

COPY

Barry T. Smitherman
Chairman

Donna L. Nelson
Commissioner

Kenneth W. Anderson, Jr.
Commissioner

W. Lane Lanford
Executive Director



Rick Perry
Governor

Public Utility Commission of Texas

June 3, 2010

County Judge Mark Stroehrer
County Commissioner Curtis Cameron
County Commissioner William A. Roeder
County Commissioner Calvin Ransleben
County Commissioner Donnie Schuch
101 W. Main, Unit #9
Fredericksburg, TX 78624

Re: Docket #37448

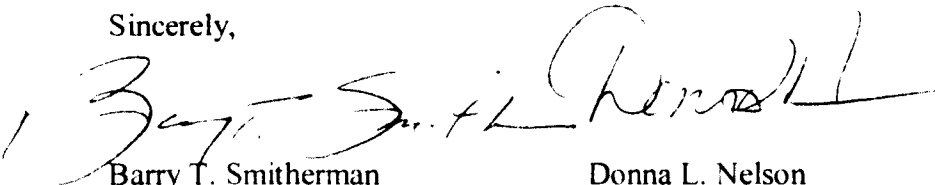
Dear County Judge and County Commissioners:

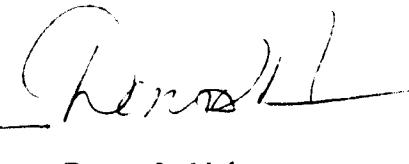
Thank you for your letter regarding LCRA's application for the Gillespie to Newton transmission line and your experience during the hearing process.


Unfortunately, because this is still an active case at the Commission, we are unable to discuss any substantive issues with you. However, Electric Reliability Council of Texas (ERCOT) has been asked to conduct a thorough re-evaluation of the need for the Gillespie to Newton transmission line. ERCOT is the administrator of the transmission grid in Texas and the entity that originally developed the plan to connect the competitive renewable energy zones in West Texas to the rest of the transmission grid. The Gillespie to Newton line is part of this plan.

A copy of your letter, along with this response, has been filed in Docket No. 37448 so that the other parties in this case are aware of your comments.

Sincerely,


Barry T. Smitherman
Chairman


Donna L. Nelson
Commissioner


Kenneth W. Anderson, Jr.
Commissioner

cc: Senator Troy Fraser
Representative Doug Miller
Fernando Rodriguez - LCRA
Dan Woodfin - ERCOT



COUNTY OF GILLESPIE

COMMISSIONERS:

MARK STROEHER
County Judge

MARY LYNN RUSCHE
County Clerk



CURTIS CAMERON
Precinct No. 1

W.A. (BILLY) ROEDER
Precinct No. 2

CALVIN RANSLER
Precinct No. 3

DONNIE SCHUCH
Precinct No. 4

FREDERICKSBURG, TEXAS 78624
101 W. Main, Unit #9
830-997-7502
Fax: 830-992-2608

May 13, 2010

Chairman Smitherman
Commissioner Anderson
Commissioner Nelson
Public Utility Commission of Texas
PO Box 13326
Austin, Texas 78711

(via facsimile)

Re: Docket 37448

Mr. Chairman and Commissioners:

The Gillespie County Commissioners Court continues to be highly concerned about the significant negative impacts the proposed LCRA TSC transmission line projects will have on Gillespie County, its residents, landowners, businesses and visitors. Being one of the most pristine and scenic counties in Texas and located in the heart of the Edwards Plateau, the significance of adding the proposed transmission lines to this area of Texas will have detrimental effects for current and future generations. The importance of your decisions in these matters is extremely critical to our county and its residents. By adding large transmission lines in our County, the negative economic impact cannot be measured at this time, however we feel it will be substantial for the unforeseeable future.

As you know much better than we, the recent developments in the Gillespie to Newton case have shown that finding suitable transmission line routes through the Hill Country is extremely difficult. We question the need for this line based on these developments and other considerations. As other transmission lines are being considered for our county, the same issues will arise with ever increasing opposition from Gillespie County residents and landowners.

Your request to ERCOT that they review the need for the interconnection into the Gillespie substation is very important. There are several relative recent developments that we believe should be considered in this review.

One development is the April 26, 2010 announcement that LCRA made which indicated they are studying the replacement of the Ferguson Power Plant near Marble Falls. It is indicated that the replacement would be more efficient, more reliable and have improved environmental controls. The possibility that the new plant will provide the ability to meet demand growth in the area while at the same time provide voltage stability improvements is quite important. Potentially there could be other benefits with the upgrade

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and/or replacement of the Ferguson Plant. Perhaps with this development, the importance of the CREZ lines may have been substantially diminished.

Another major development is the installation of the NextERA Energy Resources private transmission line from the Abilene area into the Kendall substation that cuts across Gillespie County. Determining its impact on the need for the Gillespie to Newton line should be taken into account. We think there should be more coordination with potential private transmission line entities to determine the overall power needs for our electric grid and who is actually providing energy for various users. We certainly do not want more and more transmission lines, whether public or private, crossing our county.

In addition, the need for the Gillespie to Newton line should be re-examined in light of the impacts of low natural gas prices and the economy on the level of industrial wind production that needs to be moved through the line. Demand patterns in this area should be reviewed as well in light of recent impacts such as the economy.

To summarize, we question the need for the Gillespie to Newton line and ask that you carefully consider the alternatives. This consideration is essential in light of the permanent negative effects the line would have on Gillespie County. In fact, we would like to refer you to our letter dated February 26, 2010 regarding our opinion of the proposed transmission lines and associated recommendations. We would like to reiterate the damage the proposed CREZ lines will have on Gillespie County. Many of our residents (constituents) will potentially realize a large depreciation of their property, including land devaluation and a reduction in home values. In fact, many of our retired residents have invested the major portion of their savings into their real estate investment. We can assure you there is significant opposition to the transmission line projects and the proposals are not acceptable. Our preference is to have NO new transmission lines through our county, but if there is no other option, we would again suggest the use of monopoles, diversion around sub-divisions or other high density areas, and to locate potential lines in areas that are the least obtrusive to all concerned.

Sincerely,



Mark Stroher, County Judge



Curtis Cameron, Commissioner Precinct 1



William A. (Billy) Roeder, Commissioner Precinct 2



Calvin Ransleben, Commissioner Precinct 3



Donnie Schuch, Commissioner Precinct 4

cc: Senator Troy Fraser
Representative Doug Miller
Fernando Rodriguez- LCRA
Dan Woodfin- ERCOT



COUNTY OF GILLESPIE

FACSIMILE TRANSMITTAL SHEET

TO: CHAIRMAN SMITHERMAN

FROM: GILLESPIE COUNTY COMMISSIONERS
COURT

COMPANY: PUBLIC UTILITIES COMMISSION

DATE: 05-13-2010

PHONE NUMBER:

TOTAL NO. OF PAGES INCLUDING COVER: 3

FAX NUMBER: 512-936-7028

RE: LCRA TSC GILLESPIE COUNTY
PROJECTS - NEWTON PROJECT AND
OTHERS

☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

NOTES/COMMENTS:

Chairman Smitherman - Your consideration of the attached letter regarding the LCRA TSC projects in Gillespie County is appreciated.