



February 13, 2001

Honorable Williamson County Commissioners Court
Attn: Commissioner Frankie Limmer, Precinct 4
412 Vance, Suite 213
Taylor, TX 76574

Dear Commissioner Limmer:

The Electric Reliability Council of Texas is planning a substantial expansion of its facilities in Taylor. We plan to break ground in a few weeks on a new 85,000 sq. ft. facility to house our operations, engineering, and technical staff, approximately 180 employees. The new facility will be adjacent to our current building located at 2705 W. Lake Drive. Total cost of the project is approximately \$34 million.

We have been working with the City of Taylor over the last several months to receive a tax abatement on this new project. The Taylor Commissioners approved an abatement based on an assessed value of \$26 million at its February 8, 2001 meeting. The \$26 million figure represents a \$24 million estimate for construction plus an additional \$2 million for furniture and fixtures not previously purchased.

ERCOT respectfully requests the Williamson County Commissioners Court to consider a tax abatement on this project over a five-year period as your abatement regulations set out. We will be happy to provide additional information on the project and answer any questions you may have.

Thank you for your consideration.

Sincerely,

Sam Jones
Vice President and Chief Operating Officer

*5 year
starting at 100% first year
decreasing by 20% each following year
approved 2-20-01
John C. Daerfler*

xc: Frank Salvato, City Manager, City of Taylor