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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

April 13, 2010

5:30 – 8:30 p.m.

(including presentation and question-and-answer session 6:30-7:00 p.m.)

**Corona Foothills Middle School
16705 South Houghton Road
Corona de Tucson, Arizona 85641**

April 14, 2010

5:30 – 8:30 p.m.

(including presentation and question-and-answer session 6:30-7:00 p.m.)

**Quail Creek Madera Clubhouse
1100 North Eagle Hollow Road
Green Valley, Arizona 85614**



Rosemont 138kV Transmission Line Project Project Newsletter #3 March 2010

Introduction and Project Summary

This is the third in a series of newsletters concerning Rosemont Copper Company's (Rosemont) request to Tucson Electric Power (TEP) to provide power to Rosemont's proposed operations in the Santa Rita Mountains southeast of Tucson.

If Rosemont secures approval for its proposed operations, a 138 kilovolt (kV) line would initially be built from an existing 46kV transmission line to the proposed Rosemont Substation to provide power for construction of the Rosemont operations facilities. Because that line is not adequate to provide power for Rosemont's long-term operations, a separate 138kV transmission line would be built, linking the Rosemont Substation to a proposed switchyard/substation tied to TEP's 138kV transmission system. Depending upon the final route selected, the route for the separate 138kV line could incorporate the transmission line and electrical facilities built to provide power for the construction of the Rosemont operations facilities.

Environmental and Engineering Studies

TEP and its consultant, Environmental Planning Group (EPG), reviewed agency, stakeholder, and public input, as well as environmental resource data collected for the project area to develop proposed routes for the project. Areas or resources identified as more sensitive (less desirable) and areas identified as opportunities (more desirable) for a transmission line route were considered in identifying these alternative routes.

Several preliminary line segments, or "links," were initially identified throughout the project study area. These links were first shown to the public and agencies for review and comment in July 2009. TEP has been gathering feedback and continuing studies on the links since that time. New links have been identified for analysis based on public comments and ongoing studies.

A detailed environmental analysis has been conducted for each of the preliminary links. This analysis includes (1) environmental resources; (2) agency, stakeholder, and public comments; (3) engineering and design of the facilities; (4) the constructability of a route; (5) the ability to obtain right-of-way; and (6) the overall cost of building the new facilities.

Transmission Line Route Alternatives

Preliminary links with minimal environmental impacts that meet engineering requirements have been combined to form the preliminary transmission line route alternatives shown on the map inside. Each route would link a proposed 138kV switchyard/substation and TEP's 46kV system to the proposed Rosemont Substation. The routes were created after a review of human, natural, and cultural resources throughout the project area, as well as the public input received concerning this project and engineering/design considerations. **Please note that all alternative routes are preliminary and may be modified based on additional regulatory, agency, stakeholder, and public input as well as engineering and design considerations.**

After gathering feedback on these preliminary routes from agencies, the stakeholder group, and the public, TEP will prepare final alternative routes for submission to the Arizona Corporation Commission (ACC).

Public Comments Received

Since July, TEP has received a variety of comments about this project from representatives of local agencies, members of the project stakeholder group, and the general public. These comments were submitted by mail, fax, telephone, through the project website, and in person at public open house meetings.

While the majority of the comments came from residents in the project study area, some comments were received from landowners who reside outside its boundary.

Some comments expressed concerns about potential impacts to residential views and property values, cultural resources, and the ecosystem within the study area boundary, including the Santa Rita Experimental Range. Other comments suggested locating the transmission line in open desert areas within the experimental range to minimize impacts to existing and future land uses included in general plans of Pima County and other local planning jurisdictions.

When boundaries were redrawn last year, some privately owned properties were removed from the project study area.

Some of those landowners asked if they would still receive project newsletters and have an opportunity to comment on the project; the answer is yes to both. The area included in the environmental and engineering studies was reduced in the summer of 2009, after TEP settled on serving Rosemont's energy needs from the proposed 138kV switchyard/substation (see map). However, TEP's mailing list for project communications was not reduced, and TEP continues to welcome feedback from all members of the public, including those living outside the study area.

Others wondered if TEP has a preferred location for the proposed transmission facilities. At this time, TEP does not; however, this siting process is intended to identify a preferred location for an environmentally compatible transmission line route that would meet the purpose and need for the project, while considering public and agency input, engineering constraints, and cost. TEP has not ranked the preliminary transmission line routes displayed in this newsletter, and will not do so until comments are received from jurisdictional representatives, the stakeholder group, and the general public.

Project Schedule

TEP is seeking public input on the alternative routes and other aspects of this project. Please take a moment to share your thoughts using the enclosed comment form, which

should be returned by May 7, 2010. An online public comment form is also available on the project website at www.tep.com/company/news/rosemont. After considering stakeholder and public input and making any appropriate revisions to the project plan, TEP will begin preparations to file a Certificate of Environmental Compatibility (CEC) application with the ACC in May 2010.

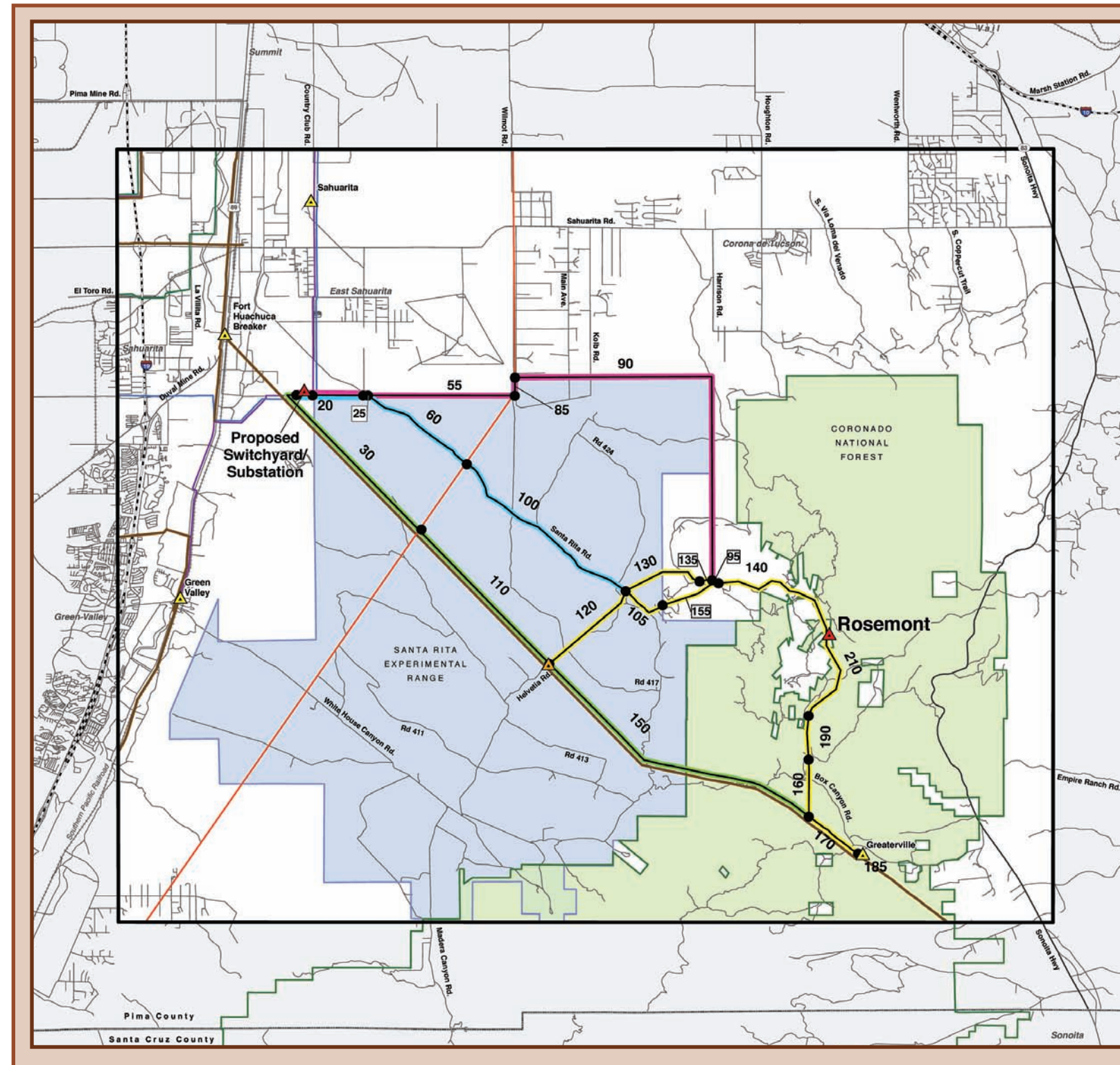
The CEC application will include a preferred route and alternative route(s) for review by the Arizona Power Plant and Transmission Line Siting Committee. This committee is responsible for issuing a CEC that will be available for final review and approval by the ACC. Hearings before the committee and the ACC are open to the public and will be announced on the TEP and ACC websites.

Public Participation

TEP invites you to attend one of two public open house meetings that will be held April 13, 2010 at Corona Foothills Middle School, and April 14, 2010 at Quail Creek Madera Clubhouse, to review and comment on the identified alternative routes. You may attend any time between 5:30 and 8:30 p.m. to view the preliminary route alternatives, talk individually with project team members, and offer feedback. A brief, formal presentation and question-and-answer session will be held from 6:30 to 7:00 p.m. each night.

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 the TEP website, www.tep.com/company/news/rosemont.



Tucson Electric Power

Rosemont 138kV Transmission Line Project

Preliminary Transmission Line Alternatives

Legend

Alternative Routes

- North Route
- Santa Rita Road Route
- Adjacent 46kV Route
- Options for both construction and operations (for operations, the route will extend from one of the above three routes)

Link Identification Number
Link Node
Preliminary Alternative Link

Temporary Interconnection

Updated Project Study Area Boundary
Santa Rita Experimental Range
Coronado National Forest Boundary

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. Links 120, 105, 155 and 130 may be temporary for construction power, based on which alternative route is preferred.

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

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

Project Location

Sources
StreetMap USA 2008; TEP 2008; EPG 2008; Pima County 2008

0 0.5 1 2 Miles

edp

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	<ul style="list-style-type: none"> Community leader and elected official briefings Project fact sheet 	<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 #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
ESTIMATED TIMELINE	2008 - 1 st Quarter 2009	1 st - 3 rd Quarter 2009	3 rd - 4 th Quarter 2009	4 th - 2 nd Quarter 2010 WE ARE HERE	1 st - 2 nd Quarter 2010	2 nd - 3 rd Quarter 2010