

Control Number: 40000



Item Number: 351

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October 29, 2012 Public Utility Commission attention: Mr. Donna Melson 1701 N. Congress ave RECEIVED Austin, TX 78711 Dear Mrs. Nelson: CUSTOMER PROTECTION In regard to the inclosed Clikki you need to consider the real world of many Jeyas seniors. The are estinggling to make luds meet how. Increased property taxes, transportation, medical expenses, goods and services, are all combined to place a heavy Luden on us older folks. My home in an all electric subdivision Will Cost more than I can appoind on a fixed income that has had no increase in severalyears. The job situation has created problems of unemployment for my children and grandchildren to I try to help The utility companies are alreader taem a little. Charging high rates and Making plenter I monely to invest in future expansion. Tollare reconsider this decision Hear truly yours, Mr. Jane W. Laine 3330 DYSTER COVE 281-969-8955

UTILITIES

Wholesale electricity prices

ASSOCIATED PRESS

m wholesale electricity prices wer the next three years. Thursday to double the cap ic Utility Commission voted AUSTIN - The Texas Pub-

rices is necessary to encour-The commission said raising 2013, \$7,000 in June 2014 and rise from \$4,500 a megawatt ability Council of Texas. The prevent power outages in areas served by the Electric Reliage plant construction and maximum wholesale rate will hour now to \$5,000 in June

\$9,000 m June 2015.

are normally much lower. Yet market, the cap was reached only once this year and prices In Texas' minute-by-minute hold electric bills for le down to monthly sale price increases groups complain

to prevent outages, but that she minimum reserve of electricity mission establish a required

would also like to see the coming peak periods. She said she there is enough electricity durhigher prices to guarantee Nelson said the market needs **PUC Chairwoman Donna** will double over next 3 years

did not have the support of the full three-member board. that higher prices are need State officials have warne

dustry experts say compani to encourage companies to build more power plants as Yexas population grows. In PUC continues on

PUC plan welcomed NO

The Texas Coalition or Affordable Power, group of cities that purchase power on the leregulated market, welomed the PUC decision, aying the price hike will hurt consumers less han a move to a capacity tarket.

"We urge the comnission to assess care ally the impact this ecision will have on exas ratepayers and the electricity market and to avoid increasing costs even more through the creation of a complicated capacity market," said Randy Moravec, the group's executive director. "It's important that policymakers consider system reliability and costs because both directly impact the Texas economy and the welfare of its citizens."

The commission has oversight only over ERCOT/Which covers most of the state, except for the Braso region; the Pankandiegan dar Southeast Texas.

PUC chair sees ure need for spare capacity

UC from page Bi

at operate the state's ower plants are losing oney because prices are oo low for most of the ear and they only make noney during the hotest summer and coldest vinter months.

pare capacity

Texas customers only oay for **ele**ctricity that eaches the grid, not for companies to keep spare capacity available in case of an emergency.

ERCOT tries to maintain a 13.75 percent reserve, but with more demand and less generation, that will become increasingly difficult in the future.

Nelson said that Texas may eventually have to adopt a system that pays power plants to maintain excess cupacity, even if it's not immediately needed. Most states have some sort of system to encourage power companies to maintain a minimum level of capacity.

Pay for cutting back

Commissioner Kenneth Anderson said he preferred a system that paid customers to decrease their demand for electricity during peak periods. He pointed out that Texas only nears a dangerous level of electricity demand for 160 hours a year.
Sam Newell, a PUC

consultant with the Brattle Group, told the commission that raising the maximum wholesale price to \$9,000 will only guarantee an 8 percent reserve capacity, increasing the risk of outages. If the commission wants to guarantee a higher reserve, he said, it will need to make more drastic changes to the market.

Establishing a socalled capacity market would also increase costs, Newell said, but it would also increase reliabilitys**te** said the commission must strike

a balance between the factors.



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