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Re: Houston Lighting & Power Company, et al
(South Texas Project, Units 1 and 2)
NRC Docket Nos. 50-498A, 50-499A
Texas Utilities Generating Company, et al
(Comanche Peak Steam Electric Station, Units 1 and 2)
NRC Docket Nos. 50-445A, 50-446A
Central Power & Light Company, et al
FERC Docket No. EL 79-8
Drafts of Settlement Transmission Provisions

Gentlemen:

The Public Utilities Board of the City of Brownsville, Texas would like to clarify its position on the various drafts of possible transmission provisions to be included in a possible overall settlement agreement (or separate settlement agreement) for resolving the above-referenced outstanding FERC and NRC proceedings, as proposed by the three Companies.

Brownsville is unwilling to accept any total settlement and therefore any individual case settlement unless there are specific rates, terms and conditions concerning transmission wheeling services for all types of bulk power wheeling:

Add:
DS03 J. Rutberg - 1 Ltr
456 S 1/0 G J. Saltzman - 1

8008050

(a) to, from and over the DC interconnections (if DC can be justified as part of the settlement); and

(b) throughout the ERCOT area;

upon a mutually agreed basis. Such rates would then be made effective at the time of settlement, subject to subsequent change as follows:

(i) by unilateral filing, subject to refund, where only increased costs, accruing after the effective date, are being flowed through into the rates; or

(ii) after hearings or opportunity for hearings and regulatory approval of a filing, where the Applicant seeks to change the rate design or structure or underlying cost allocation methods.

While there are other important aspects of the proposed settlement which still raise serious unresolved questions, we see no point in addressing these unless agreement can be reached on the transmission arrangements and rates. We will be happy to engage in serious discussions regarding transmission with any party to the proceeding, but we urge an all-party meeting to seek agreement on transmission. After that, other aspects of the proposed settlements can be addressed.

Sincerely,

George Spiegel
Attorney for the Public Utilities
Board of the City of Brownsville, Texas

GS/nzb
cc: All parties
Mr. Robert E. Roundtree
John W. Davidson, Esq.