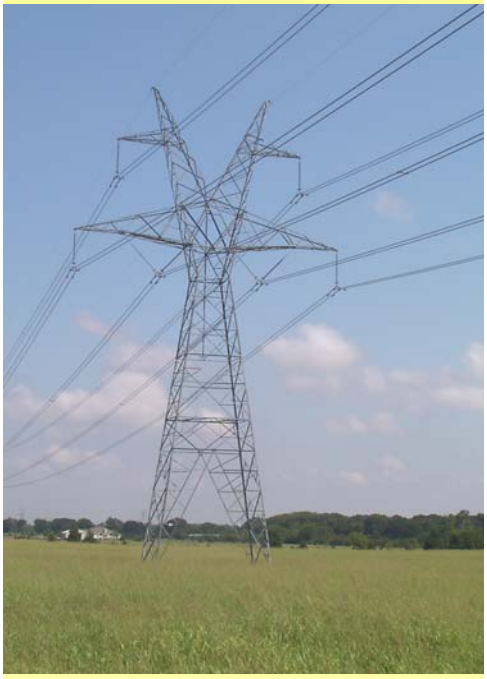

What is a transmission line? Why does Oncor Electric Delivery need to build them?

Transmission lines are the high voltage conductors that move electricity from power plants to distribution systems, which deliver electricity to your homes and businesses. Ensuring adequate transmission capability is essential for electric reliability. It may help to think of them as "highways" for electricity. In the same way that highways are built to ensure that you and your family get from one place to another, transmission lines are necessary to make sure that electricity gets from where it is produced to where it is consumed.

Competitive Renewable Energy Zones ("CREZ")

In response to the Texas Legislature's direction in 2005, the Public Utility Commission of Texas (PUCT) has designated certain areas, or zones, in Texas for development of wind power, known as CREZ. The PUCT has approved a plan for building transmission lines to deliver the electric energy produced by wind generating facilities in the CREZ to the Texas electric market. Additional information concerning CREZ and associated transmission facilities can be obtained at www.oncor.com/transmission/CREZ

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Oklaunion – Krum West 345 kV Transmission Line Project

Texas is continuing to increase the integration of renewable energy into the Texas electric market. Reliable electric facilities must be in place to support the increased levels of renewable energy and to provide efficient means for this power to reach electric consumers.

As part of this on-going process, Oncor Electric Delivery Company is proposing to construct a new double circuit 345 kV electric transmission line interconnecting a new switching station to be located near the existing switching station located at the Oklaunion generation station with a new switching station, named Krum West, to be located near the town of Krum, TX.

This project has been recommended by the Electric Reliability Council of Texas to ensure continued safe and reliable electric service to the State due to the increased integration of electric energy generated by wind production facilities. Completion of the project will enable the new transmission system to efficiently move wind-generated electric power to market and will add valuable capacity to the entire transmission system.

What is the process for approval?

Step 1: Need

- Typically, the first step in the process is determining that a need for the project exists. For transmission projects associated with CREZ, like the Oklaunion - Bowman project, the PUCT has already determined the need for these transmission lines.

Step 2: Engineering, Routing and Environmental Assessment

- The second step in the process of building a new transmission line is typically determining potential routes for the line.

- Public Meetings are held as a part of the process. The public is encouraged to attend these meetings and learn more about the project, as well as participate.

Step 3: Review/Approval Process

- After the environmental assessment is complete, Oncor files its application with the Public Utility Commission of Texas ("PUCT") requesting a Certificate of Convenience and Necessity ("CCN"), which outlines specific attributes of the line, describes the need for the line and identifies potential impacts on the surrounding community and environment.

- After the Company files the CCN application with the PUCT, interested parties have an opportunity to participate in the process and express their views to the PUCT. For CCN applications associated with CREZ, the PUCT has 180 days from application filing date to approve or deny a request for a CCN.

Step 4: Post-Approval

- After a CCN is approved by the PUCT, Oncor will begin acquiring rights-of-way and construction of the facilities.

While the requisite formal review and approval process for proposed transmission facilities is an involved process that can take several years to complete, the process is one that thoroughly examines essential interests, including the views of the public, to ensure that the State's electric system continues to be reliable and provides the necessary support for sustained development and growth.