



*Public Utility Commission of Texas*

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PUBLIC UTILITY COMMISSION  
FILING CLERK

May 26, 2010

Mr. Tim Lehmberg  
Executive Director  
Gillespie County Economic Development Commission  
203 East Austin  
Fredericksburg, Texas 78624

Dear Mr. Lehmberg:

Thank you for your letter regarding the Commission's recent decision on LCRA's Gillespie to Newton transmission line and the McCamey D to Kendall to Gillespie line. Unfortunately, because the Gillespie to Newton proceeding is still an active case at the Commission, I am unable to discuss any substantive issues relating to the proceeding. However, I have asked the Electric Reliability Council of Texas (ERCOT) 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.

For the McCamey D to Kendall to Gillespie line, LCRA has not yet filed an application for the line with the Commission. When the application is filed, Texas statutes require that the Commission consider various factors when evaluating an application for a transmission line, such as the community, historical, and aesthetic values, and the environmental integrity associated with the transmission line. Commission rules also include other factors for consideration, such as whether the proposed routes utilize or parallel existing compatible rights-of-way, property lines or other features, and whether the routes avoid passing near habitable structures.

It is important that the Commission follow the criteria listed in both statute and Commission rules and attempt to minimize the impact of the line on landowners and the cost of the line to ratepayers. I have filed your letter in Docket Nos. 37448 and 37049, along with this response, so that the other parties in this case are aware of your concerns.

Thank you again for writing.

Sincerely,

A handwritten signature in black ink, appearing to read "Barry T. Smitherman".

Barry T. Smitherman



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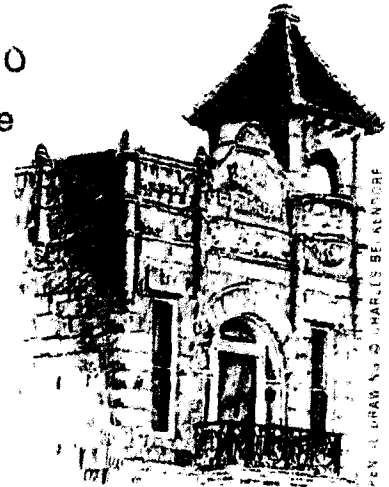
MAY 10, 2010

Chairman's Office

# *Gillespie County*

## Economic Development Commission

FREDERICKSBURG - HARPER - STONEWALL - DOSS - WILLOW CITY



May 6, 2010

Mr. Barry T. Smitherman  
Chairman, Public Utility Commission of Texas  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, TX 78711-3326

Re: Case #37448, Gillespie to Newton  
Case #37049, McCamey D to Kendall to Gillespie

Dear Chairman Smitherman:

Gillespie County may be more impacted by CREZ than any other county in the state. We are home to parts of three planned line segments – McCamey D to Kendall, Kendall to Gillespie and Gillespie to Newton. All total, depending on route selection, Gillespie County could end up with over 60 miles of new transmission lines requiring over 1,200 acres of right of way. To simply say we are resentful would be an understatement.

For some, that resentment is because renewable energy mandates are driving the need for most of these transmission lines. There is a saying that a tattoo is a permanent reminder of a temporary feeling. That may be what we have here. That temporary feeling is wind energy and these transmission lines are the tattoos that will forever scar our beautiful hill country.

This community has been engaged in the process since early on. Relatively speaking, it is still early on. I expect that the Gillespie to Newton case will have only been a warm up compared to cases to come. As is being discovered, finding suitable routes through the Hill Country is very challenging. With this in mind, it is my hope that the PUC will take a hard, unbiased look at justification for each of the CREZ transmission projects due to come before you. More specifically, is the Gillespie to Newton line necessary? Is it necessary to connect into the Gillespie substation? If not, wouldn't that eliminate the need for the Kendall to Gillespie line? Does only a marginal need justify any of this? The tattoos will be here forever.

Sincerely,

Tim Lehmberg  
Executive Director