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# FEDERAL ENERGY REGULATORY COMMISSION

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WASHINGTON, D.C. 20426

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## NEWS RELEASE

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### FOR IMMEDIATE RELEASE

March 15, 2007  
Docket Nos. TX07-1 & EL06-87

### COMMISSION ADDRESSES PROPOSED TRANSMISSION ADDITIONS IN TEXAS, OKLAHOMA

The Federal Energy Regulatory Commission today granted Brazos Electric Power Cooperative Inc.'s request for interconnection and transmission services under sections 210 and 211 of the Federal Power Act.

The Commission directed TXU Electric Delivery Co. to interconnect with a transmission line proposed by Brazos, and directed both TXU Electric Delivery and CenterPoint Energy Houston Electric LLC to provide transmission services for power flows into and out of the Electric Reliability Council of Texas (ERCOT) over Brazos' proposed transmission line. The Commission also approved a settlement among the parties.

In a separate order, the Commission granted a petition for declaratory order and disclaimed jurisdiction over a transmission line that Cottonwood Energy Co. LP proposes to build linking the company's generating plant located in the Southeastern Electric Reliability Council region of Texas with the ERCOT region of Texas.

Commission Chairman Joseph T. Kelliher observed: "These orders provide important customer benefits by increasing the ties and power flows between Texas and the Eastern Interconnection, while maintaining the current jurisdictional status of ERCOT utilities. Overall, we took a balanced approach."

The ERCOT Interconnection is asynchronously interconnected with the Eastern Interconnection through two high-voltage direct-current interconnections, known as the North and East Interconnections. These North and East Interconnections were established as a result of prior Commission orders issued pursuant to sections 210 and 211 of the Federal Power Act. Brazos proposes to create a third high-voltage direct current interconnection between ERCOT and the Eastern Interconnection.

Brazos plans to build a 70-mile double-circuit alternating current 345-kilovolt transmission line from a planned 750-megawatt coal-fired generating plant near Hugo,

Oklahoma, into Texas (the AC Transmission Line). This will allow the planned Hugo generating plant to be synchronized with the ERCOT Interconnection and allow delivery of the output of the plant into ERCOT. Brazos also proposes to build a high-voltage 375-megawatt capacity direct-current tie to provide an asynchronous interconnection between the Hugo generating plant and the Eastern Interconnection (the Brazos DC Tie) to accommodate deliveries from the Hugo generating plant into the Eastern Interconnection.

When completed, the AC Transmission Line and the Brazos DC Tie will permit up to 1,125 megawatts of electricity to flow into the ERCOT Interconnection or up to 375 megawatts to flow over the Brazos DC Tie into the Eastern Interconnection. Together the two lines will provide a third tie between the two asynchronous markets, but at no time will the ERCOT Interconnection and the Eastern Interconnection be synchronously interconnected.

The Commission explained that compliance with today's order will not result in "public utility" status for TXU Electric Delivery, CenterPoint, ERCOT or any other ERCOT entity that is not currently a "public utility" as that term is defined in the Federal Power Act.

Separately, Cottonwood Energy proposes to build an approximately 100-mile high-voltage transmission line from the company's 1,200-megawatt natural gas-fired generating plant near Deweyville, Texas, to an interconnection with CenterPoint in or near Houston (the Cottonwood Line). The proposed transmission line, according to Cottonwood's petition, would be located entirely within the state of Texas and would not be interconnected with any non-ERCOT utilities, nor would there be any commingling of electricity between the ERCOT Interconnection and the Eastern Interconnection through the proposed transmission line.

The Commission, in addition to disclaiming jurisdiction over the proposed Cottonwood Line, determined that CenterPoint can interconnect with the proposed Cottonwood Line without affecting the jurisdictional status of utilities in ERCOT that are not currently "public utilities" under the Federal Power Act.

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