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June 4, 2010

Chairman Barry Smitherman
Public Utility Commission of Texas
PO Box 13326
Austin, Texas 78711

Re: LCRA TSC Gillespie to Newton Project

Dear Chairman Smitherman:

I am writing to you and LCRA regarding the major impacts the proposed CREZ transmission line projects will have on my constituents in Gillespie and Kendall counties. I was extremely pleased to see the June 1, 2010 letter that you sent to ERCOT's Trip Doggett requesting that they thoroughly re-evaluate the need for the Gillespie to Newton transmission line. In addition to the transmission line projects, both constructed and planned, that you asked ERCOT to consider, I believe there are other developments that should be taken into consideration.

The PUC's denial of LCRA TSC's initial CCN application for this project has exposed the challenges of finding suitable routes for high voltage transmission lines through this area. LCRA TSC's CCN resubmission could show even higher costs for routes relative to the earlier estimates on which the PUC based the CREZ transmission line plan. In addition, the procedural issues raised by PUC Staff and LCRA TSC in their motions for rehearing could result in additional expense.

The questions you poised to ERCOT at the April 23, 2010 Open Meeting regarding this project were certainly appropriate. In Mr. Woodfin's response, he stated "The Kendall-to-Newton circuit was selected due to cost-effectiveness and consistency with the long-term needs of the Hill Country region." In addition to the likely higher costs of the possible routes, I believe the potential impacts on the region of LCRA's recent announcement that they studying the possible replacement of the Ferguson Power Plant should be taken into account.

I am in full agreement that the need for and alternatives to relieving congestion at the Kendall substation should be updated. Likewise, can some of the existing circuits tying into Kendall be utilized and/or expanded? Also, as you asked, what is the impact of the new NextERA Energy Resources line that ties into Kendall?

I trust that *no* one is thoroughly acquainted with the difficult task that you face in trying to implement the CREZ mandates. However, my constituents have done their part in helping me to understand what they feel is being done to them. I believe that you understand the importance of considering all new information due to the permanent impacts that the CREZ lines will have on my, and other, areas of concern. Thank you for your consideration, Mr. Chairman. Please feel free to contact me at my Capitol office at 512-463-0325 if I can be of assistance.

Sincerely,

Doug Miller
State Representative
District 73

Cc: Commissioner Kenneth W. Anderson, Jr.
Commissioner Donna L. Nelson
W. Lane Lanford, PUC Executive Director
Thomas G. Mason, LCRA General Manager