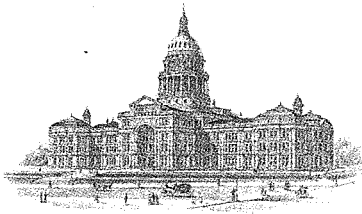


The Senate of The State of Texas



TROY FRASER

August 19, 2010

Barry Smitherman, Chairman
Public Utility Commission
PO Box 13326
Austin, Texas 78711-3326

Dear Chairman:

I want to thank you for asking the Electric Reliability Council of Texas (ERCOT) to determine if the Gillespie to Newton Competitive Renewable Energy Zone (CREZ) project was still necessary. By taking another look at this project and finding alternatives, we have been able to reduce the cost the CREZ project to the ratepayers.

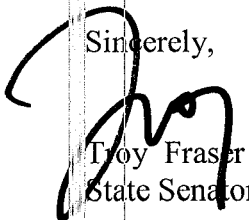
The proposed CREZ line running from McCamey D to Kendall to Gillespie continues to raise concerns among landowners and communities throughout the hill country. Even though many of my constituents are questioning the need for this transmission line, you have stated that this line helps alleviate current congestion problems and adds capacity for new generation.

However, I believe we owe it to the people potentially impacted by the McCamey D to Kendall to Gillespie line to look at all our options in this project. I am requesting the Public Utility Commission instruct ERCOT to review and consider alternatives to building a brand new line. One alternative may be the use of the recently built NextEra Gen-Tie line that runs between the Abilene area and Kendall County.

I continue to favor the use of existing rights of way and state highway rights of way in choosing routes. I was surprised that LCRA TSC submitted a proposal on the McCamey D to Kendall portion of the route that only used existing transmission and highway rights of way for one third of the project.

I understand that we must ensure that the electric grid continues to function efficiently. However, it is imperative that the state takes the time to get decisions right on how to achieve that goal.

Sincerely,


Troy Fraser
State Senator

