

STATE OF TEXAS I

COUNTY OF CAMERON I

AFFIDAVIT

POOR ORIGINAL

BEFORE ME, the undersigned official, on this day personally appeared Robert E. Roundtree, who is personally known to me, and first being duly sworn according to law upon his oath deposed and said:

My name is Robert E. Roundtree; I am over 18 years of age, and I reside at 205 Calle Amistosa #138, Brownsville, Texas. I have never been convicted of a crime, and I am fully competent to make this affidavit. I have personal knowledge of the facts stated herein, and they are all true and correct.

On March 24, 1980, Mr. Merle Borchelt of CP&L called to set up an appointment with me on March 25, 1980 at 9:00 am.

I was forced to cancel the 9:00 am appointment on March 24, 1980.

Mr. Borchelt called again on March 25, 1980 and I agreed to pick him up at the Brownsville Airport that day at 11:00 am for a conference.

Mr. Larry Gawlik, my Associate Manager for Engineering, and I met Mr. Borchelt at the Brownsville Airport at 11:00 am, March 25, 1980 and picked up Mr. Borchelt and Mr. Buddy Tesgue of CP&L. The four of us then met Mr. Tyler Russell of CP&L at the Beacon Harbor Restaurant for a luncheon conference.

Mr. Borchelt stated that he had been asked by Mr. Durwood Chalker of CSW to meet with me and bring me up to date on ongoing discussions between the Texas IOU's relative to a settlement of the interstate versus intrastate problems between CSW and Texas Utilities and Houston Light and Power.

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Mr. Borchelt stated that agreement had been reached among the IOU's for the construction of two direct current interstate ties of 500 MW and 250 capacities and that by virtue of the direct current transmission across state lines that Texas Utilities and Houston Light and Power would not be subject to federal regulation.

Mr. Borchelt also stated that complete settlement was anticipated during the first two weeks of April 1980.

I then asked if any party had been involved in the settlement negotiations other than the IOU's and Mr. Borchelt stated that none had but that all were now being informed as I was.

I then asked Mr. Borchelt if the federal and state regulatory bodies had been a party to the settlement talks and he said that meetings had been held with the Commissions of Texas, Oklahoma and Arkansas and with the Governors' offices of those states and that all comments were favorable to the direct current transfer mode as a basis of settlement.

I then asked if the federal regulatory staffs had been contacted and Mr. Borchelt stated that they had and that without commitment the reactions expressed were favorable.

I asked Mr. Borchelt if his conversation with me was to be considered confidential in nature and he said no but that he hoped it would not be given to the news media prematurely.

I told Mr. Borchelt that I appreciated the information and that Brownsville was prepared to enter settlement negotiations in line with our consistent position that benefits accruing to the electric industry should flow to the benefit of all segments of the industry.


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I also took occasion to caution Mr. Borchelt that my legal counsel was very likely to be upset when I informed them of the status of settlement talks of which they had no knowledge and urged him to have his attorneys contact my attorneys and inform them of the status of settlement and why they had been excluded from settlement discussions.



Robert E. Roundtree

SUBSCRIBED AND SWORN TO BEFORE ME on the 27th day of March, 1980,
to certify which witness my hand and official seal.



Barbara Nicol

Notary Public in and for
Cameron County, Texas

My commission expires the 20th day of December, 1980.

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