

PUC DOCKET NO. 33672

COMMISSION STAFF'S § PUBLIC UTILITY COMMISSION
PETITION FOR DESIGNATION §
OF COMPETITIVE § OF TEXAS
RENEWABLE ENERGY ZONES §

**INFORMATIONAL FILING OF
ELECTRIC TRANSMISSION TEXAS, LLC
CONCERNING BACKBONE TRANSMISSION SYSTEM
TO SUPPORT COMPETITIVE RENEWABLE ENERGY ZONES**

Now comes Electric Transmission Texas, LLC (ETT or the Company) and files this informational filing identifying necessary competitive renewable energy zone related transmission improvements and proposing creation of an improved backbone transmission system in the Electric Reliability Council of Texas (ERCOT). This proposal supports the Commission's designation of competitive renewable energy zones in this proceeding and provides for long term growth for ERCOT.

I. OVERVIEW

ETT is a proposed joint venture transmission company between subsidiaries of American Electric Power Company (AEP) and MidAmerican Energy Holdings Company (MidAmerican). ETT's application for authority to operate as a transmission utility in ERCOT is pending before the Commission.¹ By this informational filing, ETT proposes that the Commission consider the Company's competitive renewable energy zone (CREZ) transmission proposal in this proceeding. ETT believes that the ERCOT transmission system improvements recommended in this proposal will be necessary to efficiently and cost-effectively integrate wind resources and address long-term load and resource growth in ERCOT.

As required by the CREZ rule, the CREZ nominations recently filed in this proceeding address the transmission improvements necessary to connect the nominated CREZ zones to the

¹ ETT is currently wholly-owned by a subsidiary of AEP. Formation of the joint venture with MidAmerican will be completed upon receipt of suitable regulatory approvals and satisfaction of other closing conditions.

ERCOT grid. However, those filings do not address the broader issue of whether the ERCOT grid can accommodate the proposed new connections and deliver the new renewable energy to customer load. The Commission cannot fully assess the efficiency and cost effectiveness of the proposed CREZs and associated transmission interconnections in this case without also evaluating improvements to the ERCOT Extra-High Voltage (EHV)² transmission system to transmit this renewable energy to the major load areas where it will be consumed.

In this proceeding, transmission infrastructure in Texas is at a defining point where both the voltage level and system design philosophy should be considered. Delivery of the renewable energy from the CREZs to customer load will require substantial transmission line construction in the state. While these necessary improvements are being considered, it is essential that the Commission also consider the state's long-term needs, design objectives and environmental/land use goals. Through this informational filing, ETT presents a comprehensive proposal for both the transmission facilities to support CREZs and the transmission facilities to begin the build-out of an improved ERCOT EHV transmission backbone that will efficiently and cost-effectively manage long-term load and resource growth.

II. ETT'S COMPREHENSIVE PROPOSAL

ETT's goal through this proposal is to promote the development of a comprehensive transmission plan for ERCOT that will facilitate near-term delivery of wind energy resources located in remote areas of Texas, while addressing the longer-range reliability and growth needs facing the state. To accomplish this goal, ETT proposes a staged development of improvements in the ERCOT EHV transmission backbone that will allow the rapid interconnection of existing and developing renewable resources, as well as new traditional generating stations, to major load centers in the south, central and north-central parts of the state.

² Includes 345 kV and above.

Attached as Exhibits A and B are two maps showing, respectively, ETT's proposal for build-out of the ERCOT EHV transmission facilities needed to accommodate numerous CREZs and for the eventual build-out of an improved system-wide ERCOT EHV high capacity transmission backbone. Exhibit A shows two stages of proposed transmission additions, constructed at 345 kV or higher, to bring approximately 10 gigawatts of renewable generation from West Texas and the Panhandle to load centers along the IH 35 corridor in north and central Texas. Exhibit B shows the integration of the CREZ-related lines from Exhibit A into an improved extra high-voltage backbone transmission system that would facilitate the efficient long-term movement of power throughout ERCOT.

Exhibit C to this informational filing is ETT's initial presentation of its comprehensive transmission plan to support numerous CREZs and provide for an improved ERCOT EHV backbone transmission system. The proposal explains the rationale of ETT's transmission plan and how it addresses both CREZ development and longer term resource and load growth issues.

With this filing, ETT looks forward to working collaboratively with ERCOT, transmission providers and other stakeholders to analyze and refine the proposal. In order to facilitate an open discussion and consideration of this plan, ETT has elected to circulate its proposal early in the CREZ process, and will file a more detailed proposal in accordance with the procedural schedule in this proceeding.

ETT also recognizes that other transmission providers may be interested in building parts of the improved ERCOT EHV transmission backbone, and welcomes their participation in this process. However, ETT's venture partners, AEP and MidAmerican, are committed to making substantial investment in ERCOT transmission infrastructure over the next several years, and ETT stands ready to develop some or all of the improved ERCOT EHV backbone. MidAmerican is the fifth-largest transmission owner in the United States, has a long-term

commitment to the electric utility business, and has significant capital available for investment from its parent company, Berkshire Hathaway. AEP is the largest transmission owner in the United States, has a track record of successful infrastructure development in Texas, and is the industry leader in development of EHV 765 kV transmission technology.

In considering an improved ERCOT EHV transmission backbone, ETT proposes that the Commission evaluate the use of EHV 765 kV transmission lines. Over the long-term, such lines in a looped backbone configuration around the main ERCOT load centers, as depicted in Exhibit B, should be the most efficient and cost-effective way of providing a durable solution to long-term system transmission needs.

The Southwest Power Pool (SPP) is currently undertaking an EHV Overlay Project, which it describes as “a long-range strategic assessment regarding long-term reliability and capacity needs through the use of a 345 kV, 500 kV, and 765 kV or higher voltage transmission system to overlay within the SPP footprint ... to ensure an efficient and optimal transmission system to address long-term future transmission needs.”³ ETT believes that its proposal provides ERCOT a longer-term planning concept similar to the SPP vision. Consideration of 765 kV facilities in the improvement of the ERCOT EHV transmission backbone should provide the most efficient and cost-effective method of facilitating full development of the state’s renewable energy resources, as well as accommodating new traditional generation and load growth over the next several decades.

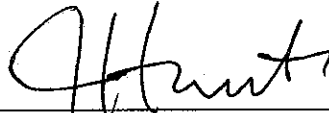
ETT appreciates the Commission’s consideration of its proposal.

³ SPP EHV Overlay Project, Request for Proposal, http://www.spp.org/publications/EHV_Overlay_RFP.doc at p. 5 (Dec. 1, 2006).

Dated: February 27, 2007

Respectfully submitted,

American Electric Power Company
400 W. 15th Street, Suite 1500
Austin, Texas 78701
Jerry N. Huerta
State Bar No. 24004709
Telephone: (512) 481-3323
Telecopier: (512) 481-4587
e-mail: jnhuerta@aep.com

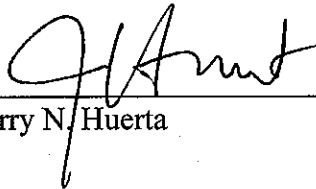


Jerry N. Huerta
Counsel

ATTORNEY FOR ELECTRIC TRANSMISSION
TEXAS, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served on all parties of record in this proceeding by e-mail, hand-delivery, overnight delivery, facsimile transmission, or U.S. first-class mail on the 27nd day of February, 2007.



Jerry N. Huerta