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DOCKET NO. 38,577

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PROCEEDING TO DETERMINE WHETHER TO MODIFY THE CREZ TRANSMISSION PLAN

PUBLIC UTILITY COMMISSION

OF TEXAS

TOMMY JOE YATES STATEMENT OF POSITION

NOW COMES Tommy Joe Yates (Yates) and files this Statement of Position in accordance with Order No. 9 in the above referenced proceeding, and in support of said Statement of Position would respectfully show as follows:

- 1. Yates was an active Intervenor in Docket 37,448 concerning the LCRA's Application to Amend its Certificate of Necessity and Convenience for the Gillespie to Newton 345-kV CREZ Transmission Line in Gillespie, Llano, San Saba, Burnet and Lampasas Counties, Texas.
- 2. Yates owns land located in San Saba County, Texas. The property was affected by two Links in Docket 37,448.
- 3. One June 1, 2010, the Public Utility Commission of Texas (PUC) requested the Electric Reliability Council of Texas (ERCOT) to re-evaluate the need for the proposed Gillespie to Newton transmission line. ERCOT completed its analysis and proposed the following alternatives for the proposed Gillespie to Newton transmission line:
 - 1. Reconductoring or reconstruction of the Oncor Electric Delivery circuits from Killeen to Killeen Elm, approximately 7 miles of circuits, to achieve a rate B of 400 MVA.
 - 2. Reconductoring or reconstruction of the LCRA circuits from Kendall to Miller Creek, approximately 40 miles of circuits, to achieve a rate B of 440 MVA, and the LCRA circuits from Miller Creek to Paleface, approximately 17 miles of circuits, to achieve a rate B of 220 MVA.¹

¹ ERCOT Review of Gillespie to Newton Project dated September 23, 2010, Public Utility Commission of Texas, Interchange Item No. 30.

- 4. In making its recommendation regarding the proposed Gillespie to Newton transmission line, ERCOT concluded that the upgrades to the existing infrastructure were more cost effective and that there would be sufficient transmission capacity needs. ERCOT concluded the cost of the proposed upgrades would cost approximately \$39 million, compared to the estimated \$161-\$207 million for the proposed Gillespie to Newton transmission line.² ERCOT also acknowledged that the proposed Gillespie to Newton line primarily was to relieve potential transmission congestion and to provide long range reliability to the transmission grid, rather than supply transmission capacity to the grid.
- 5. On August 26, 2010, the PUC requested ERCOT also re-evaluate the need for the proposed McCamey D to Kendall and the Kendall to Gillespie transmission circuits. ERCOT completed its analysis and recommended to the PUC that the proposed Kendall to Gillespie transmission line be replaced with more cost-effective alternatives.
- 6. After review of ERCOT's analysis and findings, Yates believes ERCOT's recommendations are reasonable and prove a cost effective alternative to the Gillespie to Newton transmission line, while meeting the transmission existing transmission needs.
- 7. Yates supports and endorses ERCOT's recommendations regarding the potential alternatives to the proposed Gillespie to Newton transmission line. Yates expresses no position on ERCOT's recommendations concerning the potential alternatives to the proposed Kendall to Gillespie transmission line. Yates believes the fates of the proposed Gillespie to Newton transmission line and the proposed Kendall to Gillespie transmission line should be determined

² PUC Staff Exhibit 4B Exert of Testimony of T. Brian Almon @ 49, Table BA-4 (discussing costs of proposed routes).

on their own merits and that any decision relating to these proposed transmission lines should not be tied together.

8. Yates specifically reserves the right to fully participate at the hearing on the merits in this matter and to file post hearing briefs and exceptions, if necessary.

Respectfully submitted,

YATES LAW FIRM

A PROFESSIONAL CORPORATION

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ATTORNEYS FOR TOMMY JOE YATES

CERTIFICATE OF SERVICE

I hereby certify that on this 4th day of November, 2010, a true and correct copy of the foregoing document is being served via email, facsimile, U.S. mail and/or hand delivery to all parties of record.

RONALD F. YATES