

February 4, 2008

Mr. Jack B. Zimmermann
President
Waterwood Improvement Association
62 Waterwood
Huntsville, TX 77320

RE: Waterwood and the new 138kV line

Dear Jack:

In response to your letter dated January 23, 2008, this letter will confirm that Sam Houston Electric Cooperative intends to honor the components outlined in the April 24, 2006 letter.

Sincerely,



Kyle J. Kuntz, P.E.
General Manager/CEO

KJK:lw

Enc: April 24, 2006 Letter KJK to JBZ