



September 17, 2010

Paul Rocha
Director, Transmission Planning
CenterPoint Energy
P.O. Box 1700
Houston, TX 77251-1700

Ross Phillips
Vice President and Chief Operating Officer
LCRA Transmission Services Corporation
3700 Lake Austin Blvd
Austin, Texas 78703

RE: Houston Import Project

Dear Mr. Rocha and Mr. Phillips:

At its August 17, 2010, meeting the Electric Reliability Council of Texas (ERCOT) Board of Directors recommended the following transmission project set as needed to support the reliable and economic operation of the ERCOT Region transmission system:

CenterPoint Energy designated projects:

- Expand the Zenith substation to accommodate the 345 kV line terminations.
- Construct a portion of the Fayetteville-Zenith 345 kV double circuit line.
- Upgrade the Bellaire-Brays-H.O. Clarke Plant 138 kV line terminal equipment.

LCRA TSC designated projects:

- Expand the Fayetteville substation to accommodate the 345 kV line terminations.
- Construct a portion of the Fayetteville-Zenith 345 kV double circuit line.
- Loop the Fayette Power Project-Salem 345 kV line into Fayetteville substation.
- Upgrade the capacity of the Fayette Power Project-Fayetteville 345 kV double circuit line.

Additional details on this project are included in Attachment A to this letter.

This project was supported throughout the ERCOT planning process, which included participation of all market segments. ERCOT's recommendation to the Board was reviewed by the ERCOT Regional Planning Group and the ERCOT Technical Advisory Committee (TAC).

Austin

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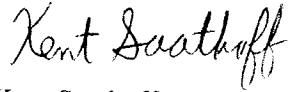
Taylor

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This project is very important to the continued reliability and efficiency of the bulk electric system in the ERCOT Region. ERCOT staff looks forward to the successful completion of the work and is ready to assist you with any planning and operations related activities.

Should you have any questions please call me at any time.

Sincerely,



Kent Saathoff
Vice President, System Planning and Operations
Electric Reliability Council of Texas

cc: Barry T. Smitherman, Chairman, Public Utility Commission of Texas
Kenneth W. Anderson, Commissioner, Public Utility Commission of Texas
Donna L. Nelson, Commissioner, Public Utility Commission of Texas
Jess Totten, PUCT
Brian Almon, PUCT
Trip Doggett, ERCOT
Dan Woodfin, ERCOT
Jeff Billo, ERCOT