



FACT SHEET

EL07-93-000, EL07-83-000, ER07-1241-000, ES07-54

FERC Grants Two Texas Jurisdictional Rulings

October 1, 2007

The Federal Energy Regulatory Commission today ruled that certain interconnections between the Electricity Reliability Council of Texas (ERCOT) and the Mexican Comision Federal de Electricidad (CFE) will not subject entities operating within ERCOT to the Federal Power Act (FPA).

Background

Sharyland Utilities LP (EL07-93-000) plans to own and operate a new one-mile, 138 kilovolt direct current (DC) interconnection over the Rio Grande near Mission, Texas, linking ERCOT and CFE, and to schedule transactions by ERCOT market participants over the new DC tie.

Electric Transmission Texas LLC (ETT) (EL07-83-000, ER07-1241-000, ES07-54) plans to buy and operate transmission facilities near Laredo, Texas, from AEP Texas Central Company. These facilities consist of a variable frequency transformer and related facilities that make possible the operation of a 100 MW asynchronous tie between ERCOT and CFE that historically has been used only for emergency local voltage support purposes.

The Orders

In Sharyland, the Commission said the interconnection will not affect the current jurisdictional status of Sharyland or any other entity within ERCOT. The proposed DC tie will facilitate the interchange of power between ERCOT and CFE to improve reliability, allow for emergency assistance and provide new supply opportunities. The only way power could flow from ERCOT to CFE to a state other than Texas is when El Paso Electric Company imports power from CFE through an interconnection at a substation in Sunland Park, N.M., which only occurs on an unplanned and infrequent basis. And even when that happens, the power cannot leave El Paso's system because the company must disconnect its system from the rest of the Western grid in order to receive power from CFE.

In ETT, the Commission determined that because the facilities involve an interconnection provided by prior Commission orders under sections 210 and 211 of the FPA, ETT's acquisition of the facilities will not result in its becoming a public utility under the FPA.