



Cañon West Reliability Project

Frequently Asked Questions

Project Facts

Why do we need this line?

The current power system in parts of Fremont and Pueblo Counties experiences high demand and is vulnerable to overloads during peak periods. In order to expand capacity and improve reliability, this 36-mile transmission line will provide an additional connection to the Cañon City area and will also connect to new distribution substations to improve reliability in Pueblo West and Penrose. The new 115 kV transmission line will significantly reduce the chance of service loss, improve overall reliability, provide opportunities for future growth into areas facing constraints, and restore the reliability benefits offered by the coal fired generation at Canon City that was retired under the Clean Air Clean Jobs Act.

Additionally, the local transmission infrastructure (Portland-West Station #1 line & Portland-Skala-Canon City) will need to be rebuilt in the next 10-20 years due to aging infrastructure and in order to increase the rating of the lines. This new line will allow those rebuilding projects to reliably proceed without significant risk of service interruption.

Why did you choose this alignment?

Black Hills has considered many different variables to address the reliability issues facing the area including dispatchable generation and a variety of alternative routes and substation locations. After careful review of the area's physical and geographical constraints, speaking with representatives from Fort Carson, the Bureau of Land Management, large landowners in the area, and reviewing alternative routes that include existing infrastructure rights-of-way along roadways, pipelines, and existing transmission lines, the proposed alignment is proposed because it is technically the most viable path to safe, reliable and efficient energy for all.

What is 115 kV?

A 115 kilovolt (kV) transmission line is used to transmit and distribute electrical energy along great distances. Overhead power transmission lines are classified into the following categories based on a range of voltages: low voltage; medium voltage; high voltage; extra high voltage; and ultra-high voltage. A 115 kV transmission line falls into the high voltage category and is ideal for reducing energy loss that can occur in long-distance transmission.

What are the visual impacts?

A 65 – 75 foot pole structure is typically used for a 115 kV transmission line and a 125 right-of-way will be required.



Construction

Will access to my property be affected?

No, we will ask that crews completing construction activities are given the space necessary to complete their tasks but access to your property will not be affected.

What is the project schedule?

The project is currently in the process of securing the necessary permitting, which is expected to take place through fall of 2018. Right-of-Way and land rights are also scheduled to take place through fall 2018. Construction is scheduled to begin in 2019 and is expected to be complete in late 2021.

What will the construction impacts be?

Whenever possible, mitigation measures will be employed in order to minimize construction impacts on landowners.

What will the noise impacts be?

Noise impacts caused by the transmission lines will be minimal, as all modern overhead transmission lines are designed to be compliant with noise requirements as outlined in Rule 3206, which has established a limit for noise produced by the transmission lines based on the type of property (residential, commercial, light industrial, or industrial). For more information, please visit: <http://www.sos.state.co.us/CCR/GenerateRulePdf.do?ruleVersionId=5738>

Is it safe?

Is EMF dangerous?

There has been concern over the Electro Magnetic Fields (EMF) produced by transmission lines, and whether or not exposure to EMF poses health hazards. The transmission line will be designed to be at or below EMF levels established by the Colorado PUC.

What are the safety protocols during construction?

Black Hills' first priority is always public safety, employee safety and contractor safety. Our crews are fully trained and equipped to work safely in rough terrain. We take a proactive approach, with daily safety meetings, careful monitoring and sharing safety tips with landowners.

What are the risks and liabilities associated with having a transmission line nearby?

All right-of-way acquired by Black Hills will remain under the ownership of Black Hills. Black Hills will work to maintain and protect the line as much as possible, and will be responsible for any damages caused during construction or operation of the line.

Are there safety risks related to lightning and/or fires that might be caused by the power line?

Although it is possible for transmission lines to attract lightning the way a tall tree might, the transmission line will be equipped with shield wire to provide protection to the system. Black



Hills will also patrol the lines on a regular basis to make sure the easement and lines are in good condition to minimize the risks of fire and other types of accidents.

Are there risks for people with pacemakers?

There is a very small, theoretical risk of interference between pacemakers and high voltage power lines (115 kV and higher). While spending time directly beneath power lines is not advised, evidence shows that living near transmission lines is very unlikely to pose any threat to the function of a pacemaker. If you have concerns, please contact your doctor for further information.

Right-of-way

What does the acquisition/easement process look like?

Landowners will be engaged during the early planning process in order to provide an opportunity to share details about their property with staff.

As easement needs are identified by the design team, ROW Agents will coordinate with the project's surveyors and appraiser in order to define the easement area and develop an estimate of the compensation to be offered for the easement areas. This estimate of compensation will be based on an evaluation of market conditions and similar or "comparable" properties in the project area.

As this information is assembled into an "Offer" packet, the ROW Agent will present the Offer to landowners and work to reach a mutually agreeable settlement. The ROW Agent will work to fully explain the project details, address landowner concerns and special requests, and identify site specific construction details and damage mitigation measures. For acquisitions that do not achieve a settlement and reach an impasse between the parties, Black Hills may need to consider other options up to and including acquiring the land rights needed through its power of eminent domain.

What is the process for restoring my property and paying for damages once construction is completed?

Whenever possible, mitigation measures will be employed in order to minimize construction effects on landowner's property. ROW staff will photograph the subject property both before and after construction. As construction activities conclude, the ROW Agent will tour the site with landowners/tenants in order to identify any outstanding restoration or damage settlement issues, and subsequently work with landowners or their representatives in order to reach a mutually agreeable settlement of claims, based on Black Hill's damage settlement policies. These policies will be explained in detail by the ROW Agent in the early landowner meetings and Offer discussions.

What are my rights as a landowner?

Black Hills Energy places a high priority on landowner rights and maintaining productive working relationships with all landowners who are located along a project's alignment. To that end, all



negotiations for land rights will follow or exceed "Good Faith" practices as defined by Colorado law. A copy of a portion of state statute 38-1-121 will accompany all Offer packets. This statute provides important information regarding the acquisition process in the state of Colorado, along with setting forth certain landowner rights. Likewise, Black Hills Energy recognizes that the acquisition process can sometimes be a confusing and emotional process for landowners, and will always be supportive of landowner's seeking advice from legal counsel.

How will compensation for my property be determined?

As easement needs are identified by the design team, ROW Agents will coordinate with the project's surveyors and appraiser in order to define the easement area and develop an estimate on the compensation to be offered for the easement areas. This estimate of compensation will be based on an evaluation of market conditions and similar or "comparable" properties in the project area.

What is the typical width of ROW?

ROW and easement widths are determined by the final design characteristics of the new line and facilities to be built. Considerations such as constructability, safety, line blow down, and long term maintenance are all factors that go into this decision making. For a line of this size (115kV), typical easement widths are 125' wide.

Benefits/Risks

Will there be increased reliability?

Black Hills has been operating under a series of compromises to the transmission system for over 2 years. The risk of overloads arises almost daily without the stop-gap operational measures this project will provide.

The new 115 kV transmission line will significantly reduce the chance of service loss and address current overloads in the system.

Will the new line add additional capacity to the system?

The new line will provide additional import capacity and will provide the opportunity to reliably rebuild constrained line segments at a future time.

Regulatory Requirements?

Who is permitting this?

The 1041 powers allow local governments, including Fremont and Pueblo Counties, to identify, designate, and regulate areas and activities of state interest through a local permitting process. The permitting process includes site selection and construction of a major facilities of a public utility.

The statute concerning areas and activities of state interest can be found in C.R.S. 24-65.1-101



Other questions?

What are the anticipated environmental impacts?

Black Hills Energy is committed to providing safe, reliable and affordable energy in a manner that minimizes environmental impacts. Because of this, we implemented our integrated environmental management plan to minimize our environmental impact to the greatest extent possible.

How will this line impact my property values?

There is conflicting evidence on the effects of transmission lines on property values. Many studies show that there is no conclusive data to verify that power lines have any adverse effect on property values. However, Black Hills understands that the addition of transmission lines can pose an inconvenience to landowners and has the potential to alter the views from a property. This is considered when the ROW Agent works with impacted landowners to reach a mutually agreeable settlement.

Is it possible to put the line underground?

Opportunities to underground the transmission line are greatly constrained by many different factors, most especially the high cost. Undergrounding the line typically costs about eight to ten times more than the installation of overhead transmission lines. Other constraining factors include an extended maintenance time and fees, and a greater environmental impact.

What is a substation? What does it do?

A substation is an essential part of the entire electrical generation, transmission, and distribution system. The substation performs any of several important functions, including the conversion of the level of voltage and distribution of electrical power throughout an area. Outdoor, above-ground substations include wood poles, lattice metal towers, and tubular metal structures, and can include other variants as well. Substations function for the electrical system in much the same way interchanges function for the highway system.

Project Contact

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