



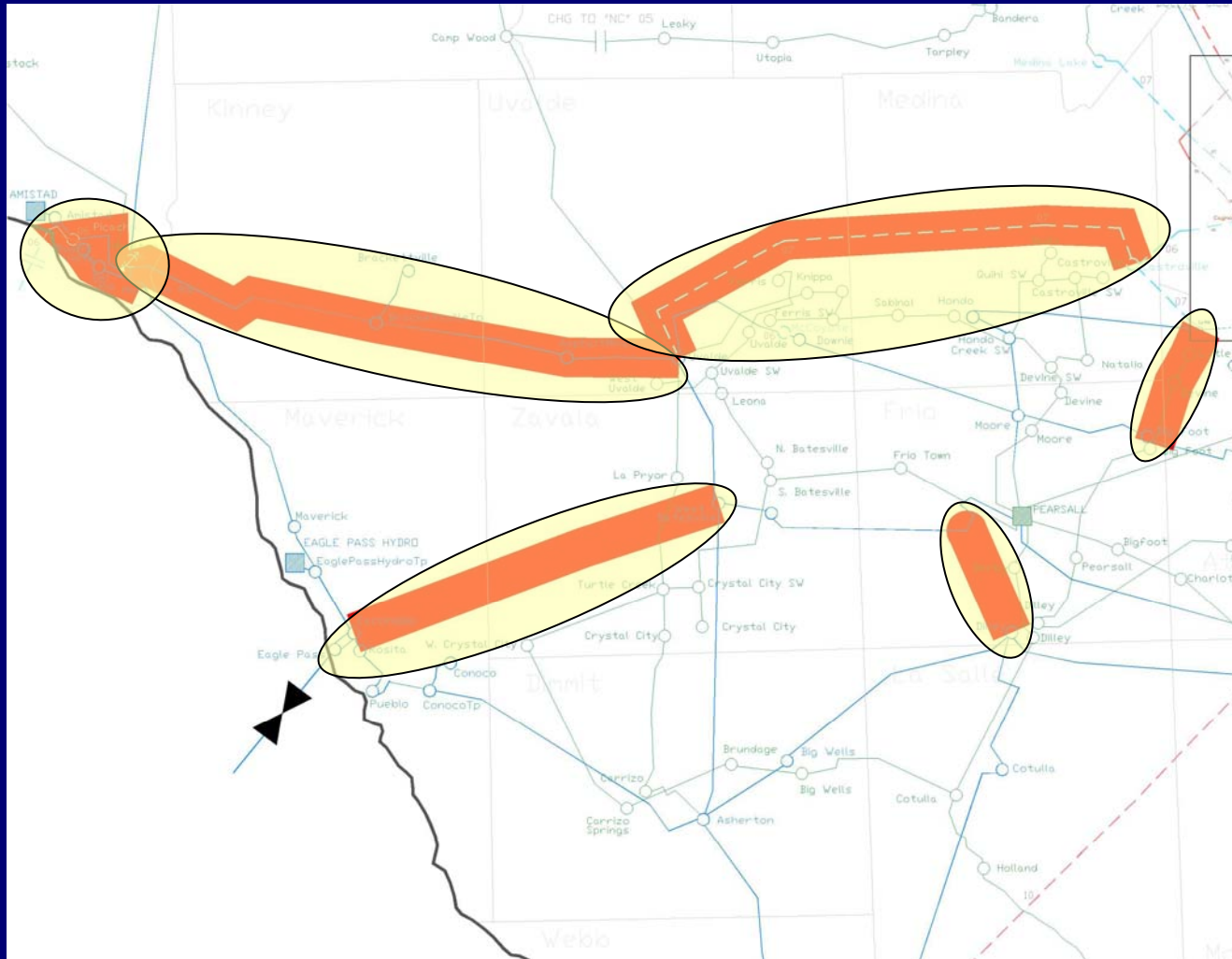
AEPTCC/MEC Western Region Project

ERCOT Board of Directors

**Bill Bojorquez
System Planning**

July 18, 2006

Description of Project



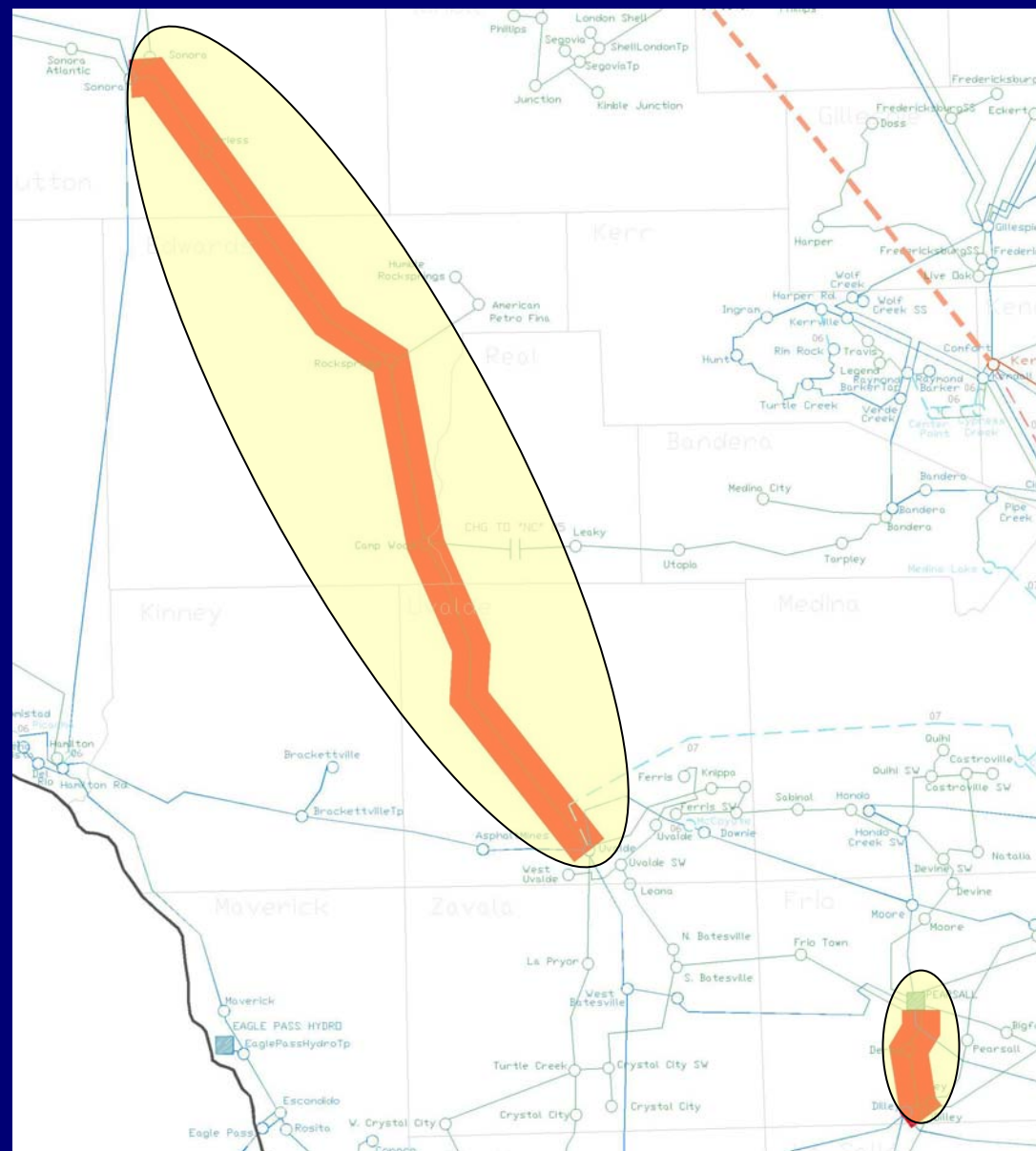
1. Hamilton Rd to Uvalde
138 kV Rebuild
(\$35.6M)
2. Del Rio 138 kV Loop
Reconductor **(\$8.9M)**
3. CPSE Lytle to AEPTCC
Lytle 138 kV line,
138/69 kV Auto with
Lytle to Big Foot 69 kV
line rebuild **(\$15.9M)**
4. Escondido to West
Batesville 138 kV Circuit
(\$34.3M)
5. CPSE Castroville to
Uvalde 138 kV line
(\$54.1M)
6. Palo Duro to Dilley 138
kV **(\$9.7M)**



Projects Needed for Reliability

- **Uvalde to Hamilton Road Projects**
 - Address contingency overloads with loss of Asherton to Escondido Path.
- **Del Rio Area Projects**
 - Address contingency overloads within Del Rio with loss of part of the loop.
- **CPSE Lytle to AEPTCC Lytle**
 - Address contingency overloads on 138/69 kV autotransformers at Hondo Creek, Big Foot, Pearson, and Pleasanton.
- **Escondido to West Batesville 138 kV Circuit**
 - Prevents Voltage Collapse with loss of Asherton to Escondido path and simultaneous loss of Eagle Pass DC Tie.
- **Castroville to Uvalde 138 kV Circuit**
 - Address contingency overloads on San Miguel 345/138 kV autotransformer and bus ties, Moore to Coyote 138 kV circuits, and Hondo Creek auto.
- **Palo Duro to Dilley 138 kV Circuit**
 - Address contingency overloads on Pearsall to Dilley 69 kV circuits.

Options Considered



1. Sonora to Uvalde 69 kV to 138 kV Conversion (**\$112.9M**) (as an option to Uvalde-Castroville) – More initial cost and slightly more production cost than Castroville to Uvalde option. Castroville is a stronger source.
2. MEC Pearsall to Dilley 138/69 kV (**\$14.5M**) (as an option to Palo Duro-Dilley) – Palo Duro to Dilley option just as effective in eliminating overloads and costs less.



Stakeholder Review

- The Stakeholder review period for this project was held in February 2006.
- Some entities initially preferred the Sonora to Uvalde 69 kV to 138 kV conversion option, but conditionally agreed to the more cost-effective Uvalde-Castroville option
 - The issues of concern to these entities will be addressed separately by AEP
- Stakeholder comments at all stages of the review have been in support of the project, with no dissenting comments.
- TAC supported the recommendation at its July 6 meeting



ERCOT Support For the Project

ERCOT staff recommends that the Board endorse the need for the AEPTCC/MEC Western Region Project as described in the ERCOT report to the Board.