



MEMO

Date: August 8, 2006
To: ERCOT Board of Directors
From: Bill Bojorquez, Director of System Planning
Subject: Notice of FERC 211 Filing by Brazos Electric Power Cooperative Inc.

Notice to the ERCOT Board of Directors - No Action Required

ERCOT Board of Director Meeting Date: August 15, 2006

Agenda Item No.: 4a

Summary:

Brazos Electric Power Cooperative, Inc. ("Brazos Electric") provided the attached notice of its proposed application to Federal Energy Regulatory Commission ("FERC") under Section 211 of the Federal Power Act (FERC 211 filing). Board action on this item is not necessary. ERCOT and Brazos staff will be available at the Board meeting to address any questions.

Background:

Brazos Electric's application involves interconnection of a proposed 750 MW coal-fired generating facility to be located near the City of Hugo in Choctaw County, Oklahoma. The proposed plant will increase the generation capacity at the existing Hugo Power Plant site. The existing plant at Hugo is interconnected to the Southwest Power Pool ("SPP"). The proposal contemplates construction of a new radial line synchronous to the ERCOT Region from the new plant addition and an asynchronous tie rated at 250 MW between ERCOT and SPP.

As required by Public Utility Commission of Texas ("PUCT") rules and ERCOT Protocols for all generation interconnection requests, ERCOT and affected Transmission Owners studied the feasibility of this requested interconnection. On October 24, 2004, ERCOT staff completed an interconnection screening study requested for the proposed Hugo Power Plant addition. On September 7, 2005, TXU Electric Delivery, in collaboration with ERCOT and other Transmission Owners, completed a more detailed generation interconnection study. Both studies are available at <http://oldercot.ercot.com/tmaps>.

Section 8.3 of the ERCOT Bylaws provides that no Member may "[t]ake any action, without written notice to Members and reasonable time for Members to respond, that would cause another ERCOT Member that is not a "public utility" under the Federal Power Act or ERCOT itself to become a "public utility" under the Federal Energy Regulatory Commission ("FERC") rules or become subject to any plenary jurisdiction of FERC." Brazos Electric, however, has indicated that it does not intend to take any action which would cause ERCOT or its Market Participants to become subject to FERC jurisdiction.