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From: [illegible]

**City of Garland / Garland Power and Light
504 W State St
Garland, Texas 75040**

December 5, 2008

The Honorable Chairman Barry T. Smitherman
The Honorable Commissioner Donna L. Nelson
The Honorable Commissioner Kenneth W. Anderson, Jr.
Public Utility Commission of Texas
1701 North Congress Avenue
Austin, Texas 78701

RE: DOCKET NO. 35665, COMMISSION STAFF'S PETITION FOR THE SELECTION OF ENTITIES RESPONSIBLE FOR TRANSMISSION IMPROVEMENTS NECESSARY TO DELIVER RENEWABLE ENERGY FROM COMPETITIVE RENEWABLE ENERGY ZONES

Dear Chairman Smitherman, Commissioner Nelson, and Commissioner Anderson:

The City of Garland ("Garland") makes this filing to confirm its commitment to make payments in lieu of taxes ("PILOT") to applicable government jurisdictions as reasonable operating expenses if the Commission awards CREZ transmission facilities to Garland. This has been previously discussed and confirmed with the City of Garland's Electric Utility Managing Director. I have attached an affidavit stating Garland's commitment to PILOT.

Garland also again confirms that it is willing to undertake joint ownership of any facilities awarded to Garland in order to address the concerns expressed during the hearings based upon the Certificate of Convenience and Necessity (CCN) process.

Garland remains a qualified, cost effective transmission provider able to finance, construct and operate the CREZ transmission facilities requested. Garland appreciates the Commissioners' consideration for the award of CREZ projects.

Sincerely,

David L. Grubbs, P.E.
Regulatory and Compliance Director

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

AFFIDAVIT

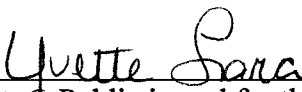
David L. Grubbs, being duly sworn and under oath, deposes and states as follows:

1. My name is David L. Grubbs. I am over eighteen years of age, am of sound mind, and am competent to make this affidavit. I have personal knowledge of every statement in this affidavit, and it is true and correct and based upon my own personal knowledge.
2. I am employed by the City of Garland as Regulatory and Compliance Director for its electric utility that does business as Garland Power & Light ("GP&L"). My office address is 504 W. State St., Garland, TX 75040.
3. The City of Garland commits to make Payments In Lieu Of Taxes (PILOT) to applicable governmental jurisdictions as reasonable operating expenses if the Commission awards CREZ transmission projects to the City of Garland to construct.

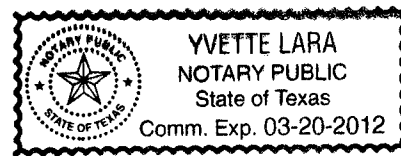


David L. Grubbs

Sworn and subscribed before me this 4th day of December 2008.



Notary Public in and for the Sate of Texas



My commission expires: 3/20/2012