

APPENDIX I

**FINANCIAL STATEMENTS FOR
TALEGA-ESCONDIDO/VALLEY-SERRANO 500 kV INTERCONNECT
PROJECT**

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Rule 3.1(g) requires that an Applicant for a CPCN provide “Statements or exhibits showing the financial ability of the applicant to render the proposed service together with information regarding the manner in which applicant proposes to finance the cost of the proposed construction or extension.”

TNHC is a privately held development company, and our partner’s represent significant sources of financial ability. Financial statements for each may be found at the following links:

Siemens AG:

http://www.siemens.com/index.jsp?sdc_p=ft6mls4uo1330859i1330856pcz2&sdc_bc_path=1330815.s_4,1330856.s_4,&sdc_sid=25466553202&

Morgan Stanley:

http://www.morganstanley.com/about/ir/annual_reports.html