

FREQUENTLY ASKED QUESTIONS

Mountain Home Substation and 138-kV Transmission Line Project *Gillespie, Kerr and Kimble counties*

— PROJECT OVERVIEW —

1. What is the Mountain Home Substation and 138-kV Transmission Line Project?

LCRA Transmission Services Corporation (LCRA TSC) is proposing to build and operate a new single-circuit 138-kilovolt (kV) transmission line in Gillespie and Kerr counties and possibly Kimble County in order to provide transmission service to a new substation near Mountain Home and improve reliability to electricity consumers in the area. If approved, the new transmission line will be about 20 miles long, depending on the route ultimately selected by the Public Utility Commission of Texas (PUC). The proposed 138-kV line will extend between the existing Hunt Substation; the new Mountain Home Substation, located in the vicinity of the Mountain Home community; and the existing Harper Substation.

2. Why is this project needed?

Population growth and development in Gillespie and Kerr counties have increased the demand for electricity in the region. Additional electric infrastructure is required to improve reliability of electric service in the area. Currently, many electric consumers in the area of the project are served by long distribution feeders from the Hunt and Harper substations. According to a 2016 electric distribution study commissioned by Central Texas Electric Cooperative (CTEC), the existing distribution system in the area of the proposed project will be unable to meet the forecasted demand for power by 2021. The proposed project addresses the issues identified in the CTEC study. The proposed project also improves reliability to electric customers of the Kerrville Public Utility Board and Bandera Electric Cooperative by providing a new transmission source to the area west of Kerrville.

3. What is a transmission line?

A transmission line is comprised of structures and specialized wires (conductors) that move electricity at voltages higher than 60-kV over long distances. The new single-circuit 138-kV transmission line will connect the new Mountain Home Substation to the existing Hunt and Harper substations.

4. What is the proposed Mountain Home Substation?

LCRA TSC is proposing to construct and operate a new load-serving substation in the Mountain Home area. Voltage will be reduced to a lower distribution level through a transformer at the proposed Mountain Home Substation.



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5. How does electricity get to residential and commercial consumers?

Traditionally, electricity travels from generation sources through a network of high-voltage transmission lines and voltage transformation equipment. Electricity is then “stepped down” to a distribution-level voltage through a transformer at a substation such as the proposed Mountain Home Substation. Electricity then flows from the substation along these lower voltage distribution lines, ultimately supplying the electricity to homes and businesses. For the proposed project, LCRA TSC will own and operate the new 138-kV transmission facilities and a portion of the substation transformation equipment, and CTEC will own and operate the lower voltage substation equipment and distribution voltage facilities that deliver electricity to end-use consumers.

6. When will this 138-kV transmission line and new substation be in service?

If approved by the PUC, the new transmission line and substation are anticipated to be in service by fall of 2021.

— PARTIES AND OVERSIGHT —

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

LCRA TSC and its routing consultant, POWER Engineers, developed a study area that includes the end points of the transmission line—the existing Harper and Hunt substations and the proposed new Mountain Home Substation alternative sites. The project team gathered data, maps, aerial photos and input from federal and state agencies and local officials. Staff also conducted field reconnaissance from public access points like roads and highways. Using this information, LCRA TSC and POWER identified information about environmental and land use features within the project area, such as habitable structures and subdivisions, parks and recreational areas, as well as known cultural resource sites. The project team also identified preliminary alternative substation sites. The information gathered about the study area helps identify and delineate preliminary transmission line route segments connecting the project end points in a manner that minimizes the impact of the project on environmental and land use features as much as possible. These preliminary route segments and alternative substation sites are presented by LCRA TSC to the public at an open house.

Based on input received from the public and elected officials, LCRA TSC and POWER may add, remove or modify the preliminary route segments and alternative substation sites. Ultimately, LCRA TSC will evaluate possible alternative routes for the project based on factors that include public input; human/natural/cultural resource impacts; engineering and construction; operation and maintenance; and cost. LCRA TSC’s evaluation will result in several alternative routes for the proposed project connecting the project end points. These routes will then be included in LCRA TSC’s application to amend its Certificate of Convenience and Necessity (CCN) filed with the PUC. The PUC will make the final decision whether to approve the application and will select the route and substation site to build.

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

The Texas Legislature has given the PUC the sole authority to decide if new transmission lines proposed by regulated transmission service providers such as LCRA TSC are needed. If the PUC determines that a new transmission line is needed, it will approve the project on a specified route after evaluating a number of statutory factors

including community values, recreational and park areas, historical and aesthetic values and environmental integrity.

— LOCATION —

9. Will LCRA TSC propose a preferred route for the project?

No. LCRA TSC will not identify a “preferred route” or a “recommended route” for the proposed project. However, the PUC application requires LCRA TSC to identify the “route the applicant believes best addresses the requirements of the Public Utility Regulatory Act and PUC Substantive Rules.” Accordingly, in the application for this project LCRA TSC will identify a route in response to this requirement, but such identification should not be construed as LCRA TSC’s preference or recommendation of a specific route. LCRA TSC will include several geographically diverse routes in its application, all of which will meet the need for the project.

10. Why is LCRA TSC considering route segments that vary geographically?

LCRA TSC is required by the PUC to identify a number of geographically diverse alternative routes, including route options that use or parallel existing compatible rights of way (e.g., existing transmission lines, highways, roads and railroads) and routes that parallel property lines to the extent practical. Ultimately, LCRA TSC will submit multiple alternative routes in its application to the PUC that comply with the routing factors established by the Legislature and the PUC.

11. Does LCRA TSC pay property taxes on transmission and substation facilities?

Yes. LCRA TSC pays local property taxes on the transmission facilities, land and land rights it owns.

— INFRASTRUCTURE —

12. What will the transmission line structures look like?

LCRA TSC is proposing steel or concrete monopoles for this project. Typical transmission structures supporting similar 138-kV lines are 80 to 120 feet above the ground. Typical span lengths between structures range from 600 to 1,000 feet. The CCN application LCRA TSC files with the PUC will include more detailed information about the structures proposed.

13. Will the project be safe?

Yes. The line and substation will be designed and constructed to meet or exceed the specifications outlined in the National Electric Safety Code and will comply with all applicable state and federal statutes and regulations.

14. What are electric and magnetic fields?

Electric and magnetic fields (EMF) are found everywhere, especially where electricity is consumed, including near household appliances (such as hair dryers, computers and TVs), electrical equipment, communication equipment and power lines. All transmission and distribution electric lines emit some EMF. Extensive scientific research has established no direct link between exposure to power lines and adverse health effects and neither the federal nor state government has established any health standards relating to EMF. Nevertheless, LCRA TSC will design, construct and operate the

proposed project in a manner that minimizes the emission of EMF where possible. More information about EMF can be found online at, <http://lcra.org/energy/energy-education-and-safety/safety/Pages/electric-and-magnetic-fields.aspx>.

— YOUR PROPERTY —

15. How will I be affected if the PUC-approved route crosses my land?

If the PUC approves the project and 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 such as LCRA TSC, the right to use privately owned land for a specific utility 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. Normal agricultural and recreational activities including farming, ranching, hunting and hiking may take place within the easement area.

16. How wide is the easement for the proposed transmission line?

Easements for the proposed project will typically range between 80 and 100 feet wide, or about 40 to 50 feet from the centerline of the route to the edge of the easement. The exact width of the easement will depend on the specific location.

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

LCRA TSC will contact owners of property to be crossed by the transmission line after the PUC approves the transmission line route. LCRA TSC or its contractors will notify landowners of the need to conduct surveys on their property. Registered professional land surveyors define and describe the easement boundaries. As necessary, LCRA TSC and its contractors may perform additional environmental and cultural resources surveys within the easement area prior to construction.

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

LCRA TSC pays fair market value for transmission line 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.

19. What is eminent domain?

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 projects such as schools, parks, roads, highways, fire and police stations, public buildings and utilities. As a public utility, LCRA TSC has the right to exercise eminent domain. Landowners will be provided with the State's Landowner's Bill of Rights, which includes detailed information on eminent domain as part of the acquisition process. LCRA TSC negotiates in good faith with property owners for the purchase of the property or easement rights before invoking the authority of eminent domain.

20. How will LCRA TSC perform clearing in the easement area?

For safety and reliability of the transmission line, LCRA TSC or its contractors will remove tall vegetation within the right of way in most cases. Low growing vegetation

outside of paths for vehicles and the work zone is generally acceptable. LCRA TSC evaluates special clearing accommodations for environmentally and culturally sensitive areas.

— NEXT STEPS —

21. What are next steps for this project?

After the open house, LCRA TSC and POWER will evaluate all public comments and conduct additional engineering and environmental analysis of the potential routing and substation 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. Ultimately, LCRA TSC and POWER will identify and evaluate in detail a set of primary alternative route options made up of the various segments and alternate substation locations. POWER will prepare an Environmental Assessment Report (sometimes called an EA or routing study) for LCRA TSC to review that contains an assessment of the data gathered for the project, including information about the segments and routes included in the application. LCRA TSC will then prepare its CCN amendment application and submit it to the PUC along with the EA.

22. When will LCRA TSC submit the CCN amendment application to the PUC?

LCRA TSC currently anticipates filing an application with the PUC in late 2018.

23. How will I know when LCRA TSC files its CCN application?

Upon submitting its application to the PUC, LCRA TSC will mail letters to all landowners whose land is crossed by a potential route or who own a habitable structure within at least 300 feet of a proposed route. The notice will include information about how those property owners can participate in the proceeding. Public notifications regarding the application will also be published in area newspapers. The project web page, www.lcra.org/mountainhome, is another resource.

24. What happens once the PUC approves the project?

If the project is approved by the PUC, LCRA TSC will conduct various land, environmental and cultural resources surveys to prepare the necessary plans and specifications to construct the transmission line. Following easement and property acquisition, LCRA TSC will prepare the right of way and approved substation site 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.

— ABOUT LCRA TSC —

LCRA Transmission Services Corporation is a nonprofit utility that provides safe, reliable and environmentally responsible electric transmission services in Texas. LCRA TSC's transmission lines and substations play a vital role in the transmission of electricity between power generation plants and local electric service providers. LCRA TSC owns or operates more than 5,200 miles of transmission lines, almost 400 substations and a System Operations Control Center. LCRA staff operates and maintains those facilities for LCRA TSC, which provides wholesale transmission services to customers in South, West and Central Texas.

— CONTACTS —

For more information about the Mountain Home Substation and
138-kV Transmission Line Project,
visit www.lcra.org/mountainhome or contact:

Regulatory Affairs

Lower Colorado River Authority
P.O. Box 220, Mail Stop DSC-D140
Austin, TX 78767-0220

Lance Wenmohs
mountainhome@lcra.org
512-578-2690