

**Herty North – Lufkin
345 kV Transmission Line Project
Open House**

**LUFKIN, TEXAS
LUFKIN CIVIC CENTER
NOVEMBER 2, 2009
4:00 PM - 8:00 PM**

Welcome and thank you for taking the time to attend this open house for the proposed Herty North – Lufkin 345 kV transmission line project. The proposed transmission line project is needed in order for Oncor Electric Delivery Company LLC (Oncor, or Company) to continue to provide safe and reliable electric service, to facilitate competition in the sale of electric energy in Texas, and to enhance economic efficiency in the production and consumption of electricity. The new transmission line will connect Oncor’s existing Herty North Switching Station (located in Angelina County, on Davisville Road, northeast of Lufkin, Texas) to Oncor’s existing Lufkin Switching Station (located in Angelina County, north of Craft Fenley Loop, west of Lufkin, Texas). This proposed transmission line project is currently planned to be completed in 2012.

The purpose of this open house is for Oncor to present information, answer your questions about the project, and receive your ideas and concerns. In order to help you better understand the proposed transmission line project and the routing and certification process, typical Questions and Answers about transmission line projects are presented below.

You will notice that there are several exhibits around the room. Company representatives, as well as representatives from its contractors Burns & McDonnell and JS Land Services, are stationed at each exhibit and can answer specific questions about the proposed transmission line project relating to the portion of the process presented in that exhibit. We encourage you to take advantage of this opportunity to talk with the various representatives of Oncor, our routing consultant Burns & McDonnell, and our property ownership abstractor JS Land Services. The Company and contractor representatives can provide information based on their particular area of expertise. The exhibits are arranged in a particular order that will, if visited in order, give a better overall understanding of the proposed transmission line project. Please spend as much time as you need to address any issues you might have at each exhibit. Since this is an open house meeting, there may be times when one particular exhibit is very crowded. Please bear with us and we will make every attempt to address your concerns.

Who is Oncor Electric Delivery Company LLC?

Oncor Electric Delivery Company LLC is an electric utility primarily regulated by the Public Utility Commission of Texas (PUC or Commission). The Company constructs, owns, and operates the conductors or “wires” that move electric power between points on the electric transmission and distribution system, connecting electric power producers and sellers with electric power consumers. The Company does not own power plants or buy or sell electric power. TXU Energy and Luminant are not the same company as Oncor Electric Delivery Company LLC.

What does the transmission system do?

The State's electric system is a network of power generation plants, transmission lines, switching stations and substations, and distribution lines designed to provide reliable electric service to retail customers. Transmission lines carry, or "transport", electricity from power generation plants to substations where the electricity is converted to a lower voltage that the distribution lines carry, or "transport", to residences and businesses.

In order for Oncor to provide reliable electric service, it must work with other utilities and state organizations to ensure that the electric transmission network is designed so that the temporary loss of a power generation plant, a substation, or a transmission line will not result in a major electric outage. For example, without appropriate planning, damage to a single transmission line due to such incidents as tornadoes, lightning, ice storms, or equipment failure could result in significant disruptions to the delivery of electricity.

Why must a new transmission line be constructed in this area?

The proposed new transmission line needs to be built in order to increase reliability and remove transmission constraints on economic operation of area generation. This project is part of ERCOT's 5-year plan and is fully supported and approved by ERCOT.

What is the approximate location of the proposed transmission line?

The location of the preliminary alternative routes being considered for the proposed transmission line project is shown on the attached map. Once the current routing study is completed (of which this public open house meeting is a part), the Company will select a preferred route for the proposed transmission line project (along with one or more alternate transmission line routes) for submission to the Commission for approval. Ultimately, after consideration of the information presented by the Company and other participating parties, the Commission is responsible for approving the route for the proposed transmission line project.

How long will the transmission line be?

If approved by the Commission, the proposed transmission line project will be approximately eight miles long depending upon the route approved by the Commission.

What type of transmission line structures will be used?

Oncor continually evaluates different structure types for different transmission line voltages in various geographic areas that will satisfy particular project requirements. At this time, Oncor is proposing to use a self-supporting, double-circuit 345 kV lattice steel V-tower design as the typical structure for the project. A drawing of this type of structure is attached.

Will environmental studies be conducted to determine the impact of the proposed transmission line project?

Yes. Professionals from Burns & McDonnell, an engineering consulting firm, are preparing an environmental assessment and alternative route analysis (Environmental Assessment) of the proposed transmission line project. The Environmental Assessment

will include the evaluation of alternative transmission line routes in terms of impacts to the existing environment and land uses.

How will property owners or other interested persons find out the results of this process?

There are several ways members of the public can find out about the Company's route selection process, the submission of the Company's application to the Commission for approval of the proposed transmission line project, and the Commission's action on the Company's application.

First, there is a question on the Questionnaire, provided to you with this information packet that asks if you would like to know the results of the Company's route selection process. If you provide your name and address, you will be sent a notification of the results of the Company's route selection process.

Second, a formal notice will be provided (via first class mail) to any property owner whose land will be crossed by any route for the proposed transmission line project filed by the Company at the Commission as part of a formal application for approval to construct the project. In addition, a formal notice will also be provided (via first class mail) to any property owner who has a habitable structure within 500 feet of any route for the proposed transmission line project filed by the Company at the Commission as part of a formal application for approval to construct the project. Property ownership for this notice is determined by research of the appropriate County Tax Appraisal District records.

Third, public notice will be provided, in newspapers of general circulation within the appropriate county, in the two weeks following the filing of the Company's application at the Commission.

Finally, if a route for the proposed transmission line project is approved by the Commission, a notice (via first class mail) will be sent to the same property owners who were provided formal notice of the filing of the Company's application at the Commission.

When will construction of the proposed transmission line project begin?

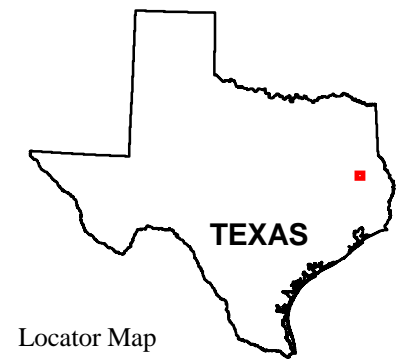
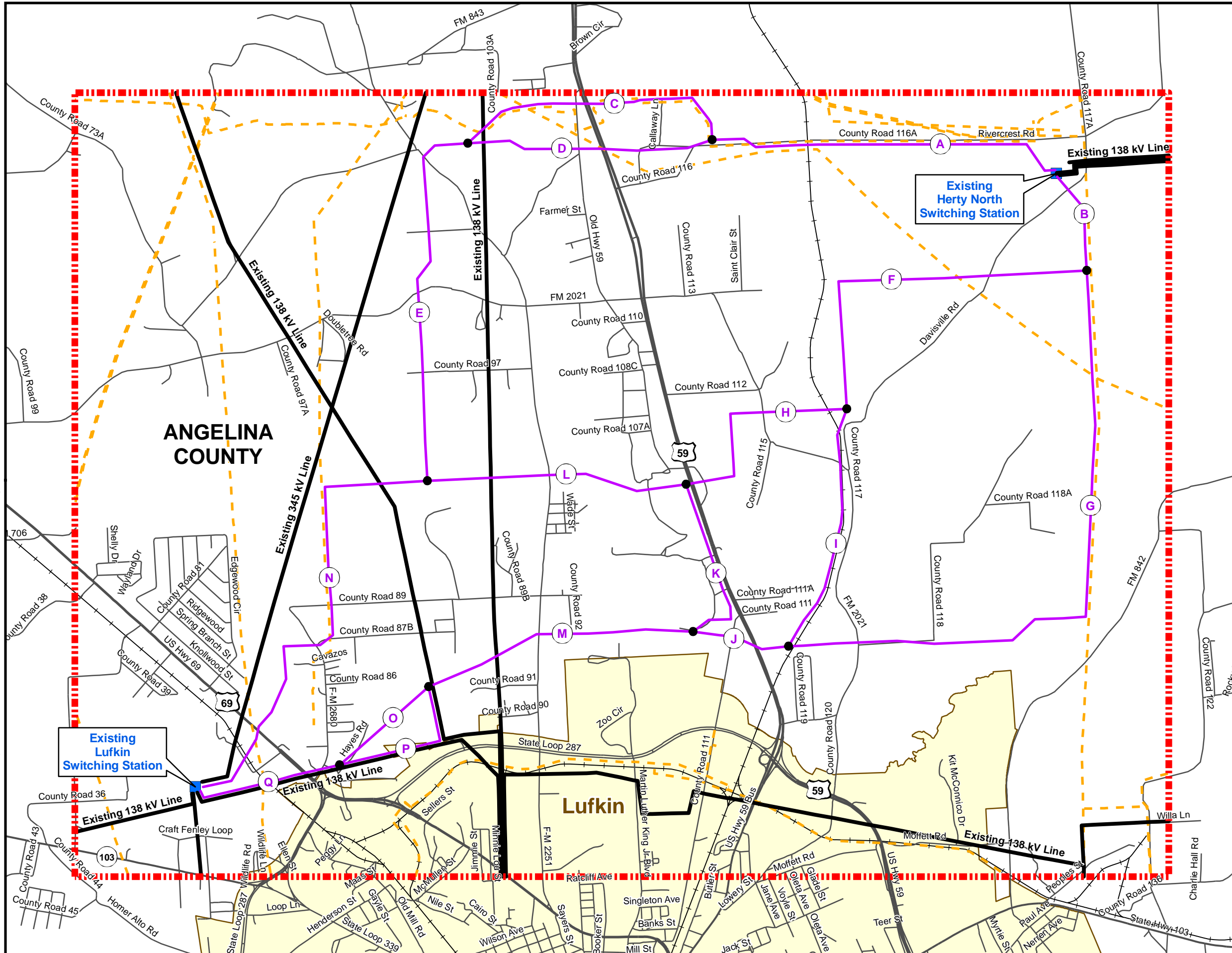
Before construction can begin, Oncor must seek and receive approval from the PUC to construct the proposed transmission line project. This application process, along with typical time frames for each step of the process is described in the attached handout labeled "**Licensing Process for New Transmission Facilities.**" Based on the Company's projected in-service date of 2012, Oncor would anticipate that, if its application is approved by the Commission, construction would begin in late 2011.

If I have additional questions following this meeting, who should I contact?

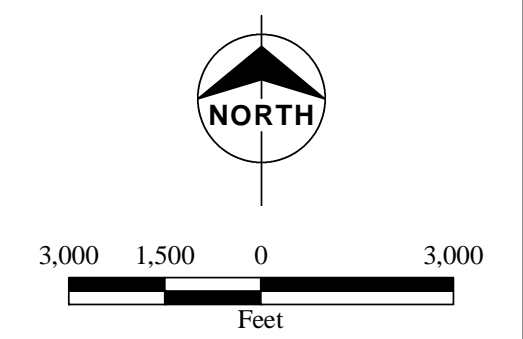
Additional information concerning this and other Oncor transmission line projects can be obtained at <http://www.oncor.com/transmissionprojects>. You may also contact Ms. Martha Henson at (214) 486-7344.

Thank you again for attending this open house!

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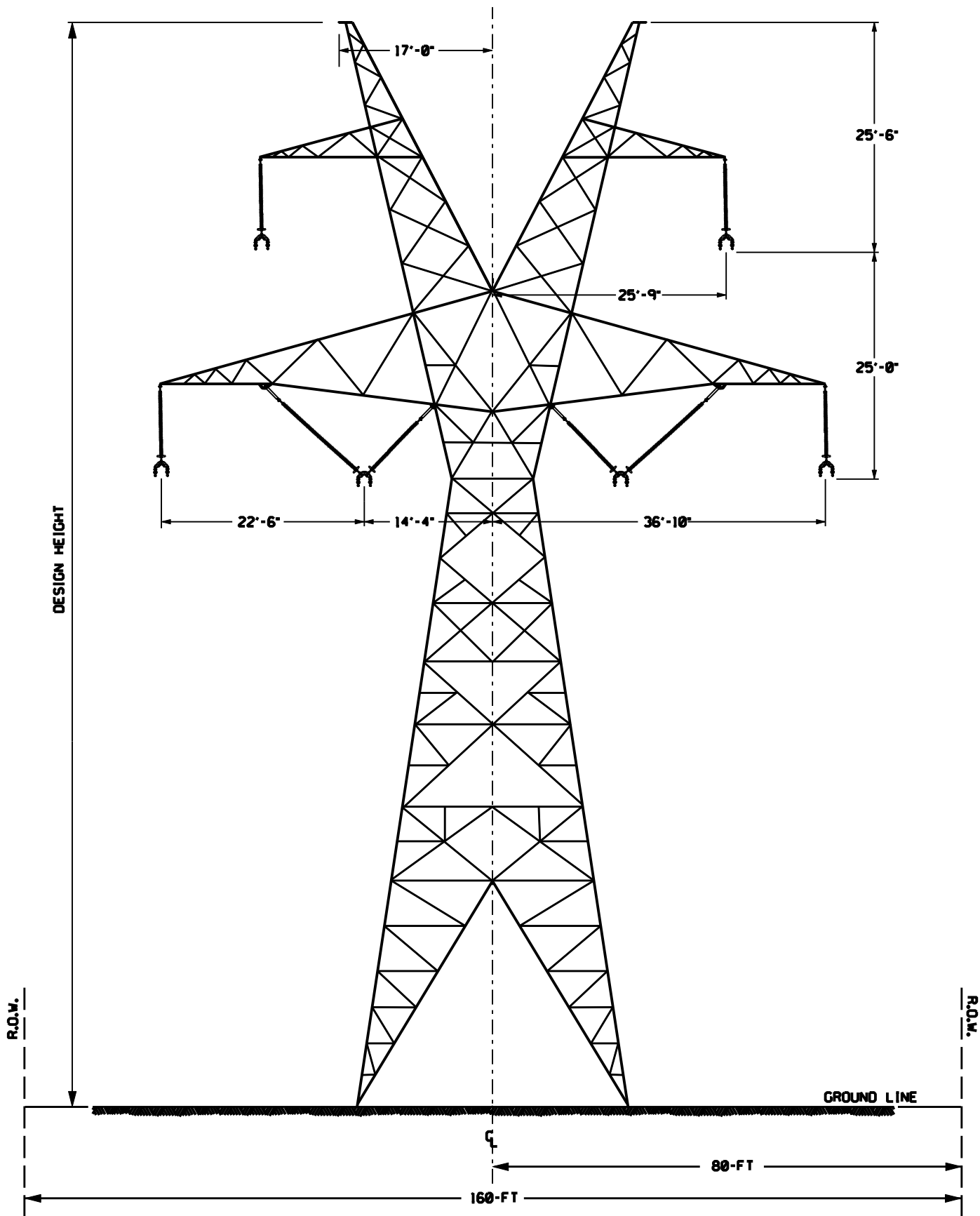


- LEGEND**
- Study Area Boundary
 - Preliminary Alternative Route
 - Node Between Adjacent Route Links
 - Link (Typical)
 - Existing Transmission Line
 - Existing Pipeline
 - Municipal City Limit



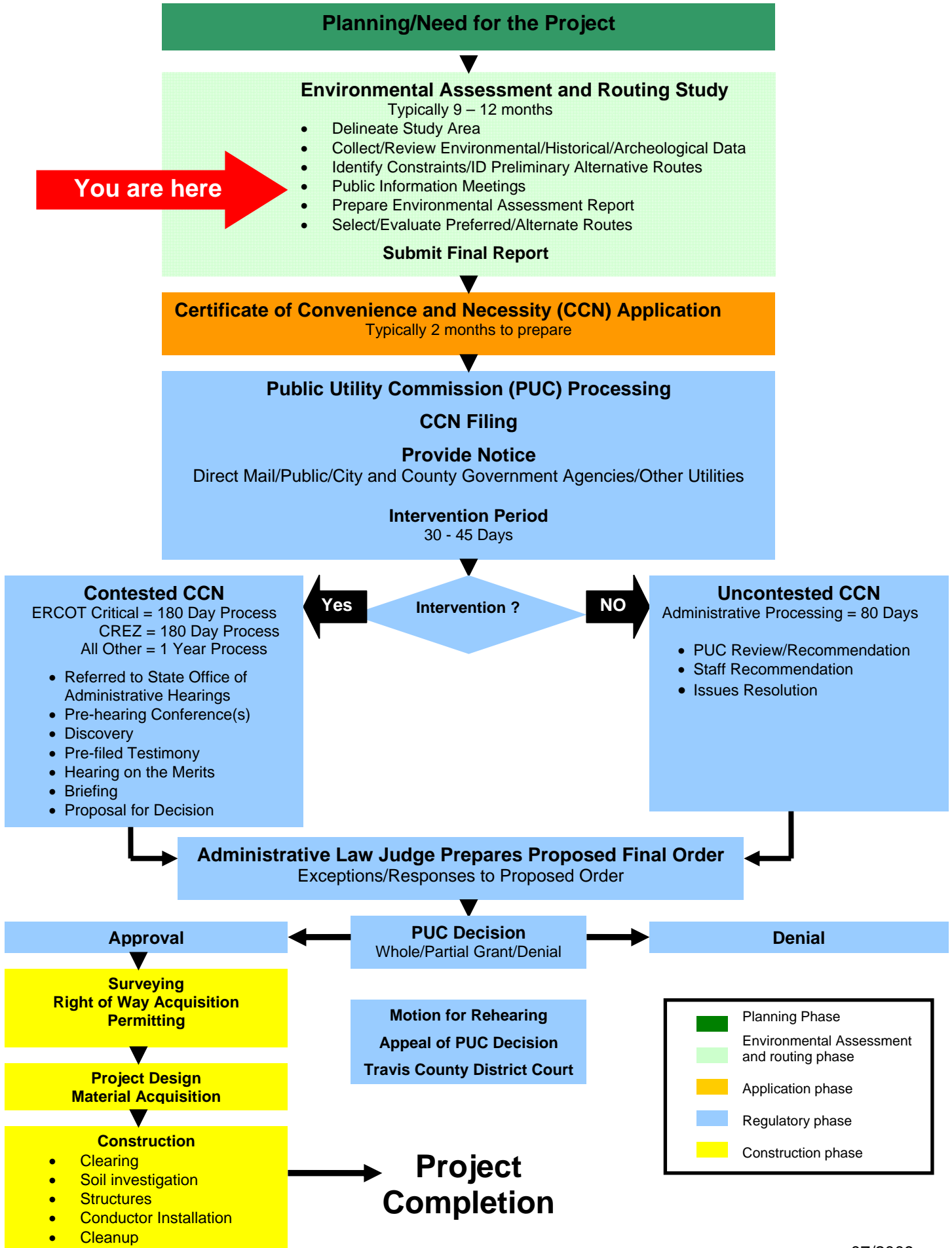
Preliminary
September 24, 2009

Source: Texas Natural Resources Information System; Burns & McDonnell.



TYPICAL 345 KV TANGENT
 DOUBLE CIRCUIT "V" TOWER

Licensing Process for New Transmission Facilities



Licensing Process for New Transmission Facilities

Texas Utilities Code

The governance of the licensing process for new transmission facilities is included within the Texas Utilities Code, Title II – Public Utilities Regulatory Act, Section 37.056.

Sec 37.056 GRANT OR DENIAL OF CERTIFICATE

- (a) The commission may approve applications and grant a certificate only if the commission finds that the certificate is necessary for the service, accommodation, convenience, or safety of the public.
- (b) The commission may:
 - (1) issue the certificate as requested;
 - (2) grant the certificate for the construction of a portion of the requested system, facility, or extension or the partial exercise of the requested right or privilege; or
 - (3) refuse to grant the certificate.
- (c) The commission shall grant each certificate on a nondiscriminatory basis after considering:
 - (1) the adequacy of existing service;
 - (2) the need for additional service;
 - (3) the effect of granting the certificate on the recipient of the certificate and on any electric utility serving the proximate area; and
 - (4) other factors, such as:
 - (a) community values;
 - (b) recreational and park areas;
 - (c) historical and aesthetic values;
 - (d) environmental integrity; and
 - (e) the probable improvement of service or lowering of cost to consumers in the area if the certificate is granted.

If you have additional questions or would like additional information, you may contact the Public Utility Commission of Texas at P.O. Box 13326, Austin, Texas 78711-3326, or call the Public Utility Commission at (512) 936-7120, or (888) 782-8477. Hearing impaired and speech-impaired individuals with text telephones may contact the commission at (512) 936-7136.