

December 5, 2010

Ken Levine
Director
Sunset Advisory Commission

Dear Mr. Levine:

I am responding to the Supplement to the Sunset Staff Report on The Public Utility Commission but will also include comments related to Sunset Staff recommendations for the RRC.

First I believe the responsibility for regulation of the electrical industry including ratemaking should be transferred to the RRC. The new name for the RRC should be Texas Energy Commission. Commissioners should be elected and not appointed.

Electricity is a commodity of necessity and not choice. In all aspects the PUC is more closely aligned with the electricity industry than the consuming public. They state that their efficiency of market oversight can be measured by an award given by the ERRC, a group comprised of companies with a stake in competitive retail markets. This is at a time when retail electric cost has gone from below the national average to substantially higher than the national average. Only 15 states pay more for electricity and none are close to Texas. While the PUC has some oversight, the electrical grid ERCOT is the real power in the electricity market. ERCOTs' board members are affiliated with the electric industry with little input from public. The current chairman of the PUC asked that the "revolving door" policy be waived so he could apply for a similar position at ERCOT. The PUC has obligated the public to pay \$5 billion to build CREZ transmission lines. There is no other industry that I know of where the public pays to get a private company's product to market. Part of the legislation that gave the PUC the authority to issue CCNs was adequate commitment from wind power generators. With a lower price for natural gas the economics for wind generation has changed causing notable players such as Boone Pickens to leave. To my knowledge the PUC has made no effort to reevaluate generator commitment. The PUCs' position is "cost is secondary" and speed is paramount. They have run over county commissioner's court resolution, side stepped state judges orders, and totally ignored public input. Therefore unlike the current recommendations made by the Sunset Staff I want to vote for both PUC and RRC commissioners. In addition I want ERCOTs' board to be unaffiliated.

In the Sunset Staffs' recommendations for the RRC they argue that a three member, elected commission is outdated and that the voting public may be confused. That elected officials because they rely on contributions to seek office may have conflicts of interests. This assumes commissioners that are appointed by the governor, often in return for political support, do not. The Constitutional right to vote for the people that regulate us will never be outdated. I agree with an article in the Dallas Morning News, by Steve

Blow, which ended "we all need to rise up and communicate a simple message to our state legislators". "Your future rests on electric rates".



Charles Erwin
Hico, Texas