

EPG  
4141 NORTH 32<sup>ND</sup> STREET, SUITE 102  
PHOENIX, AZ 85018

PRSR STD  
U.S. POSTAGE  
PAID  
WORLD MARKETING



# Rosemont 138kV Transmission Line Project

Project Newsletter #2  
August 2009

### Introduction

This newsletter is the second in a series concerning Tucson Electric Power’s (TEP’s) plan to build a new 138 kilovolt (kV) transmission line in Pima County. The new transmission line has been requested by Rosemont Copper Company (Rosemont) to serve its proposed mining operations southeast of Tucson. The proposed transmission line is expected to be in service in time to meet the needs of the proposed Rosemont operations.

### Project Summary

After conducting detailed electrical system engineering studies, TEP has concluded that the line should connect to TEP’s existing transmission system at a proposed switchyard located about 3.5 miles east of Interstate 19 and 3 miles south of Sahuarita Road (see the enclosed map). The project study area has been updated to more closely correspond with the vicinity of potential transmission line link alternatives originating at that location.

To satisfy Rosemont’s initial need for power to construct its facilities, TEP plans to build a 138kV line to the proposed Rosemont Substation from its Greaterville Substation, which is tied to an existing 46kV line. Since that link could not provide enough power for Rosemont’s long-term operations, those needs would be met by a 138kV transmission line that originates at the proposed switchyard and extends to the proposed Rosemont Substation either through the connection at the Greaterville Substation or via another route.

No existing TEP transmission lines are capable of providing the requested service in the vicinity of Rosemont’s proposed operations.

### Preliminary Routing Options

TEP has identified a number of preliminary transmission line segments, or links, that could be combined to form complete routes for the proposed transmission line. These alternative links are shown on the map included with this newsletter. *Please note that all links are preliminary and may be modified based on agency and public input.*

In identifying these alternative links, TEP and its consultant, EPG, reviewed public input and environmental data collected for the project area. Areas or resources identified as more sensitive (less desirable) for the project include but are not limited to:

- Existing and approved future residential areas, schools, and parks
- Scenic landscapes or corridors, including trails and designated scenic routes
- Sensitive cultural/archaeological sites, plants, and wildlife

Areas identified as opportunities (more desirable) for a transmission line route include:

- Industrial parks or commercial retail areas
- Existing and future transmission lines and pipelines (water)
- Existing or future highways, roads, and railroads
- Major property boundaries such as section lines

TEP will continue to complete environmental and engineering studies on each of the preliminary transmission line links. TEP also will consider comments received from the public before identifying preferred and alternative routes.

TEP requires approval from the Arizona Corporation Commission (ACC) to build and operate the two components (i.e., power for construction and operation) of its proposed transmission line. TEP will request that the ACC approve a 500-foot-wide corridor for the project that will allow TEP flexibility during design and negotiation with landowners. TEP will acquire rights to build the line along a 100-foot right-of-way within the boundaries of that corridor.

### Public Comments Received

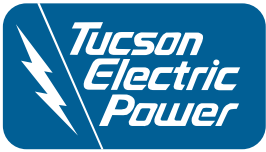
TEP has been meeting with various agencies, regional stakeholders and the general public to discuss the proposed transmission line, collect environmental data, and identify preliminary issues and concerns within the project study area. Information about the project also has been made available on TEP’s Web site and in a newsletter mailed to area residents. The following answers address common questions raised in response to those outreach efforts.

#### Where will TEP build the proposed transmission line?

Please see the attached map to review the potential transmission line segments, or links, that could be incorporated in the final route approved by the ACC. TEP is currently undertaking a planning and public involvement process to identify potential routes.

## IMPORTANT PUBLIC INFORMATION OPEN HOUSE NOTICE

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



# Rosemont 138kV Transmission Line Project

Please attend the upcoming  
**PUBLIC INFORMATION OPEN HOUSE**  
**August 27, 2009**  
**5:30-7:30PM**

Rancho Resort Clubhouse  
15900 South Rancho Resort Boulevard  
Sahuarita, Arizona 85629

Upon completion of this process, TEP expects to propose one or more potential routes for the ACC’s review.

*Is Rosemont paying for the transmission line siting study?*

Yes. Like any customer requesting service at the transmission voltage level, Rosemont is paying for the transmission siting study. The transmission line is being designed to serve Rosemont’s needs, and it will not be built if Rosemont does not proceed with its proposed plan of operations.

*Will the existing utility rates increase because of this proposed project?*

Because Rosemont would pay the costs associated with building this transmission line, the project would not contribute to an increase in TEP’s base rates.

*What effect will the proposed transmission line have on property values or taxes?*

TEP cannot determine with any certainty whether construction of this proposed line will have any lasting effect on the value of nearby property. TEP has reviewed studies that have linked other transmission line projects to a temporary reduction in nearby property values. However, those studies also indicated that the effect diminished with time, and other studies have found no effect at all.

*Is it possible to build the proposed transmission line underground?*

It would not be practical to build this proposed transmission line underground. In addition to a significantly higher cost, an underground line would disturb more land and could create greater potential environmental impacts than an overhead line. It is more typical to locate lower-voltage distribution lines underground in populated areas.

*Has Rosemont received final approval for its proposed mining operations?*

No. The U.S. Forest Service is currently reviewing Rosemont’s proposal and is

expected to issue a Draft Environmental Impact Statement on that project in the fourth quarter of 2009.

*What is the source of the power that will serve the Rosemont operations?*

Rosemont operations would be served from TEP’s resource portfolio, which includes a mix of company-owned generation and power supply contracts. Rosemont needs will be met with a mix of energy from existing resources, new natural gas-fired plants, or renewable resources.

*Is it possible to upgrade the existing Greaterville Substation and extend the new transmission line north to the proposed Rosemont Substation?*

TEP is considering potential links that would involve the Greaterville Substation.

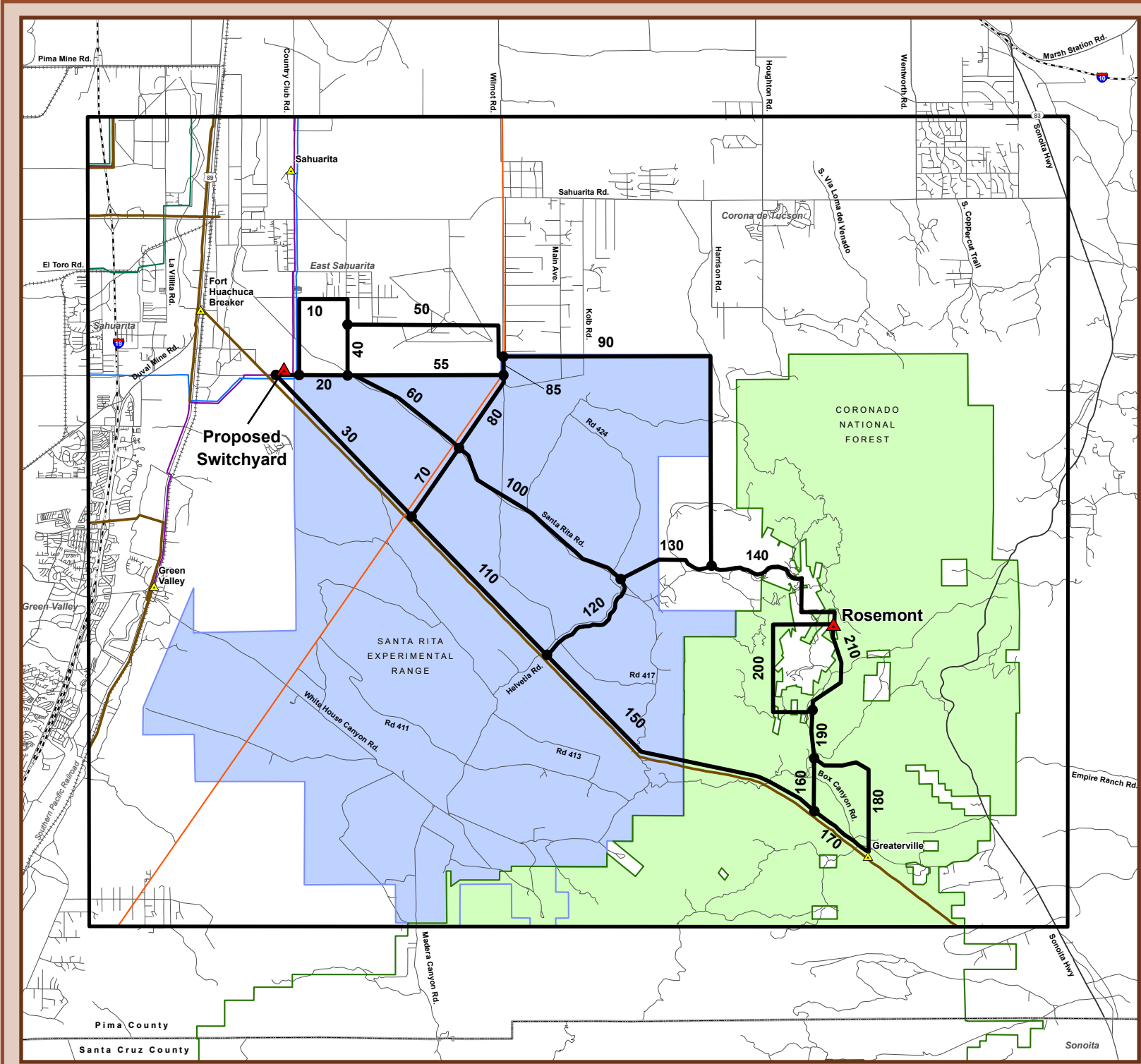
**Public Participation**

TEP is seeking public input on the preliminary transmission line links and other aspects of this project. Please take a few moments to share your thoughts using the enclosed comment form, which should be returned by September 18, 2009.

You also are invited to attend the second public information open house meeting on this project that will be held Thursday, August 27, from 5:30 to 7:30 p.m. at the Rancho Resort Clubhouse, 15900 South Rancho Resort Boulevard in Sahuarita. During this meeting, TEP will provide information and answer questions about the project. The meeting will be in an open house format with display boards and an opportunity for discussion.

**Contact Information**

To offer comments or request additional information about this project, please call the toll-free project telephone line at **(866) 632-5944** or visit TEP’s Web site at **www.tep.com**.

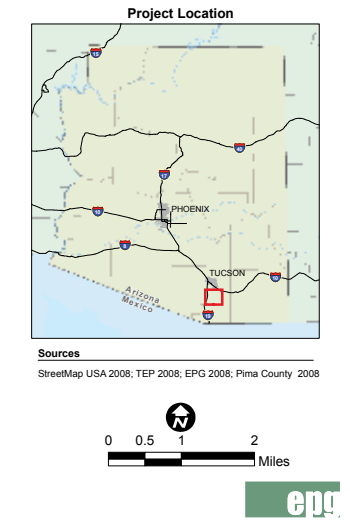


**Rosemont 138kV Transmission Line Project**  
Preliminary Transmission Line Link Alternatives

- Legend**
- Link Identification Number
  - Link Node
  - Preliminary Alternative Link
- General Reference Features**
- Existing Substation
  - Proposed Switchyard/Substation
  - Existing 345kV Transmission Line
  - Existing 230kV Transmission Line
  - Existing 138kV Transmission Line
  - Existing 115kV Transmission Line
  - Existing 46kV Transmission Line
  - County Boundary
  - Interstate
  - Highway
  - Secondary Road
  - Railroad

Notes: Not all of the preliminary alternative links shown on the map will be constructed. Project study area boundary has been updated as of July 2009.

All links are preliminary and may be modified based on agency and public input.



PLANNING PROCESS	TASK 1 Siting Criteria, Define Study Area, and Secondary Data Collection	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
PUBLIC PARTICIPATION ACTIVITIES	• Community leader and elected official briefings • Project fact sheet	• Newsletters #1 and #2 • Public open house meetings #1 and #2	• Ongoing activities	• Newsletter #3 • Public open house meeting #3	• Ongoing activities	• Public hearings before the Arizona Power Plant and Transmission Line Siting Committee and ACC
ESTIMATED TIMELINE	2008 - 1 <sup>st</sup> Quarter 2009	1 <sup>st</sup> - 3 <sup>rd</sup> Quarter 2009	3 <sup>rd</sup> - 4 <sup>th</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	1 <sup>st</sup> - 2 <sup>nd</sup> Quarter 2010	2 <sup>nd</sup> Quarter 2010

WE ARE HERE