

119 FERC ¶ 61,252
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Sudeen G. Kelly, Marc Spitzer,
Philip D. Moeller, and Jon Wellinghoff.

Brazos Electric Power Cooperative, Inc.

Docket No. TX07-1-000

ORDER TERMINATING OBLIGATIONS TO INTERCONNECT AND PROVIDE
TRANSMISSION SERVICE AND TERMINATING DOCKET

(Issued June 7, 2007)

1. In this order, we grant Brazos Electric Power Cooperative, Inc.'s (Brazos') request to terminate the obligations imposed by the Commission's March 15 Order.¹ Specifically, we grant Brazos' request to terminate: (1) the obligation of TXU Electric Delivery Company (TXU Electric Delivery) to interconnect with Brazos' proposed transmission line; and (2) the obligation of TXU Electric Delivery and CenterPoint Energy Houston Electric (CenterPoint) to provide transmission service to, from and over that interconnection. Finally, we grant Brazos' request to terminate Docket No. TX07-1-000.

Background

2. On October 13, 2006, as amended on November 21, 2006, Brazos requested that the Commission issue an order directing the interconnection of a 70-mile double-circuit alternating current 345 kV transmission line (the AC Transmission Line), which Brazos planned to construct, with the transmission facilities of TXU Electric Delivery, pursuant to sections 210 and 211 of the Federal Power Act (FPA)². As stated in its application, the AC Transmission Line was intended to transmit electricity into the Electric Reliability Council of Texas (ERCOT) grid from Hugo Unit 2, a 750 MW coal-fired electric-generating facility to be located near the City of Hugo, Oklahoma. Brazos intended to jointly construct and own Hugo Unit 2 with Western Farmers Electric Cooperative (Western Farmers).

3. To accommodate deliveries from Hugo Unit 2 into Oklahoma, Brazos also proposed to build a high-voltage 375 MW capacity direct current tie (Brazos DC Tie) that

¹ *Brazos Electric Power Cooperative, Inc.*, 118 FERC ¶ 61,199 (2007) (March 15 Order).

² 16 U.S.C. §§ 824i, 824j (2000).

would provide an asynchronous interconnection between Hugo Unit 2 and the Southwest Power Pool (SPP) in the Eastern Interconnection. Generally, Brazos planned to use its 375 MW share of Hugo Unit 2 to serve its wholesale load obligations within the ERCOT grid, while Western Farmers intended to use its 375 MW share to serve load within the SPP grid in Oklahoma.

4. Currently, the ERCOT grid is asynchronously interconnected with the grid operated by SPP in the Eastern Interconnection through two high-voltage DC interconnections, the North and East Interconnections (HVDC Interconnections), which were established as a result of Commission orders in Docket Nos. EL79-8 and EL79-8-002, pursuant to sections 210 and 211 of the FPA.³ Brazos' proposals would have created the third such high-voltage DC interconnection allowing electric power flow between the ERCOT grid and the Eastern Interconnection. Although the Brazos DC Tie and the AC Transmission Line would have permitted the dispatch of electric energy between two asynchronous markets, the ERCOT grid and SPP grid would have at no time been synchronously interconnected.

5. In its application, Brazos also requested that the Commission direct TXU Electric Delivery and CenterPoint to provide the necessary transmission services for Brazos to deliver energy and ancillary services into and out of ERCOT. In addition, Brazos attached an Offer of Settlement to the application that resolved all lingering matters at issue for Commission approval.

6. In the March 15 Order, the Commission directed TXU Electric Delivery to provide the requested interconnection, directed TXU Electric Delivery and CenterPoint to provide the requested transmission services under sections 210 and 211 of the FPA and approved the Offer of Settlement. Additionally, the Commission ordered Brazos to demonstrate that provisions were made to properly identify losses on the AC Transmission Line in a compliance filing due within 60 days of the March 15 Order and directed TXU Electric Delivery to file an executed Interconnection Agreement within 30 days of the March 15 Order.

Brazos' Motion to Terminate Obligations to Interconnect and Provide Transmission Service

7. On March 30, 2007, Brazos submitted to the Commission a status report and motion requesting an order suspending the obligations imposed by the Commission in the March 15 Order. Specifically, Brazos requested that the Commission immediately

³ See *Central Power and Light Co.*, 17 FERC ¶ 61,078 (1981), as corrected by the Errata Notice issued on November 5, 1981, *order on reh'g*, 18 FERC ¶ 61,100 (1982). See also *Central Power and Light Co.*, 40 FERC ¶ 61,077 (1987) (collectively, the HVDC Orders).

suspend: (1) TXU Electric Delivery's obligation to interconnect with the proposed AC Transmission Line; (2) TXU Electric Delivery's and CenterPoint's obligation to provide transmission service to, from, and over the interconnection; (3) TXU Electric Delivery's obligation to file an executed Interconnection Agreement within 30 days of the March 15 Order; and (4) Brazos' obligation to make a compliance filing within 60 days of the March 15 Order demonstrating that provisions have been made to appropriately identify and allocate losses on the AC Transmission Line. Brazos further requested that the Commission issue an order terminating these obligations and terminating the proceeding under Docket No. TX07-1-000.

8. Brazos explained that, following the Commission's March 15 Order, Brazos and Western Farmers jointly determined that as a result of material obstacles to successful joint development, ownership and operation, Brazos would not be a participant in the development or ownership of Hugo Unit 2. Accordingly, Brazos states that it has lost its primary justification for constructing the AC Transmission Line, and therefore, the objectives it sought under the March 15 Order have been rendered moot.

Interventions and Comments

9. By notice on April 3, 2007, the answer period for Brazos' March 30 motion was shortened, as requested by Brazos. No answers were received. On April 13, 2007, the Commission issued a notice granting Brazos' motion to suspend all obligations ordered in the March 15 Order, pending further Commission action in the proceeding.

Discussion

10. Sections 210 and 211 of the FPA provide that the Commission may, upon request, issue an order directing interconnection and transmission services subject to certain conditions. Brazos requests that the Commission issue an order terminating the interconnection and transmission service obligations requested in its application under Docket No. TX07-1-000 and directed in the March 15 Order. Since Brazos no longer seeks the interconnection and transmission services and no party opposes its motion, we will grant the request and terminate the interconnection and transmission service obligations, and related filing requirements, imposed by the Commission in the March 15 Order, and terminate this proceeding under Docket No. TX07-1-000.

The Commission orders:

(A) TXU Electric Delivery's obligation to interconnect with Brazos pursuant to section 210 of the FPA, as imposed in the March 15 Order, is hereby terminated, as requested, as discussed in the body of this order.

(B) TXU Electric Delivery's and CenterPoint's obligation to provide transmission services to Brazos pursuant to section 211 of the FPA, as imposed in the

March 15 Order, is hereby terminated, as requested, as discussed in the body of this order.

(C) TXU Electric Delivery's obligation to file an executed Interconnection Agreement within (30) thirty days of the March 15 Order is hereby terminated, as requested.

(D) Brazos' obligation to make a compliance filing within (60) sixty days of the March 15 Order is hereby terminated, as requested.

(E) Brazos' request to terminate Docket No. TX07-1-000 is hereby granted, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.