

**Save Our Scenic Hill Country Environment, Inc.**  
**10212 Ranch Road 965, Fredericksburg, Texas 78624**

August 9, 2010

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

(via facsimile)

Re: LCRA TSC McCamey D to Kendall to Gillespie Project – Docket 38354

Mr. Chairman and Commissioners:

Save Our Scenic Hill Country Environment (SOSHCE) is an organization of more than 500 members. Many of our members are landowners in Gillespie, Llano, Mason, Kerr and Kimble counties. We are highly concerned about the impacts that the LCRA TSC McCamey D to Kendall to Gillespie (M-K-G), as well as the Gillespie to Newton (G-N), CREZ transmission projects will have on this area which is known for its unique scenic beauty.

As you know from letters and resolutions that have been submitted to the PUC, a number of public officials and organizations have requested that the need for M-K-G, or M-K, be re-evaluated. These officials and organizations include State Representatives Doug Miller and Harvey Hilderbran; the counties of Gillespie, Kerr and Kimble; the cities of Fredericksburg, Kerrville and Mason; and the Texas Wildlife Association. Senator Troy Fraser has questioned if all of the CREZ lines are still needed in statements attributed to him in area media. Senator Jeff Wentworth has requested that the M-K-G route selection be delayed until the Legislature convenes in January.

In addition to continuing to fully support the re-evaluation of G-N, SOSHCE joins these other parties in formally requesting that the need for M-K-G be re-evaluated. Our request is based on a number of significant changes that have occurred since the PUC selected the CREZ transmission plan that specified these projects.

The changed circumstances include the following:

- (1) The extreme difficulty of finding suitable high voltage transmission line routes through the Hill Country as demonstrated in the G-N proceeding and by the extremely high level of concern that is being expressed regarding M-K-G .
- (2) The higher costs associated with placing the lines in this area. These higher costs include those associated with right-of-way easement acquisition and environmental mitigation. In addition, costs will likely increase even further if the routes follow property lines and/or if monopole structures are utilized, even for parts of the routes.
- (3) The impact of lower natural gas prices and the economy on the level of industrial wind energy production. As clearly demonstrated by the difficulty in getting adequate financial commitment from the wind farm developers in the Panhandle and the possibility of wind energy having other outlets such as the Tres Amigas energy hub in New Mexico, the amount of transmission capacity needed should be reviewed.
- (4) The possibility of utilizing the capacity of the other major west to east CREZ lines, one of which runs just north of the Hill Country from Twin Buttes (San Angelo area) to Newton (Lampasas area). A second 345 kV circuit could be added to the already approved McCamey D to Twin Buttes CREZ line that would allow the movement of additional wind energy from the McCamey CREZ area into the grid.
- (5) The installation of the 345 kV NextERA private line from the Abilene area to the Kendall substation in the Comfort area. If additional energy is needed in the San Antonio/southern I-35 area, market prices should provide the necessary incentive for the line to be fully utilized.
- (6) The possibility that the San Antonio/southern I-35 corridor area will be supplied by wind energy from more reliable generation from coastal area wind farms and from other south Texas sources.
- (7) The possibility that the G-N re-evaluation will eliminate the connection at the Gillespie substation. If that happens, the obvious question is if the 345 kV single circuit from Kendall to Gillespie is still needed and if there are not more cost effective/acceptable ways to feed the 138 kV circuits in the area.
- (8) The possibility that the Marble Falls area Ferguson Power Plant replacement that LCRA is studying, or other alternatives, will provide the benefits to the Hill Country area west of Austin that are claimed for the CREZ Kendall to Gillespie to Newton projects.
- (9) ERCOT's August 2, 2010 statement (Docket 38354- 593) that, in response to their request regarding potential alternatives to the Gillespie to Newton line, LCRA TSC submitted several potential alternatives, including the Next ERA private line, which LCRA TSC believes may impact the configuration of the McCamey D to Kendall transmission line.

There are probably other changes that should be considered as well that the PUC, ERCOT and LCRA are in a much better position to be aware of. In any case, the changes listed above should be more than adequate to justify the re-evaluation. This re-evaluation is essential in light of the permanent negative effects the CREZ lines will have on this scenic area and its residents and visitors.

We implore you to respond positively to this request which is made on behalf of so many.

Sincerely,



Robert Weatherford- President  
Save Our Scenic Hill Country Environment

cc: Senator Troy Fraser  
Representative Harvey Hilderbran  
Representative Doug Miller  
LCRA General Manager Tom Mason  
Public Utility Commission of Texas- Central Records