



July 27, 2010

An open letter about proposed transmission lines
From Thomas G. Mason,
General Manager, Lower Colorado River Authority

After 18 months of detailed planning, two sets of open houses, numerous discussions with landowners, and meetings with elected officials at the local, state, and federal levels, LCRA Transmission Services Corporation (LCRA TSC) is filing on July 28 the largest application for a transmission line certificate of convenience and necessity (CCN) in its history. This case is not only unprecedented in size and scope for LCRA TSC, but also for the Hill Country, the area LCRA has served for many years.

Throughout this process, but particularly over the last few months, LCRA TSC has made every effort to listen to the concerns expressed by potentially affected and interested persons. We have tried to address and incorporate into this filing the wishes of people in the Hill Country, consistent with our legal duty to address the statutory and regulatory routing criteria and mandates with which we must comply. The CCN filing package is the culmination of our efforts.

While the CCN package is admittedly large, I invite you to take the time to look through the filing and the supporting documentation, particularly the testimony of our witnesses, to judge how well we have succeeded with the task assigned to us by the Public Utility Commission of Texas (PUC) when it ordered LCRA TSC to construct the Competitive Renewable Energy Zone (CREZ) transmission lines described in this filing.

As you review our efforts, please bear in mind that constructing large infrastructure projects like these transmission lines is never a popular endeavor. We understand that landowners potentially affected by these lines will have strong feelings about whether the lines should be built at all, and if so, whether they should be routed along the routes proposed by LCRA TSC in this filing.

However, it is also important to understand that these lines were ordered constructed by the PUC, which is acting under a directive from the Texas Legislature. LCRA TSC has not only been assigned the lines to construct, but also the starting and end points for the lines themselves. As a result, there are only so many corridors through which these lines can be constructed. Nonetheless, LCRA TSC has proposed more than 75 different routes (composed of segments that produce more than 20,000 possible routes) in an effort to give the PUC as many reasonable choices as possible.

Does that mean all the residents in the Hill Country will be happy with LCRA TSC's proposed routes? No, and we understand that. Unfortunately, that scenario is an inescapable element of any CCN application – CREZ or otherwise – filed with the PUC.

Having said that, we want you to understand that LCRA TSC has strived to incorporate in this filing what we heard from people in the Hill Country. We have also tried to learn from recent cases decided by the PUC. For example, in this CCN package you will find more focused efforts to route the transmission lines along parcel or property lines. In addition, LCRA TSC is committed to continuing our dialogue with landowners after this CCN application is filed by conducting settlement or routing meetings with landowners in the study area and including any resulting settlements into the record in this case for the Commission's consideration. We want the PUC to have as many choices as reasonably possible.

Perhaps as important as any issue raised by folks in the Hill Country is the question of single pole structures, or as they have come to be known, "monopoles." The one common request we have heard from potentially affected people is, "If you have to construct these lines, can you use monopoles?" The answer to that question is "yes"; however, in Docket No. 35665 the PUC assigned LCRA TSC these projects largely on the basis of the cost information we provided. That cost information (as well as the ERCOT study underlying these projects) was based on the use of lattice towers, which were (and remain) the most cost-effective and efficient transmission structures. Given that history, we felt it would not be right to completely eliminate lattice towers in this CCN application.

What you also will find in this CCN application is a thorough description and discussion of the costs associated with different types of monopoles (i.e., steel, spun concrete, and tower pole), as well as cost information for all the different route segments. LCRA TSC has continued to work with our pole suppliers to narrow the cost difference between lattice towers and other structures, like monopoles. The suppliers' progress is encouraging. I invite you to study the testimony of Mr. Curtis Symank, who discusses these options in great detail.

The bottom line in this discussion is that while LCRA TSC has recommended lattice towers in this CCN application on the basis of cost and efficiency, *we stand ready, willing, and able to construct any route using whatever structures, including monopoles.*

I hope everyone takes the opportunity provided by the PUC to participate actively in this case. It is our hope to present routes to the PUC that have landowner support. I realize that may not be possible in every instance; however, LCRA TSC staff will be working diligently to reach this goal whenever possible.

Sincerely,



Thomas G. Mason
General Manager, LCRA