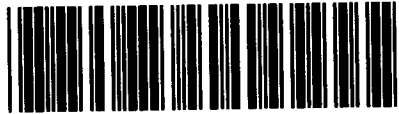


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APPLICATION OF LCRA TRANSMISSION SERVICES CORPORATION TO
AMEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY FOR THE
GILLESPIE TO NEWTON 345 KV CREZ TRANSMISSION LINE IN GILLESPIE,
LLANO, SAN SABA, BURNET, AND LAMPASAS COUNTIES, TEXAS

BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS

**ALTA VISTA RANCH, LTD.'S RESPONSE TO LCRA TSC'S
OBJECTION AND MOTION TO STRIKE PREFILED DIRECT
TESTIMONY OF ALTA VISTA RANCH, LTD. WITNESS
JOHN STEPHEN FAIN**

JANUARY 16, 2010

**ALTA VISTA RANCH, LTD.'S RESPONSE TO LCRA TSC'S
OBJECTION AND MOTION TO STRIKE PREFILED DIRECT
TESTIMONY OF ALTA VISTA RANCH, LTD. WITNESS
JOHN STEPHEN FAIN**

In response to LCRA TSC's **Objection and Motion to Strike** my Prefiled Direct Testimony of January 7, 2009 on behalf of Alta Vista Ranch, LTD, I would like to offer the following rebuttal:

In neither paragraph of page 6 have I asserted the opinion of "injury to tourism", made the assertion of "ruination of viewscape", or made claims of "loss of tourist revenue".

Page 6, paragraph 1, first sentence of my testimony reads: "Each year large numbers of tourists from all over the world are attracted to Enchanted Rock, the nation's second-largest batholith". Factual basis: Enchanted Rock: A Natural and Human History Summary, Published in 2009 by University of Texas Press, states that Enchanted Rock State Natural Area is enjoyed by over 300,000 visitors every year. As to LCRA TSC's claim that an opinion regarding "injury to tourism" or "loss of tourist revenue" was made, it can be seen that there was no such opinion given in this sentence.

Page 6, paragraph 1, second sentence of my testimony reads: "Should the C-8 link be constructed, the present 360 degree natural view that visitors now enjoy would be marred by a 345 kV utility with its skeletal towers and transmission lines stretching for miles across the landscape." There was no assertion of "ruination of viewscape" as per LCRA TSC's objection. I used the term "marred" because it is defined by dictionary.com as:

to damage or spoil to a certain extent; render less perfect, attractive, useful, etc.; impair or spoil.

to disfigure, deface, or scar."

I believe that the language I chose to use in my testimony is both accurately descriptive and appropriate.

My response to LCRA TSC's Objections and Motion to Strike page 6, paragraph 2 of my Direct Testimony as having given an "unqualified opinion" and "no factual basis" to my assertion that property values will be lowered are as follows:

My qualified opinion and the factual basis for the assertion that "any demise to the local governments' tax base caused by a lowering of property values by a county's tax assessor's office as a result of this transmission line . . ." is based upon my practical experience as a real estate professional in Central Texas for over 36 years. I have hundreds of hours of experience in protesting tax assessments before appraisal districts. I have first-hand experience and know for a fact that "views" are recognized by county appraisal districts' chief appraisers to be a value-added enhancement to a piece of

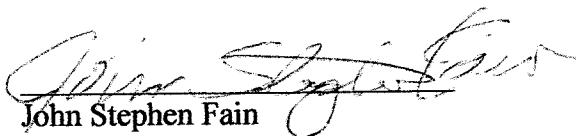
property. Likewise, I have first-hand experience in having property value assessments lowered due to the property being impacted by utility easements. These chief appraisers are not subjective in their adjustments in these values, but use sound real estate appraisal methodology. I believe that my professional experiences meet the requirement of "evidence of facts necessary to support a rational perception and form an opinion".

As a practicing real estate broker, I am also aware that buyers will pay a premium for properties having unique views. From 1995 until 2006 I worked alongside an MAI appraiser. Through this association I have had direct knowledge of cases in which property values were adjusted up or down due to view and easement considerations. Real estate brokers have told me that there has been a marked decline in ranch sales in Gillespie and Llano counties since this project has been announced. In my judgment, this could be a strong indicator that buyers may not be willing to commit to a purchase until they know whether or not a 345kV transmission line will impact the value and desirability of their purchase. This is not conjecture; it is simply prudence by astute investors. With my professional background I feel well qualified in my abilities, my experiences and my "knowledge of market" to form opinions regarding the impact of transmission lines on property values.

In summary, I disagree with LCRA TSC's cited objections to the language in my direct testimony on page 6, paragraphs 1 and 2. My testimony clearly shows: On page 6 in paragraphs 1 and 2, I did not give an opinion as to "injury to tourism". On page 6 in paragraphs 1 and 2, I did not make an "assertion of *ruination* of viewscape".

I am not an attorney, yet I strongly feel that it is important to defend my testimony against LCRA TSC's objections to the best of my ability. In this response I have tried to provide a qualified and professional basis for my "assertion that property values will be lowered". I feel that I should be able to give testimony in layman's terms expressing my concerns as a landowner in this docket and also to explain my concerns as to protection for the unique geological area of Texas that this proposed CREZ line would impact. Enchanted Rock State Natural Area is a designated Natural Historic Landmark (1970) and was placed on the National Registry of Historic Places in 1984 (TPWS – ERSNA website) and deserves protection by the people of Texas.

Respectfully submitted,


John Stephen Fain