



Date: March 11, 2008
To: Board of Directors
From: Bill Bojorquez, Vice President, System Planning
Subject: Tyler Autotransformer Addition and 138 kV Line Upgrade Project

Issue for the ERCOT Board of Directors

ERCOT Board of Director Meeting Date: March 18, 2008

Agenda Item No.: 8

Issue:

Request for ERCOT Board endorsement of the Tyler Autotransformer Addition and 138 kV Line Upgrade Project.

Background/History:

The Tyler Autotransformer Addition and 138kV Line Upgrade Project (“Project”) consists of a new 345/138 kV switch station with an additional autotransformer at Tyler Grande (formerly known as Tyler SE). Additionally, 4-ohm series reactors will be added and three 138 kV lines will be upgraded. A detailed list of all of the transmission and substation additions for this Project are listed in Attachment A. Luminant Energy (see Attachment B) and Oncor Electric Delivery (see Attachment C) proposed parts of this Project in September 2007.

ERCOT staff performed an independent study of the recommended upgrades by Luminant and Oncor and concurs that the Project is required to serve the Tyler area reliably and more economically. The Project is being added for both reliability and economic reasons as described in ERCOT’s Independent Review, which is also included in Attachment A.

The estimated cost of the Project is \$11.1 million.

The Regional Planning Group (RPG) comment period for the Project was held in September 2007 and no dissenting comments were received.

Key Factors Influencing Issue:

1. The project is required for both reliability and economic reasons.
2. No new right-of-way is required for this Project.
3. Oncor will relocate the Tyler SE switch station to Tyler Grande site due to road widening project.
4. New autotransformer is not required.



<p><u>Alternatives:</u></p> <ol style="list-style-type: none">1. Endorse the need for the Project as recommended by ERCOT staff and supported by the Regional Planning Group.2. Remand to ERCOT staff with instructions. <p><u>Conclusion/Recommendation:</u></p> <p>ERCOT Staff recommends that the Board endorse the need for the Project.</p>



Attachment A

ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
BOARD OF DIRECTORS RESOLUTION

WHEREAS, the Tyler Autotransformer Addition and 138kV Line Upgrade Project ("Project") is required for reliability and economic reasons, and

WHEREAS, Electric Reliability Council of Texas, Inc. ("ERCOT") staff and the Regional Planning Group both endorse the need for the Project,

THEREFORE, BE IT RESOLVED that the Board of Directors ("Board") ERCOT hereby endorses the Tyler Autotransformer Addition and 138 kV Line Upgrade Project.

CORPORATE SECRETARY'S CERTIFICATE

I, Michael G. Grable, Corporate Secretary of ERCOT, do hereby certify that, at its March 18, 2008 meeting, the ERCOT ISO Board of Directors approved this Resolution. The Motion passed by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2008.

Michael G. Grable
Corporate Secretary