-type: none"> • Newsletters #1 and #2 • Public open house meetings #1 and #2 | <ul style="list-style-type: none"> • Ongoing activities | <ul style="list-style-type: none"> • Newsletter #3 • Public open house meeting(s) #3 | <ul style="list-style-type: none"> • Ongoing activities | <ul style="list-style-type: none"> • Public hearings before the Arizona Power Plant and Transmission Line Siting Committee and ACC |
| Winter - Spring 2009 | Spring 2009 | Spring - Summer 2009 | Summer - Fall 2009 | Fall - Winter 2009 |

EPG
4141 NORTH 32ND STREET, SUITE 102
PHOENIX, AZ 85029

RETURN SERVICE REQUESTED

FIRST-CLASS MAIL
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IMPORTANT PUBLIC OPEN HOUSE NOTICE

PARA INFORMACIÓN EN ESPAÑOL, LLAME AL (866) 632-5944



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