

PUBLIC UTILITY COMMISSION OF TEXAS

(1) From your agency's point of view, what regulations can be reduced to improve communication and cooperation between federal, state, and local governments within the Texas-Mexico border region? N/A

(2) What are the main trade issues between the United States and Mexico that you have identified as having an impact (both positive and negative) on your agency or your area of work? N/A

(3) Having studied the flow of commerce at ports of entry between this state and Mexico, including the movement of commercial vehicles across the border, what actions would you establish to aid that commerce and improve the movement of those vehicles? N/A

(4) How do you work with federal officials to resolve transportation issues involving infrastructure, including roads and bridges, to allow for the efficient movement of goods and people across the border between Texas and Mexico? N/A

(5) How does your agency work with federal officials to create a unified federal agency process to streamline border crossing needs? N/A

(6) Has your agency identified problems involved with border truck inspections and related trade and transportation infrastructure? What are those? What solutions/recommendations does your agency propose? N/A

(7) How do you work to increase funding for the North American Development Bank to assist in the financing of water and wastewater facilities? N/A

(8) Has your agency explored the sale of excess electric power from Texas to Mexico? What are your findings?

The Sharyland DC tie and the Variable Frequency Transformer (VFT) referred to in Question 15 would allow power to be transferred from Mexico to Texas and vice versa. However, the sharing of power would occur in *emergency* situations. This does not appear to provide any other shared economic benefits between Texas and Mexico. The DC tie and the VFT primarily add electric stability in the Texas border regions.

(9) Has your agency identified any areas of environmental protection that need to be addressed cooperatively between Texas and the Mexican states? If so, which are those areas and what type of protective measures need to be taken?

(10) Has your agency identified common challenges to health care on which all border states can collaborate? If so, what are those challenges and how can all border states collaborate to overcome them? N/A

(11) Has your agency developed any recommendations to address border challenges in general? If so, what are they? N/A

(12) What programs and services does your agency offer to border communities?

The Texas Electric Choice program works to educate all Texans living in areas with retail electric competition about how to shop for and choose a retail electric provider. The campaign is centered around a call center, staffed five and a half days a week, and the “Power To Choose” Website. The Texas Electric Choice program provides brochures and fact sheets on a range of related topics free of charge. Educational materials are distributed via the Power To Choose Website, by mail and via e-mail, upon request. Publications are also distributed through a network of community-based organizations and businesses known as Power Partners. There are currently thirty-three Power Partners from border communities registered with this grassroots outreach program. During the summer of 2006, a customer education campaign funded by six retail electric providers placed radio ads, billboards, mall posters, gas pump “toppers”, newspaper ads, and other media outreach across the state, including the Rio Grande Valley. A televised consumer outreach event sponsored by KRGV-TV (Weslaco) was one of four Electric Choice “telethons” broadcast in June to drive viewers to the Power To Choose Website and call center. (This information was provided by Steve Hudson, Information and Education Coordinator, Consumer Protection Division).

(13) What are some regulatory and/or legislative recommendations to eliminate duplication and combine programs and services? N/A

(14) Please share any considerations from your agency regarding the effect of policies instituted by the federal government impacting the border region. N/A

(15) Please give a brief summary of all your agency’s activities related to the Border and/or Mexico.

ELECTRIC:

Docket No. 28834- APPLICATION OF SHARYLAND UTILITIES, L.P. FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)

There is a new HVDC (High Voltage Direct Current) tie, including a converter station and 138,000 volt transmission line, under construction between McAllen and Mission, Texas that would provide interconnection with ERCOT’s and the Comisión Federal de Electricidad’s electric grids. The application was originally filed in November 2003 with a proposed total estimated cost of \$36.6 million. Sharyland Utilities will be funding all construction on the Texas border. The Mexican federal government will be paying for all construction on the Mexico border. The purpose for the tie is best summarized below:

“The proposed Sharyland transmission line built in conjunction with the asynchronous HVDC interconnection will provide the capability for an “always-on,” scalable interchange of power, bi-

directional open access facility able to provide beneficial support to both ERCOT and CFE available for use by all market participants.”

The commission approved the CCN application on April 2005. According to Sharyland, the ground work for the DC tie is underway and construction should be complete by August 2007. It has an initial capacity of 150 MW, but can expand to 300 MW in the future. The benefits of the DC tie include providing emergency power to both sides of the border, voltage support, and access to commercial markets.

(Three other DC ties are located near El Paso, Eagle Pass, and Brownsville).

VARIABLE FREQUENCY TRANSFORMER (VFT) NEAR LAREDO

A 100 MW VFT (Variable Frequency Transformer) is under construction near Laredo, Texas. The project is funded by Texas AEP and will provide interconnections with ERCOT's and the Comisión Federal de Electricidad's electric grids. It is expected to be online in May 2007. The transformer functions similar to the back-to-back HVDC converter and allows power to be transferred to Mexico or to Laredo from Mexico. ERCOT is hopeful that the transformer will be a reliable power back-up for generation or transmission outages in the Laredo area.

TELECOMMUNICATIONS:

There is on ongoing calling card investigation involving several companies that are printing calling cards in Mexico and selling them illegally to Texas businesses. During the investigations, it was found that all four companies were in violation of several of the Commission's substantive rules regarding prepaid calling card service. Notices of Violation (NOVs) are currently being drafted to issue to all four companies. This issue poses a threat to national security, because the use of a prepaid calling card allows individuals to make unregistered calls from payphones, which means these calls are untraceable by law enforcement officials.