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**Frequently Asked Questions**  
**Regarding Sharyland Utilities' Antelope-Elk Energy Center to White River**  
**345 kV Generation Interconnection Project**

These Frequently Asked Questions will be updated regularly with new developments and information. For more information, please call Sherry Kunka at **866-354-3335** or send an email to **suhelp@sharyland.com**.

**About the Project**

**1. What is the project?**

The project is a new high voltage transmission line to be built by Sharyland Utilities, L.P. (Sharyland) in Hale and Floyd Counties, Texas. This new 345 kilovolt (kV) line will be approximately 55 miles long and will connect the Golden Spread Electric Cooperative, Inc. (GSEC) Antelope-Elk Energy Center (AEEC) in Hale County, approximately 1.6 miles north of the City of Abernathy on County Road P, to the proposed White River Station that will be built by Sharyland in Floyd County, approximately 9 miles northeast of the City of Floydada and 1.1 miles east of the intersection of County Road 231 and County Road 200.

**2. Will the new line be linked to the ERCOT grid or the SPP grid?**

The new proposed 345 kV transmission line and the proposed White River Station to be built by Sharyland will connect the AEEC to the Electric Reliability Council of Texas (ERCOT) to allow GSEC to serve its distribution cooperative members located in ERCOT.

ERCOT is an electrical organization that is regulated by the Public Utility Commission of Texas (PUCT) and that oversees the planning and operation of the electric grid that covers most of Texas. The ERCOT grid serves approximately 85% of the state's electric load. However, most residential and commercial customers located in the Texas Panhandle and South Plains are not connected to the ERCOT grid. These customers are connected to an interstate transmission grid that is managed by a different regional transmission organization, the Southwest Power Pool (SPP).

**3. Why is the project needed?**

As described above, the project is necessary to implement GSEC's requested interconnection of the AEEC. The AEEC, consisting of GSEC's existing Antelope Generating Station and its new Elk Generating Station, will be a 774 MW gas-fired electric generation facility. GSEC's existing Antelope Station consists of eighteen (18) natural gas-fired reciprocating engines for a total of approximately 168 megawatts (MW) of electricity that are already in commercial operation and used to generate electricity for GSEC's distribution cooperative members located in the SPP. For the new Elk Station, GSEC's Board of Directors has authorized and GSEC plans to construct 606 MW of new generation, consisting of three natural gas-fired combustion turbine units rated at 202 MW each. GSEC plans to construct the new Elk Station in time for one of the units to be available for commercial operation in the SPP by the summer of 2015 and for two additional units to be available for commercial operation in ERCOT by June 2016.

After construction of the project and GSEC's planned generator interconnection facilities, the Antelope Station and one of the units at the Elk Station will be capable of interconnection with either the SPP or ERCOT. The remaining two units at the Elk Station will be interconnected only to ERCOT. An additional 202 MW of generation is anticipated to be added to the AEEC in the future to bring the total capability of the AEEC to 976 MW.

#### **4. What are the benefits of the project?**

Connecting quick-start thermal generating units to the ERCOT grid will allow GSEC to provide electric energy to its distribution cooperative members located in ERCOT, will result in cost savings relating to the generation of electricity, and will enhance ERCOT reliability and resource adequacy. ERCOT studies have determined that thermal generating units, such as those at the AEEC, will improve electric reliability and increase local system strength. It should also be noted that while this new transmission line is not being built to connect a renewable generation source, such as a wind farm, the addition of the gas-fired generation, a new, high voltage transmission line, and a new station in Floyd County could increase the potential for the development of wind power in the region.

#### **About the Parties Involved**

#### **5. What is Sharyland Utilities?**

Sharyland Utilities, L.P. is a Texas-based public electric utility that is fully regulated by the PUCT. Our corporate headquarters are located in Dallas, and we currently serve approximately 50,000 customers in 29 counties throughout Texas. Sharyland Utilities is privately-owned by Hunter L. Hunt and other members of the family of Ray L. Hunt, and is managed by Hunter L. Hunt. Sharyland's Amarillo Division office is located at 6900 I-40 West, Suite 100, Amarillo, Texas 79106. For more information, please call 866-354-3335 or visit [www.sharyland.com](http://www.sharyland.com).

#### **6. Does Sharyland currently provide retail electric service to customers in the Texas Panhandle and South Plains regions?**

No. At this time, Sharyland is only involved in the construction and operation of large scale transmission facilities that will help move power from local generation facilities, including wind farms as well as traditional thermal generation, to the ERCOT grid.

#### **7. What is GSEC?**

GSEC is a nonprofit Texas cooperative located in Amarillo, organized in 1984 to provide low-cost reliable electric service for its members. GSEC has 16 rural distribution cooperative members, which include Lighthouse Electric Cooperative and South Plains Electric Cooperative. Golden Spread has members located in ERCOT and in the SPP. Several of Golden Spread's members are located in both ERCOT and the SPP.

#### **About the Route Selection Process**

#### **8. When will Sharyland file a CCN application to determine a route for the proposed transmission line?**

On December 13, 2013, Sharyland filed an application with the PUCT to amend its Certificate of Convenience and Necessity (CCN), so that the PUCT can review and approve a final route for the line. As part of the CCN application, Sharyland offered a set of alternative routes for the PUCT to consider. The proceeding could take one year to be processed, though Sharyland has requested the application be processed on an expedited schedule to help ensure the project is completed by mid-2016.

By law, the PUCT will consider a number of factors when considering possible routes for the proposed line, including cost, environmental impacts, whether or not the proposed routes use or parallel existing rights of way, property lines, or other natural or cultural features. The PUCT will also take into account the proximity of the proposed routes to existing habitable structures, like homes and businesses. Ultimately, the PUCT will only approve one final route.

However, it is important to note that the PUCT can approve any of the proposed route alternatives, or any other combination of the proposed routing links. So, it is very important that landowners stay informed and engaged throughout the route selection process.

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

Yes. Sharyland hosted three public meetings, two in August 2013 and one in October 2013. Potentially affected landowners and the general public were invited to come, review all the proposed routes near their land, and offer suggestions or voice concerns. Notices for these public meetings were sent directly to potentially affected landowners.

Also, when Sharyland filed its CCN application, it sent written notices to all affected landowners and published notices in local newspapers.

**10. How can a landowner participate in the CCN proceeding?**

A landowner may participate in two ways. One is to become an intervenor. An intervenor is a person who, upon showing a justifiable interest, is permitted to become a party to the proceeding. As an intervenor, the landowner participates in the CCN proceeding and may make legal arguments, conduct discovery, file testimony, cross examine witnesses and even may decide to testify at a hearing, and be subject to cross examination.

If a landowner chooses not to fully participate in the CCN proceeding, they may become a protestor. This is a person or organization that opposes any matter contained in the application filed with the PUCT. Protestors are NOT parties to the case and may NOT conduct discovery, cross examine witnesses or present a direct case. To become a protestor, a landowner can either send written comments stating a position regarding the CCN application, or if the case progresses to a hearing, a statement of protest can be made on the first day of hearing.

**11. What is the expected timeline going forward?**

The PUCT has a year to make a decision on a final route, though Sharyland has requested the application be processed on an expedited schedule to help ensure the project is completed by mid-2016. After approval is received, Sharyland will begin survey work and right-of-way acquisition. It is expected that construction on the transmission line will begin in mid-2015, and the project is expected to be in-service by mid-2016.

**About Right of Way**

**12. What type of transmission tower will Sharyland use? How tall are the transmission towers? How much right-of-way is needed to accommodate these towers?**

The proposed transmission line will be operated at a voltage of 345 kV, and it will be attached to structures that are larger than the wooden frames used to carry the 115 kV lines currently seen in the region. For the most part, Sharyland expects to use monopoles with a nominal height of 125 feet tall, unless there are instances where the span or clearance requirements exceed those of monopoles. In those locations, Sharyland plans to use steel lattice structures that are also approximately 125 feet tall.

Sharyland will obtain a nominal width of 175 feet for right-of-way. However, some locations may require more or less width due to physical terrain and the type of structures used. In general, the lattice towers are spaced approximately 1,150 – 1,200 feet apart within the right-of-way, allowing for four to six structures per mile. Monopoles are 800 – 900 feet apart on average, allowing seven to eight structures per mile.

**13. How will I be affected if Sharyland builds a transmission line on my property?**

Even though Sharyland will have an easement to cross the property, the landowner will still own the property and can continue to use the right-of-way underneath the line for purposes such as grazing, farming, hunting, and other purposes that do not interfere with the transmission line or its operation.

**14. How much will Sharyland pay for right-of-way easements?**

Sharyland pays 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. Sharyland will also include financial damages for things such as crops that may be damaged during construction. A copy of the market study is available to the property owner at the time an offer is made to purchase the easement.

**15. Will Sharyland use eminent domain to obtain right-of-way?**

Sharyland is a certificated electric utility fully regulated by the PUCT, and as such, has the power of eminent domain. However, Sharyland makes every effort to work with 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 Jobs & Benefits to Region**

**16. Who will Sharyland use to build the proposed transmission line and White River Station? Will construction and other related jobs be filled locally or will outside contractors be used?**

Sharyland will use an experienced contractor to construct the new transmission line. Sharyland encourages its construction contractors to use local resources, and these firms may hire local personnel to help with jobs related to the construction of the lines, such as site clearing for towers and the substation, setting concrete foundations, and other construction support services.

In addition, construction crews will patronize local restaurants, hotels, and other community services throughout the construction phase of the project.

At the peak of construction, Sharyland expects approximately 150 people to work on this project. When fully developed, GSEC's AEEC will be staffed by 25 full time employees, generating in excess of \$2 million for the local economy.

**17. Will Sharyland pay taxes on the new transmission line and station?**

Yes. Sharyland's transmission line and proposed White River Station will provide additional tax revenue for Hale and Floyd counties and their local schools. In addition, local communities will benefit from sales tax revenues during the construction phase of the project. AEEC already provides \$1.8 million in the form of local school taxes, which could increase to \$8.7 million a year if fully constructed.

**About Wind Farm Development**

**18. I'm currently in discussions with a wind farm developer who is interested in putting wind turbines on my property. If you build a new transmission line on my property, will that prevent me from being able to have a wind turbine on my property as well?**

Not necessarily. Placing a transmission line on your property will not in and of itself prevent the placement of wind turbines. However, it could affect the physical location and placement of the turbines.

These transmission lines will require a right-of-way with a nominal width of 175 feet, and obviously, no turbines can be placed in the direct path of the transmission line. Also, general principles and practices incorporate an additional buffer distance on either side of the right-of-way to ensure that the lines will not be harmed by activities related to the construction, operation, and maintenance of a wind turbine.

Other than that, it will be entirely up to the property owner and the wind developer to determine the appropriate number and location of wind turbines on the property and to coordinate those locations with adjacent property owners, roadways, railroads, other utilities, and other land uses.

Throughout this process, Sharyland is committed to working closely with all stakeholders, including landowners and wind developers, towards a common solution that ensures a proper balance in the use of the land.