



The Senate of The State of Texas

DAN PATRICK
LIEUTENANT GOVERNOR

CAPITOL OFFICE
State Capitol, Room 2E.13
Post Office Box 12068
Austin, Texas 78711
(512) 463-0001
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August 11, 2021

Commissioner James W. "Will" McAdams
Public Utility Commission of Texas
Post Office Box 13326
Austin, Texas 78711-3326

Dear Commissioner McAdams:

I have reviewed the August 2, 2021, letter Chairman Chris Paddie wrote to you where he makes the claim that House Bill 4492 from the 87th Regular Legislative Session "does not contemplate or authorize any 'netting' between companies." That may have been his view, but it was never presented or shared in the Texas Senate. The Senate would not have passed a bill giving taxpayer dollars to companies that profited during the storm.

If you review the Senate floor debate, you can plainly and clearly hear Senator Kelly Hancock, the Senate sponsor of the bill, state the \$2.1B cap includes netting.

House Bill 4492 had no reason to exist other than to provide relief for ERCOT market participants who were adversely affected by exorbitant ancillary service prices and help alleviate charges that would be passed on to customers.

Chairman Paddie's interpretation is in stark contrast to the intent and plain reading of the bill. If it was his intent to give taxpayer dollars to companies that profited during the storm instead of to those who were actually exposed to extraordinary costs and damages, I can confidently say that was not the understanding or intent of the Texas Senate when it passed HB 4492.

Chairman Paddie, who inexplicably and without notice removed the \$2.1 B cap all-together from the conference committee report, only to replace it the next day once discovered by the Senate, has once again tried to alter the purpose of this bill from what the Senate passed.

Commissioner James W. "Will" McAdams

August 11, 2021

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I urge you to follow the plain meaning of HB 4492 as the Texas Senate considered and passed it and calculate cost exposure on a net basis. Thank you for all you do for Texas.

Sincerely,

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Dan Patrick
Lieutenant Governor



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Commissioner Lori A. Cobos
Commissioner
Public Utility Commission of Texas
Post Office Box 13326
Austin, Texas 78711-3326

Dear Commissioner Cobos:

I have reviewed the August 2, 2021, letter Chairman Chris Paddie wrote to you where he makes the claim that House Bill 4492 from the 87th Regular Legislative Session "does not contemplate or authorize any 'netting' between companies." That may have been his view, but it was never presented or shared in the Texas Senate. The Senate would not have passed a bill giving taxpayer dollars to companies that profited during the storm.

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Commissioner Lori A. Cobos

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Dan Patrick
Lieutenant Governor



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August 11, 2021

Commissioner Peter M. Lake
Presiding Officer
Public Utility Commission of Texas
Post Office Box 13326
Austin, Texas 78711-3326

Dear Commissioner Lake:

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Commissioner Peter M. Lake

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Dan Patrick
Lieutenant Governor