



Carbett "Trey" J. Duhon III
Waller County Judge

April 14, 2015

CMRR: 7011 0470 0002 6849 3705


Mr. Brian H. Lloyd, Executive Director
Public Utilities Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

Re: Waller County Sub-Regional Planning Commission Letter

Dear Mr. Lloyd,

Please find enclosed a copy of the letter from the Waller County Sub-Regional Planning Commission. This letter was delivered to Karen Hubbard and Mike Hoke at the Waller County Sub-Regional Planning Commission meeting held on Thursday, April 9, 2015. This copy is being sent to you in the event that you have not received it. Also, please find enclosed a Resolution that was approved by the Sub-Regional Planning Commission concerning the NO BUILD OPTION for the Brazos Valley Connection Electrical Transmission Line Project.

Sincerely,


Cindy Jones
Administrative Assistant

cc: Ms. Donna L. Nelson, Chairman
Kenneth W. Anderson, Jr., Commissioner
Brandy Marty Marquez, Commissioner
Joe Garcia, Center Point Energy

Enclosures



WALLER COUNTY
SUB-REGIONAL PLANNING COMMISSION

April 9, 2015

Mr. Brian H. Lloyd, Executive Director
Public Utilities Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, TX 78711-3326

Re: Brazos Valley Connection Project

Dear Mr. Lloyd,

The Waller County Sub-Regional Planning Commission appreciates the willingness of the Public Utilities Commission, represented by Ms. Karen Hubbard, to meet with us regarding the Brazos Valley Connection Project proposed by CenterPoint Energy referred to as the "Houston Regional Import Project."

The original "Houston Regional Import Project" was filed in July 2009, and updated in July 2013 by CenterPoint Energy. At the time of the study, oil and natural gas prices peaked at \$106 per barrel and \$6 per million BTU.

Since the project was submitted to the PUC, advancement in hydraulic fracking technology have resulted in an abundance of oil and gas. Then, in December 2014, ten months after an ERCOT Independent Review of this project, the price of West Texas Intermediate Crude (WTI) collapsed. Since that time, production of oil and natural gas has plummeted with a corresponding dip in actual rig counts resulting in a sharp decline for growth and the economy in the Houston region.

In fact, the Federal Reserve Bank of Dallas recently issued their Regional Economic Update on March 19, 2015 stating:

"Houston's employment growth decelerated significantly from 3.5 percent in the fourth quarter (of 2014) to 0.1 percent in January due to the slowdown in the energy sector."

Unfortunately, that means dramatic loss of jobs and layoffs, most notably from Schlumberger, Halliburton, Baker Hughes and British Petroleum (at least 22,400 jobs lost collectively). So far in 2015, over 51,000 jobs have been cut by U.S. Companies as result of decreasing oil prices.

Both CenterPoint and ERCOT assumed in their studies for this particular transmission line that the Houston area was going to have historical growth. With the collapse in energy prices and the expectation that energy prices will continue to be low for an extended period, the growth assumptions previously touted are all difficult to justify. As a result, the Houston Regional Import Project and ERCOT load growth assumptions no longer reflect the future and we therefore request the following of the PUC:

1. Recognize the urgency of the Houston Regional Import Project has dramatically changed and, in order to do what is right for the citizens of Texas and Waller County, delay the acceptance of the CCN request of CenterPoint at this current time;
2. Have CenterPoint update this project to reflect lower long-term growth in Houston and the Coastal area as opposed to the current assumptions being relied upon; and
3. Require ERCOT to update the ERCOT Independent Review of Houston Import RPG Project, 02/20/2014 by re-evaluating the alternatives to meet the Coastal area loads and re-evaluate the options based on a level playing field between adding local generation in the Coastal area versus building a new transmission line along with other alternatives.

ERCOT's load projections used to justify this project and the Independent Review of 2014 no longer reflect the economics of Texas. The collapse of oil and gas prices has reduced growth across the State and has impacted the Coastal Region significantly and Houston specifically.

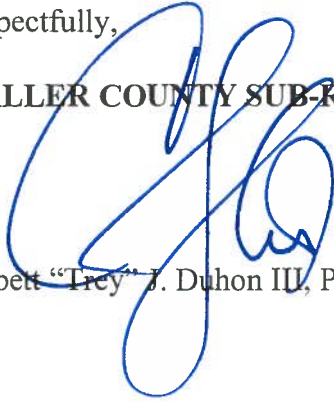
In addition, we will be following up with the U.S. Fish and Wildlife Service to make sure all requirements of the federal Endangered Species Act are being considered regarding endangered species in our county by requesting a proper Environmental Impact Statement be performed.

These issues, along with the economic changes demand the previous studies be re-evaluated and reconsidered giving time to validate or invalidate the building of this new infrastructure.

We simply ask that the PUC do what is right for our State and the citizens of Waller County.

Respectfully,

WALLER COUNTY SUB-REGIONAL PLANNING COMMISSION



Carbett "Trey" J. Duhon III, President

cc Ms. Donna L. Nelson, Chairman
Kenneth W. Anderson, Jr., Commissioner
Brandy Marty Marquez, Commissioner
CenterPoint Energy

**WALLER COUNTY SUB-REGIONAL
PLANNING COMMISSION
RESOLUTION**

WHEREAS, The Waller County Sub-Regional Planning Commission supports the NO BUILD OPTION for the Brazos Valley Connection Electrical Transmission Line Project, and;

WHEREAS, The Waller County Sub-Regional Planning Commission supports expanding Houston Area Power Plants, and/ or building plants in the Houston Area, and;

WHEREAS, The Waller County Sub-Regional Planning Commission finds that CenterPoint Energy's Brazos Valley Connection transmission line is not a necessity for future electrical needs for our region, and;

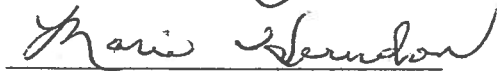
WHEREAS, The Waller County Sub-Regional Planning Commission finds it is in the public interest and to the benefit of the residents of the town/county and the citizens of this state to support the no-build option for the Brazos Valley Connection electrical transmission line project.

NOW, THEREFORE, BE IT RESOLVED THAT, The Waller County Sub-Regional Planning Commission supports the no-build option for the Brazos Valley Connection electrical transmission line project and supports expanding Houston area power plants, and/or building new plants in the Houston Area.

PASSED AND APPROVED on this the 6th day of April, 2015.



Carbett "Trey" J. Duhon III, President



Marie Herndon, Secretary