



your lines. your lights.

your community.



JULY 2010

Spearville-Axtell Phase II

345 KV TRANSMISSION LINE PROJECT

Letter from the President

Dear Friends,

We are pleased to bring you the first of what will be a series of newsletters to help keep you informed about the progress of Phase II of the Spearville-Axtell 345,000 volt (345 kV) transmission line, also known as the KETA Project. This project is intended to improve the reliability and efficiency of the regional grid and to make more affordable energy available. Because this project is so important to our region, we will use this newsletter to provide regular updates on its progress. After all, it is a critical link to your lines, your lights and your community.

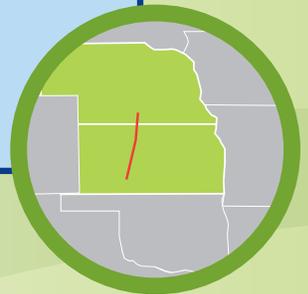
Our communication with you began late last year when ITC Great Plains conducted community open house events in Plainville and Smith Center to gather public input on several potential routes for Phase II of the line, the 85-mile segment from the Post Rock substation (formerly known as Knoll) near Hays, to the Nebraska border. Your feedback helped us determine a final route, which we submitted to the Kansas Corporation Commission (KCC) in March. Many of you attended the KCC public hearing on our siting application in Stockton on April 12.

On June 30, the KCC approved our siting application for the route through Ellis, Rooks, Osborne and Smith counties. We will soon begin the land acquisition process. If you have property on the route, you will receive a letter within the next few months requesting permission to enter your land for preliminary survey work. When the surveying is completed, our land agents from Universal Field Services will contact you to begin negotiations for easements for the right-of-way necessary to build the line.

As we acquire easements, tower line design will proceed. Construction is expected to start mid-2011. The Phase II segment from the Post Rock substation to the Nebraska border is projected to go into service in December of 2012.

We appreciate our partnerships with landowners and pledge to work respectfully with you throughout the design and construction process, and certainly throughout the life of this important project. We plan to provide ongoing communications, so we hope you will find these regular communications helpful and informative.

If you have any questions, please don't hesitate to contact us toll-free at **(877) ITC-ITC9** or **SKAfeedback@itctransco.com**. You also can find information on our web site, **www.itcgreatplains.com**. Thank you for your continued interest in the Spearville-Axtell transmission line project. ■



Project Area

Sincerely,

Carl A. Huslig
President, ITC Great Plains



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Answers to Your Questions

Q: *How did you develop the line route?*

A. ITC Great Plains started with a preliminary route selection study to identify several route alternatives for the line. Field investigations were conducted of the project area and each route alternative. The review was conducted by a transmission line engineer, an environmental route selection specialist and a biologist. We identified three potential routes through Ellis, Rooks, Osborne, Phillips and Smith counties based on consideration of environmental, cultural, historical, land use, economic, engineering and constructability issues.

As part of the preliminary route selection, we contacted state and local officials and local business and community leaders to fully discuss the project, review our proposed routes and answer questions. We conducted two public open house events attended by more than 400 landowners, residents and other interested parties who provided input regarding the routes. All comments we received were taken into consideration during development of the final route, which attempts to minimize impacts to residents, their land and the natural environment while providing a technically viable and cost-effective transmission line. As part of the route selection, we coordinated with the Nebraska Public Power District on a border crossing point in Smith County to connect with the Nebraska portion of the line.

Q: *What will the line look like?*

A. Phase II of the Spearville-Axtell line is expected to be built primarily with single tubular-steel poles (monopoles) in order to minimize the impact on land use. The height of the structures will vary based on terrain, clearances to the ground, objects under the line and structure spacing, but will typically range between 100 and 150 feet. The span lengths between structures will be approximately 700 to 1,100 feet, with an average span of 900 feet. Structure placement and span lengths can be adjusted in cultivated fields to minimize interference with the operation of center-pivot irrigation systems.

Q: *Who is paying for this line?*

A. Construction will be financed by ITC Great Plains. Because the line will benefit the entire region in terms of improved reliability, increased efficiency and lower costs, ITC Great Plains will recover its costs for building, owning, operating, and maintaining the line through rates approved by the Federal Energy Regulatory Commission and charged to transmission customers in the Southwest Power Pool (SPP) footprint, which includes Kansas, Oklahoma and parts of Nebraska, Texas, New Mexico, Arkansas and Missouri. These federally-regulated charges are not based upon the amount of power that actually flows on the transmission line.

Q: *Will this line be safe?*

A. 345-kV transmission lines have operated safely in Kansas and across the entire country, around people and animals, since the 1950s. Today there are more than 65,000 miles of these lines across the country, including 2,809 miles of 345-kV lines in Kansas. ITC owns and safely operates 2,939 miles of 345-kV lines, and new lines are being built across the country at the rate of approximately 300 miles every year. The KETA 345-kV line will be built to exceed all applicable safety standards, similar to the many miles of existing ITC lines that have an excellent record for safe operation. Any electrical-environmental effects of the transmission line will be mitigated by good design practices, which include the careful selection of key design elements such as conductor diameter, height and spacing. If there were some sort of significant adverse effect on the health of people or animals around these lines, it would be very well known by now. We can provide references to third-party studies that further address these questions.

Q: *What about protecting the environment along the line route?*

A. We believe the environment is an important factor when working on the planning and design of a project, and we take all potential environmental factors into consideration. The route for the Spearville-Axtell line has been chosen to have the least impact on farms, property, families and the environment. ITC Great Plains employs best-in-class mitigation and remediation practices. We work with appropriate organizations, including the Kansas Department of Wildlife and Parks, the U.S. Fish and Wildlife Service and affiliated environmental organizations from the beginning to reasonably manage and mitigate any direct environmental impact. We believe this kind of collaboration will help develop a transmission line that aligns with federal and state energy and environmental policy objectives. We adhere to all state and federal regulations to protect native plants, threatened or endangered species, wetlands, and water and air quality. ■



Transmission Lines and Agriculture

Irrigation systems: We have attempted to place our route where it will not interfere with the operation of center-pivot irrigation systems. We will work with landowners on structure placement and span lengths as such irrigation systems are further identified.

Access to your property: We will work with you to establish favorable points of ingress and egress to the right of way during construction. After construction is completed, ITC will attempt to notify landowners when access is needed for non-emergency maintenance or other purposes related to the line. We will keep gates closed to keep livestock in.

Ongoing use of your land: Vehicles, equipment and livestock generally will be free to pass under the new lines, and in most cases property owners will be able to use their land for the same purposes they used it prior to construction of the line. We are committed to working with you throughout the siting, design, and construction process to attempt to minimize impacts to your property.

Operation of GPS-guided agriculture equipment: Normal reception of GPS signals will not be affected by the operation of the line. However, some GPS equipment itself may not be shielded adequately for its electronics to always function properly in the electrical environment directly under the line. This is rare, and no action is warranted in anticipation of a problem. But if you have some evidence that GPS-guided precision agriculture is not working properly under a transmission line, please contact ITC Great Plains for advice.

Sharing space with wind turbines: An appropriate buffer zone is required between transmission lines and wind turbines. Wind turbines can be placed closer to transmission lines than they can to each other. This results in little or no disturbance to wind turbine location.

Oil and gas development: The line easement or right-of-way width is determined to provide for safe clearances to normally anticipated activities adjacent to the line. Well drilling, which involves tall structures, requires additional clearance from the line and is not permitted within our easements. However, modern drilling techniques allow for considerable variability in the location of the drilling rig, so no practical impediment would be anticipated for the development of any underground petroleum resource. Tanks associated with oil wells are prohibited within the easements. ■

About ITC Great Plains and the Spearville-Axtell Project

ITC Great Plains, based in Topeka, Kansas, is a transmission-only utility seeking to build a more robust electric transmission system providing access to reliable, non-discriminatory, competitive and low-cost energy throughout the SPP region. We are a subsidiary of ITC Grid Development, LLC, a wholly-owned subsidiary of Michigan-based ITC Holdings Corp., the nation's first and largest independent transmission provider. ITC Great Plains is focused on playing a major role in transmission in Kansas and the region. This commitment will help establish a reliable, robust regional transmission grid. ITC Great Plains holds transmission-only utility status in Kansas and Oklahoma with the authority to construct, own, operate, and maintain a regulated, high voltage transmission system.

The Spearville-Axtell (KETA) project will provide access to more reliable, efficient and affordable electricity in Kansas and the Midwest. It will provide access to reliable and affordable energy across the state and region. It also will ease congestion across the transmission network, addressing the lack of high-voltage transmission lines in central and western Kansas which causes inefficiencies in the grid and does not allow power to flow in the most efficient manner. ■



1100 SW Wanamaker Rd., Suite 103
Topeka, KS 66604

Return Service Requested

Spearville-Axtell Phase II

345 KV TRANSMISSION LINE PROJECT



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FAST FACTS:

Phase II Line length: 85 miles, Hays to Nebraska state line

Line route: Ellis, Rooks, Osborne and Smith counties

Voltage: 345,000 (345 kV)

Right-of-way width: 150 feet

Structure type: Steel monopole, single-circuit

Towers per mile: Typically six

Substation: Post Rock (Hays)

KEY DATES & TIMELINE:

Nov. 30 & Dec. 1, 2009 – ITC hosted Community Open Houses

April 12, 2010 – Kansas Corporation Commission hearing to gather public input on route

June 30, 2010 – KCC approved route

July 2010 - February 2011 – Right-of-way negotiations and engineering design

June 2011 - November 2012 – Line and substation construction

December 2012 – Target date for completion

June 2013 – Official in-service date



ITC Great Plains is Committed to...

- Working closely with communities and local governments to ensure the siting and construction process is open and transparent, and citizens feel they are true participants in the process.
- Improving Kansas' electricity transmission infrastructure to further improve reliability.
- Creating the most efficient and cost-effective transmission system for the Kansas consumer.
- Ensuring affordable energy is available to Kansas to support economic development and attract business to the state.
- Constructing a more robust transmission system across the state.