



Control Number: 37049



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Public Utility Commission of Texas

37049

August 14, 2009

Robert H. White
DRW Land Company Ltd.
138 Marvil Lee Drive
Boerne, Texas 78006

Dear Mr. White,

Thank you for your letter raising your concerns about the proposed LCRA line and describing the historical and environmental impacts of the line on your property. Because the application for a CCN by LCRA, to build transmission lines between Kendall and McCamey substations, will be filed here at the Commission in the near future, I have filed a copy of your letter and my response in that docket. I appreciate your concerns. My family had a ranch in the Hill Country when I was a boy and we still have very fond memories of that beautiful property.

Texas is a leader in the development of renewable energy resources. Renewable energy reduces our dependence upon volatile commodities that raise the price of electricity. And, if climate change legislation is approved in Washington, we will need lots of renewable energy in order to further dampen the electricity price increases that will result from taxes placed on burning fossil fuels. A recent study by our electric grid operator estimates that building enough transmission to move 18,500 MW of wind energy reduces the negative price impacts of climate change legislation on Texans by about 30%.

Our predominant renewable resource today is wind, and the best wind resources are located in West Texas and the Panhandle. In order to get that resource from where the wind blows to where most of the people in Texas live, which is the I-35 corridor and parts east, we must build high capacity transmission lines through parts of our state which before today may have had little to no transmission infrastructure. This lack of high voltage transmission between I-20 and I-35 has also contributed to congestion on the ERCOT grid, which has produced price spikes in South Texas and the Houston area.

You should know that the Commission, in an Open Meeting scheduled on July 30, directed LCRA to consider as many route options as possible. When the case finally comes before the Commission, we will balance the cost of route options which are longer and probably more expensive against those that follow a more direct and less expensive path.

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The use of monopole structures has been selectively used in the past, but because of the higher up front capital costs, monopole use is done on a case-by case basis and may depend upon landowner or municipal participation to reduce costs. Burying transmission lines is almost always prohibitively expensive. Finally, the Commission does not regulate the compensation that a utility pays for an easement or use of private property. If the negotiation between a utility and landowner to determine compensation is not successful, condemnation and compensation issues are addressed at the county level.

Because the cost of transmission is paid for by all ratepayers within the ERCOT grid, the Commission historically has placed a lot of weight on keeping costs low. However, the Commission will also weigh other factors in its decision as set out by statute and our rules, such as whether the proposed routes utilize or parallel existing compatible rights-of-way, whether the routes parallel property lines or other natural or cultural features, and whether the routes conform to the policy of prudent avoidance.

Thanks again for writing.

Sincerely,

A handwritten signature in black ink, appearing to read 'Barry T. Smitherman', with a stylized, cursive script.

Barry T. Smitherman

DRW Land Company, Ltd.
138 Marvil Lee Drive
Boerne, Texas 78006

RECEIVED
AUG 07 2009
Chairman's Office

August 3, 2009

Mr. Barry T. Smitherman
Public Utilities Commission
P.O. Box 13326
Austin, Texas 78711-3326

Dear Mr. Smitherman,

The purpose of this letter is formally document our concerns for the CREZ transmission lines (McCamey D-Westwind-Kendall segment) that LCRA is proposing to construct north of the City of Junction in Kimble County. The three proposed alternative routes that are located north of Junction crossing U.S. Highway 83 give us the greatest concern. The middle route (B21) will go through the heart of our ranch; the northern route (B22) greatly impacts our neighbors; and, the more southern route (B19) will go very near the Kimble County Airport. After visiting with some of the representatives from PBS&J, LCRA's consulting engineer, it is clear that they are unaware of the sensitive obstacles that will be encountered on our property if the middle route alternative (B21) is selected by the PUC. This particular route (B21):

- goes right through the significant headwater springs of an unnamed tributary creek that originates on our and our neighbor's property.
- crosses over an old cowboy camp area with a hand-dug, rock-lined water well.

We have noted these areas on the attached aerial photograph. Regardless of whether or not any pole structures are erected in these sensitive areas, there will be significant and lasting damage to these areas due to the construction and maintenance of the overhead transmission line. We informed the representative with PBS&J of these obstacles as well as noted them in our written comments to LCRA.

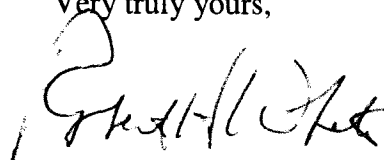
It is incredulous to us that a study with a broader range would not yield some better alternatives that follow existing highway rights-of-way, pipeline easements, and other infrastructure. In the long run, such routes would most likely cost considerably less and be more accessible for ongoing maintenance. It seems that LCRA and its consultants hastily put together some alternative routes with similar budgeted costs without adequate study, knowing that they

can hide behind the cover of the PUC and that they can live with any route alternative ultimately chosen by the PUC. We believe that the PUC needs to force LCRA to enlarge the study area and offer some alternatives that follow existing infrastructure, even if it does increase the total distance of the CREZ transmission line. Such study must recognize that these transmission lines will be used for generations to come, and the right decision needs to be made now. And even if there may be a relatively small increase in the total distance as a result of following existing infrastructure, the amortization of any such additional amount over its useful life will be minimal and should be considered insignificant for doing the right thing now. A similar argument should be used to require the use of monopoles rather than lattice structures. Besides, the costs of these transmission lines should be passed on to those using the power transmitted by these lines, which will result in no negative financial impact to LCRA over the project's useful life.

Finally, LCRA needs to fully compensate each landowner for the power line easement, including the damages to the value of the landowners' remaining property. At a minimum, the base price should be similar to the amount being offered by Florida Power & Light for its private transmission line currently under construction. Since the FPL transactions represent the outcome of negotiations between private landowners and a private company, there is no better starting place for "market value". We overheard representatives of LCRA tell landowners attending the "open house" meetings that they cannot afford the prices being paid by FPL since LCRA's transmission line company is a "non-profit" entity. That seems like a real poor excuse to justify a lesser price.

We know that you folks with the PUC are busy with many matters. But we appreciate your consideration of our request.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert H. White", written in a cursive style.

Robert H. White



SPRINGS & COWBOY
CAMP AREA