



Control Number: 29206



Item Number: 321

Addendum StartPage: 0

# *Public Utility Commission of Texas*

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## **Memorandum**

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PUBLIC UTILITY COMMISSION  
FILING CLERK

TO: Filing Clerk  
FROM: Chairman Hudson's Office  
RE: Correspondence related to Docket Numbers 29206 and 29526  
DATE: July 2, 2004

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We are filing a letter sent by Senator Jon Lindsay and Chairman Hudson's response regarding the above cases. Please note that a member or employee of a state agency assigned to render a decision in a contested case may not directly or indirectly communicate in connection with an issue of fact or law with any state agency, person, party, or representative of those entities, except on notice and opportunity for each party to participate. See Administrative Procedures Act, TEX. GOV'T. CODE ANN. §2001.061 (Vernon 2000 & Supp. 2001).



**JON LINDSAY**

District 7

# The Senate of The State of Texas

## Committees

Nominations, *Chair*  
Health and Human Services  
Infrastructure Development  
and Security  
Natural Resources

June 18, 2004

The Honorable Paul Hudson, Chairman  
The Honorable Julie Parsley  
The Honorable Barry Smitherman  
Texas Public Utility Commission  
P.O. Box 13326  
Austin, Texas 78711-3326

Dear Chairman and Commissioners:

As you know, in 1999 the Texas Legislature passed Senate Bill 7 (S.B. 7), the Texas Electric Choice Act. This legislation provided for the deregulation of the electricity market in Texas and was widely supported by the business community as well as consumers. I was supportive of S.B. 7 and the opportunities and potential cost savings it would provide to the citizens of this state. In addition, since its passage, S.B. 7 has been regarded as a successful example in the nation of how to write a law to make electric rates competitive.

Therefore, I believe that it is important to abide by the guidelines outlined in S.B. 7, including the ability for power companies to recover "true-up" balances. I feel it is most important that the PUC take the necessary actions to ensure that residents continue to have access to a strong and reliable electric service infrastructure and continued access to competitive electric rates when making any future decisions regarding S.B. 7.

I thank you in advance your consideration in these matters. Should you have any questions, please do not hesitate to contact my office at 512/463-0107.

Sincerely,

JON LINDSAY  
State Senator

JSL/km

**Julie Parsley**  
Commissioner

**Paul Hudson**  
Chairman

**Barry T. Smitherman**  
Commissioner

**W. Lane Lanford**  
Executive Director



## *Public Utility Commission of Texas*

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July 1, 2004

The Honorable Jon Lindsay  
Texas Senate  
P.O. Box 12068  
Austin, TX 78711

Dear Senator Lindsay:

Thank you for your letter regarding the stranded cost true-up cases before the Commission per our requirements. I have filed copies of your letter in the administrative record of the Texas-New Mexico Power Company and CenterPoint Energy Houston Electric cases. I want to assure you that the Commission is moving expeditiously to conclude each of these complicated cases.

I look forward to working with you in the coming months to ensure continued success in the development of Texas' competitive electric markets.

Warmest Regards,

A handwritten signature in black ink, appearing to read "JDH", followed by a long horizontal line.

Paul Hudson  
Chairman