

UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

SHARYLAND UTILITIES, L.P.

)

Docket No. PP- 285

APPLICATION OF
SHARYLAND UTILITIES, L.P.
FOR PRESIDENTIAL PERMIT

Pursuant to Section 202(e) of the Federal Power Act (“FPA”), 16 U.S.C. § 824a(e), Executive Order No. 10,485 as amended by Executive Order No. 12038, and 10 C.F.R. §§ 205.320, et seq. (2003), Sharyland Utilities, L.P. (Sharyland) hereby applies for a Presidential Permit authorizing it to construct, operate, maintain and connect facilities for the transmission of electric energy at the international border between the United States and Mexico (the “Project”). In support of this application, Sharyland states as follows:

I. Introduction.

Sharyland is a transmission and distribution service provider (“TDSP”) operating within a 6,000 acre master-planned community, called Sharyland Plantation, situated between the cities of McAllen and Mission along the border between Texas and Mexico. Sharyland received a Certificate of Public Convenience and Necessity authorizing it to provide retail electric service from the Texas Public Utility Commission (“PUCT”) on July 9, 1999,¹ and began providing retail electric service to its first customer in February 2000. Sharyland is in the process of building out its system concurrent with the growth of the Sharyland Plantation. On May 16, 2002 the PUCT amended Sharyland’s certificate to authorize the construction and operation of an approximately 6.5 mile 138kV double-circuit transmission line. Sharyland is currently

¹ Application of Sharyland Utilities, L.P. for a Certificate of Convenience and Necessity in Hidalgo County, Texas, Docket No. 20292, Order (July 9, 1999).

constructing that line, and plans an in-service date of April 2004 for the portion of that line located within Sharyland Plantation.

The Project would interconnect Sharyland's planned transmission facilities with those of the Comisión Federal de Electricidad ("CFE"), the Mexican national electric utility. Sharyland has discussed the project with CFE, and CFE's support of the project is evidenced by the letter to be provided as Exhibit "A." The proposed project would allow power to flow either into Mexico from the United States, or from Mexico to the United States. That flexibility would enhance the reliability of the electric grid in the Rio Grande Valley.

Sharyland intends to construct the project in two phases. The first phase would include construction of a single-circuit 138kV transmission line and converter facilities with a capacity of 150 MW, and the second phase would expand the converter facility to a capacity of 300 MW. Although the exact timing of the second phase is not yet certain, in this application Sharyland requests authority to construct and operate the entire 300 MW Project. Sharyland represents that it will notify DOE prior to undertaking construction of the second phase of the Project.

Sharyland has identified two alternate routes for the Project, labeled as "A" and "B." As shown on the detailed map provided at Exhibit "B-2", proposed routes "A" and "B" would consist of a converter station and approximately 1 mile of transmission line from Sharyland's planned 138 kV transmission line to the Mexico – U.S. border near the southern boundary of the city of Mission, Texas. Because it is the shortest route and has several environmental advantages, Sharyland has designated proposed route "A" as its preferred route.

In Mexico, CFE's facilities to the point of interconnection will consist of a 138 kV transmission line extending from the U.S.-Mexican border approximately 5 miles to the Cumbres substation owned and operated by CFE and located approximately 6 miles from the city of

Reynosa, Tamaulipas, Mexico. The routes are shown on the detailed map provided at Exhibit “B-2”.

Sharyland intends to operate the Project as an “open access” facility available for use by other parties to transfer electric power between the United States and Mexico. Sharyland does not own any power generation facilities and the proposed project is not dependent upon or related to any specific generation facility. Accordingly, Sharyland does not intend to seek an Export Authorization in connection with the Project.

II. Presidential Permit Application.

a. INFORMATION REGARDING THE APPLICANT

1. Legal Name of the Applicant

The legal name of the Applicant is Sharyland Utilities, L.P. The principal place of business of Sharyland is 4403 West Military Highway, Suite 700, McAllen, TX 78503.

2. Legal Name of All Partners

Sharyland Utilities, L.P. is the sole applicant. Sharyland Utilities, L.P. is a limited partnership; its general partner is Shary Holdings, L.L.C. and its limited partner is SU Investment Partners, L.P.

3. Communications and Correspondence

All communications and correspondence related to this Application should be addressed to:

Mark E. Caskey P.E.
General Manager
Sharyland Utilities, L.P.
4403 West Military Highway
Suite 700
McAllen, TX 78503
mcaskey@su-power.com

and

Richard P. Noland
James M. Bushee
Sutherland Asbill & Brennan LLP
1275 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-2415
(202) 383-0100 (phone)
(202) 637-3593 (fax)
rnoland@sablaw.com (email)
jbushee@sablaw.com (email)

4. Foreign Ownership and Affiliations

Neither Sharyland nor its proposed transmission lines are owned wholly or in part by a foreign government or directly or indirectly assisted by a foreign government or instrumentality thereof. Sharyland does not have any agreement pertaining to such ownership by or assistance from any foreign government or instrumentality thereof.

5. Existing Foreign Contracts

Sharyland does not have any existing contracts with any foreign government, or any foreign private concerns, relating to any purchase, sale or delivery of electric energy. Sharyland does not intend to apply for an authorization to export electricity.

6. Opinion of Counsel

A signed opinion of counsel that the Project is within Sharyland's corporate powers and that Sharyland has complied with or will comply with all pertinent Federal and State laws will be provided as Exhibit "C."

**b. INFORMATION REGARDING THE TRANSMISSION LINE
TO BE COVERED BY THE PRESIDENTIAL PERMIT**

The Project will involve approximately 1 mile of 138kV transmission line and a high voltage direct current ("HVDC") converter station within the United States. The Project transmission line will tap in to the planned Sharyland 138kV transmission system and run to the

U.S.-Mexico border at the Rio Grande. Located adjacent to the planned Sharyland 138kV line and along the proposed international transmission line will be the HVDC “Back-to-Back” converter station that consists of a device to convert 138kV alternating current to approximately 10kV direct current, a connecting length of DC buswork, and a device to convert 10kV DC to 138 kV AC. Both main components of the converter station will be located within a single structure surrounded by external peripheral gear covering an area of approximately 100 feet by 300 feet. Additionally, a 138kV switch yard will be located at the converter site. The approximate Project footprint will be 7 acres. The approximate location of the converter station for each alternate route is indicated on the detailed map provided as Exhibit “B-2”.

1(i). Technical Description

A. Number of Circuits; Placement

Sharyland seeks authorization to construct a single circuit line. As described above, the Project would be constructed in two phases. Alternate route “A” would extend approximately one mile from Sharyland’s planned 138kV transmission line to the U.S. – Mexican border (the Rio Grande) at coordinates 26° 09’ 45” N. Latitude and 98°20’00” W. Longitude. Alternate Route “B” would extend approximately one mile from Sharyland’s planned 138kV transmission line to the U.S. Mexican border at coordinates 26° 09’ 29” N. Latitude and 98° 20’ 02” W. Longitude.

B. Operating Voltage/Frequency

The transmission line would be operated at a nominal 138 kV at a frequency of 60 Hertz.

C. Conductors

The transmission line will be single conductor per phase, 795 KCM Aluminum Conductor Steel Supported (“ACSS”) conductor.

(ii). Additional Overhead Line Information

A. Wind and Ice Loading Design Parameters

The transmission line will be designed in accordance with the National Electric Safety Code (“NESC”) for light loading conditions of no ice, 9 pounds per square foot of wind loading at 30 degrees Fahrenheit. To enhance structure reliability, the line will be designed for 2" of ice at 32 degrees Fahrenheit and 36 pounds per square foot wind load (120 m.p.h.) at 60 degrees. The NESC requirements will provide the minimum criteria, and additional requirements will be evaluated during the detailed design.

B. Description and Drawing of a Typical Supporting Structure

A typical supporting structure will be a single steel or concrete pole. The primary structure for single-circuit construction would utilize three upswept steel davit arms offset on both sides of the pole, each supporting a 795 KCM 26/7 ACSS (Hawk) transmission phase conductor, on a suspension insulator string, and one 3/8-7 high-strength steel conductor supported from two attachments at the apex of the pole. A drawing of a typical structure is provided at Exhibit “D”.

C. Structure Spacing with Typical Ruling and Maximum Spans

The supporting structure will be installed along the center of the right of way. The typical ruling span is 500 feet. The maximum span will be approximately 650 feet.

D. Conductor (Phase) Spacing

The typical spacing will be 12 feet from static conductor to the nearest phase conductor, and 13 feet from phase conductor to phase conductor.

E. Line-to-Ground Design and Conductor-Side Clearances

The minimum vertical design clearances will be as provided in the National Electric Safety Code. Design clearances will be based on a nominal 138kV line voltage and the NESC specified maximum final conductor sag loaded. Typical line to ground clearance will be 22 feet, consistent with the NESC requirements and Texas law.

Side clearance for conductor wind-blowout and rights of way clearances will be provided when detailed design is completed.

(iii). Additional Underground or Underwater Line Information

The Project will not include underwater or underground transmission lines.

2. General Area Map

A general area map showing the overall system is attached at Exhibit "B-1". A detailed map showing the physical location, longitude and latitude of the facility, on the international border, and identifying ownership of the facilities at or on each side of the border is attached at Exhibit "B-2".

3. Bulk Power System Information

(i) Expected Power Transfer Capability.

The maximum power transfer capability of the Project is determined by the size of the D.C. Converter unit. For the first phase of the Project, the expected power transfer capability is 150 MW. When the second D.C. Converter is added, the expected power transfer capability will be 300 MW.

(ii) System Power Flow Plots

To be provided.

(iii) Interference Reduction Data

The proposed transmission line design data for minimizing television or media interferences will be provided in the Environmental Assessment.

(iv) Relay Protection

The 138kV transmission line will be protected by a step zone distance relay scheme utilizing Schweitzer Engineering Laboratories type SEL-311C relays with reclosing capability.

c. ENVIRONMENTAL IMPACT DATA

1. Statement of Environmental Impacts

An assessment of the environmental impacts of the proposed facilities (for each routing alternative), including a list of each flood plain, wetland, critical wildlife habitat, navigable waterway crossing, Indian land, or historic site which may be impacted by the proposed activities is being prepared. The Environmental Assessment, to become Exhibit "E", will be provided to DOE as soon as it has been completed by Sharyland.

2. List of Known Historic Places

A list of known historic places, as specified in 36 C.F.R. Part 800 which may be eligible for the National Register of Historic Places, will be provided in the Environmental Assessment.

3. Minimum Right-of-Way Width for Construction, Operation and Maintenance of the Line.

The right of way width for the project will be 80 feet. Side clearances for conductor wind-blowout and right-of-way clearances will be a maximum of 9.6 feet from the center of the conductor.

4. Threatened/Endangered Wildlife or Plant Life

A list of the threatened or endangered wild life or plant life that may be located along the alternative routes will be provided in the Environmental Assessment.

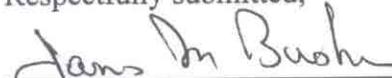
d. PRACTICAL ALTERNATIVES TO THE PROPOSED FACILITIES

A brief description of all practical alternatives to the proposed facility and a discussion of the general environmental impacts of each alternative will be provided in the Environmental Assessment.

e. VERIFICATION

This application has been verified under oath by an officer of the Applicant having knowledge of the matters set forth above.

Respectfully submitted,



Richard P. Noland
James M. Bushee
Sutherland Asbill & Brennan LLP
1275 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-2415

Attorneys for
Sharyland Utilities, L.P.

September 11, 2003

VERIFICATION

THE STATE OF TEXAS

COUNTY OF HIDALGO

Mr. Mark Caskey, being first duly sworn, hereby certified under oath:

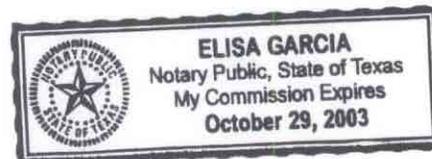
That he is General Manager of Sharyland Utilities, L.P., the Applicant, that he has read the foregoing Application for Presidential Permit and knows its content, and that the same are true and correct to the best of his knowledge and belief.

Mark Caskey

Mark Caskey
General Manager
Sharyland Utilities, L.P.

Subscribed and sworn before me this 9th day of September, 2003.

Notary Public



Elisa Garcia

My Commission Expires: October 29, 2003

EXHIBIT LIST

“A” CFE letter.

“B” Maps

“B-1” General Area Map.

“B-2” Detailed Map

“C” Opinion of Counsel

“D” Technical Drawings

“E” Environmental Analysis

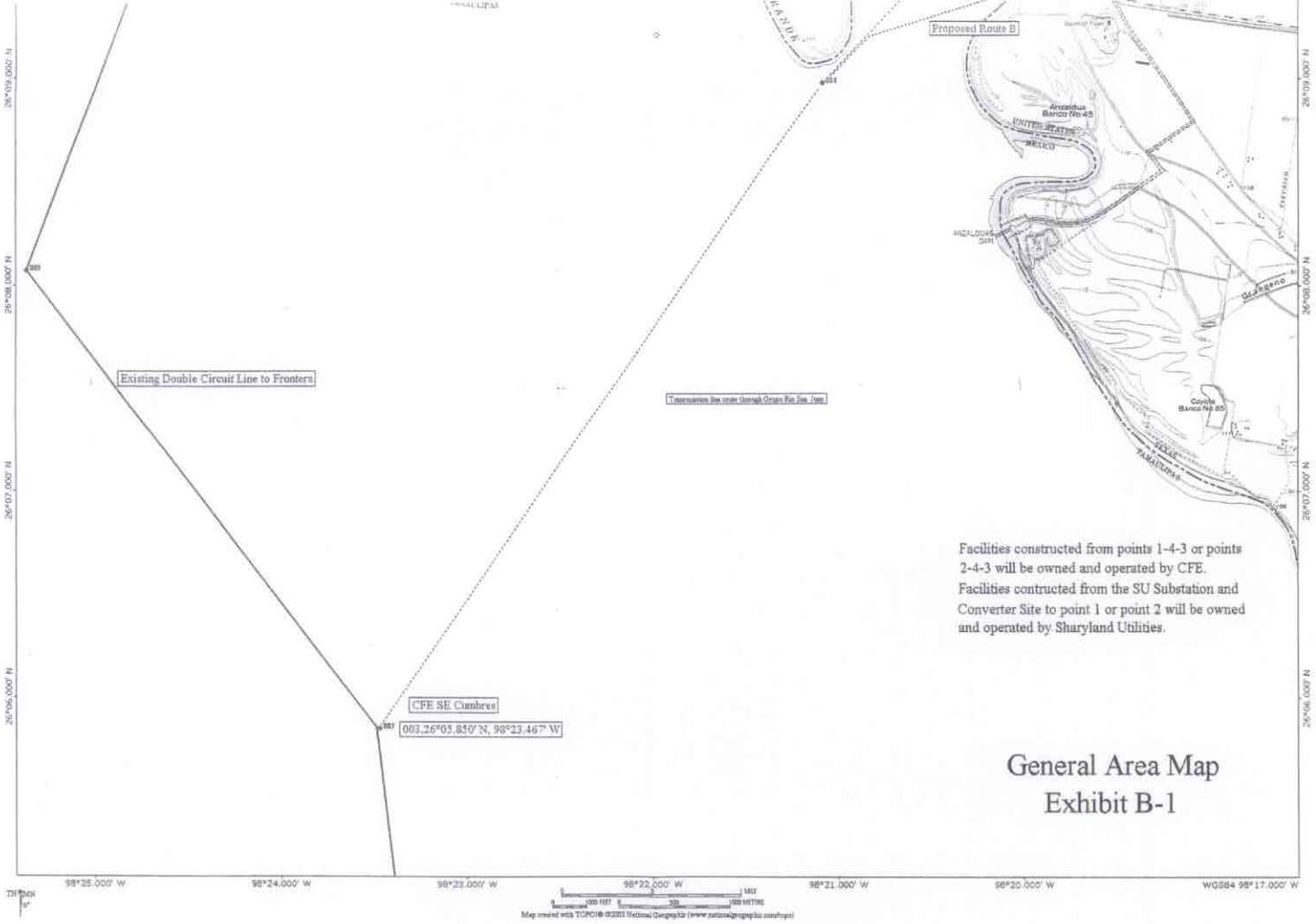
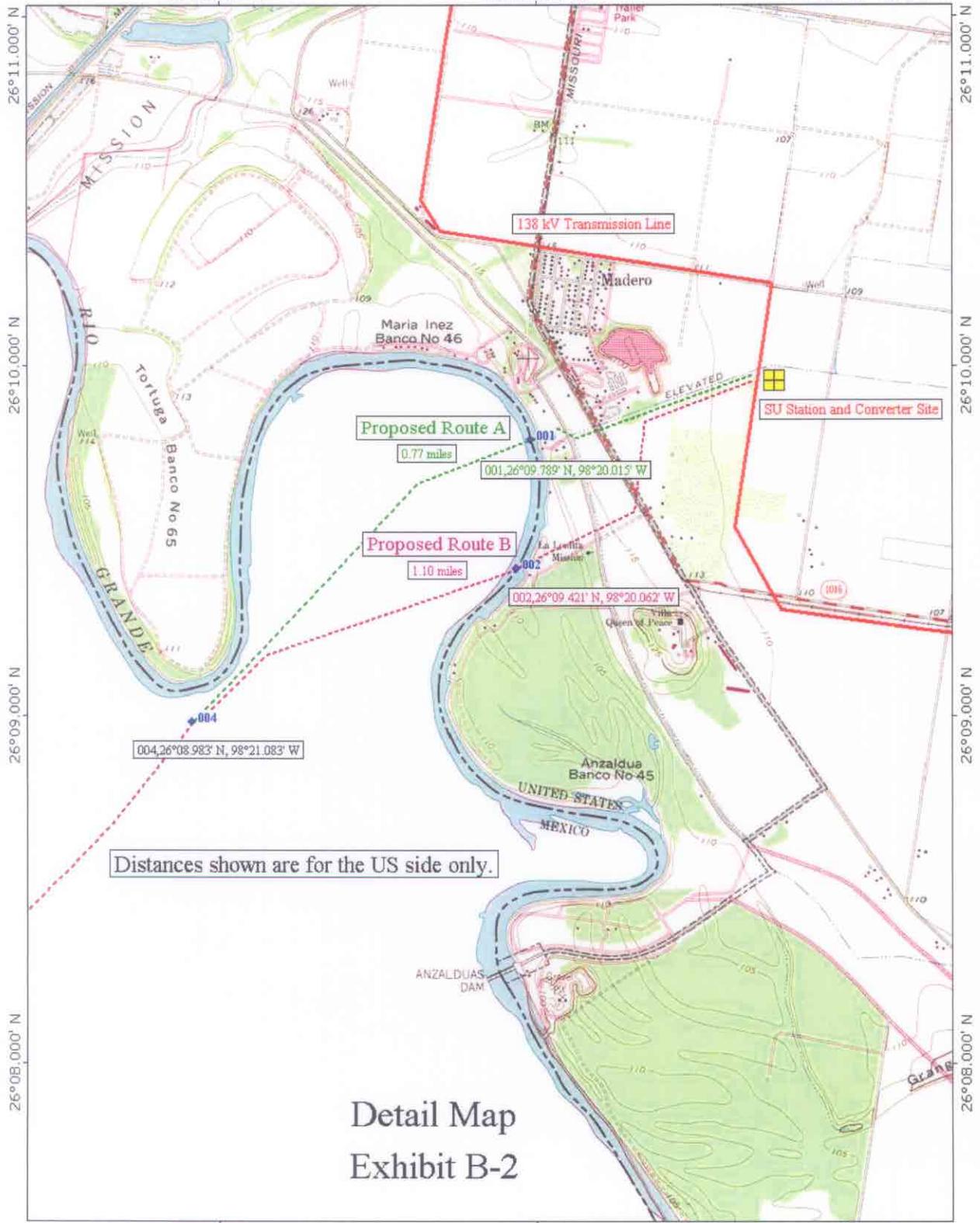
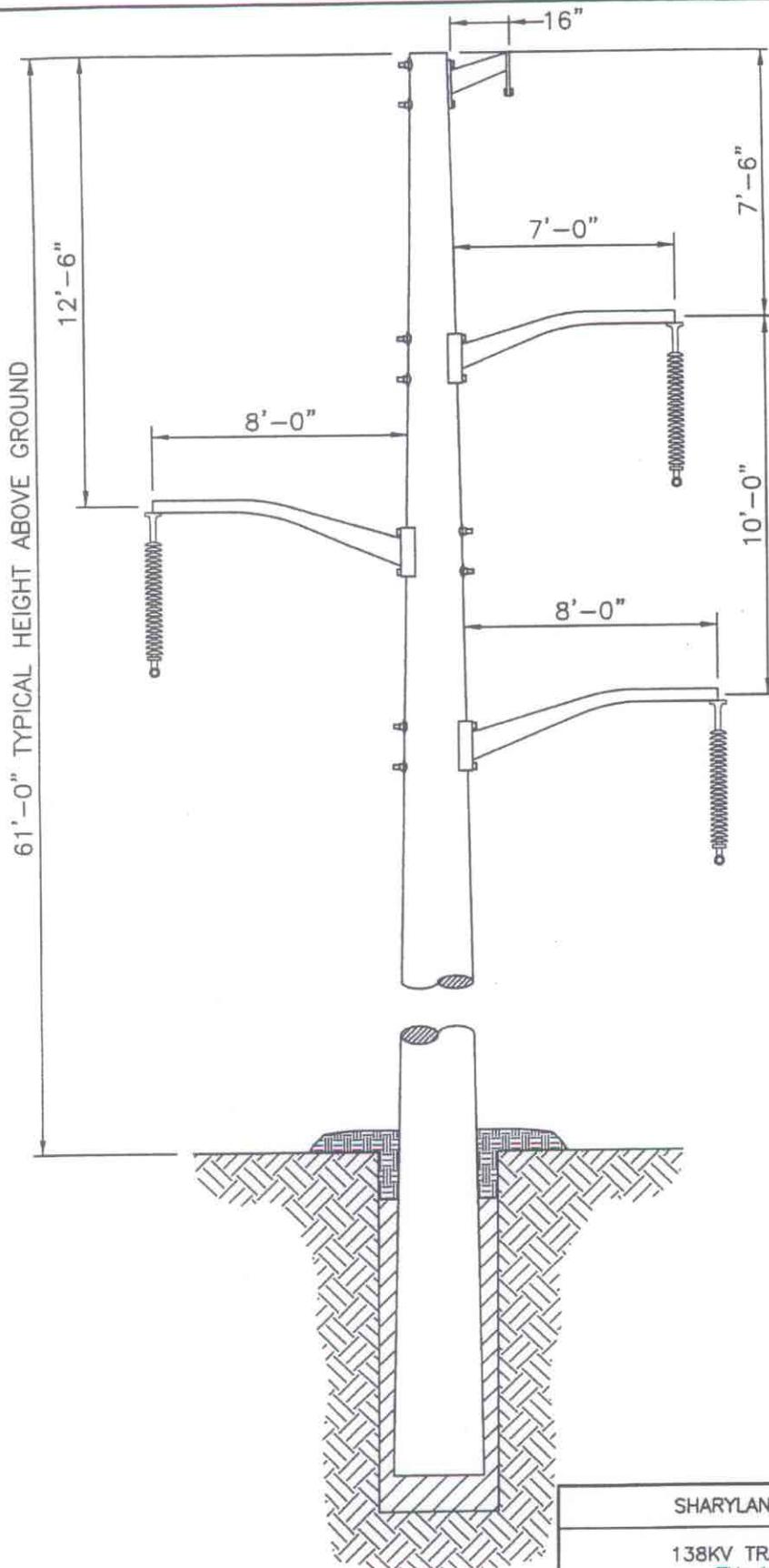


Exhibit B-1
Bottom PART
OF MAP



Exhibit B-1
TOP PART
OF MAP





SHARYLAND UTILITIES, L.P.

138KV TRANSMISSION LINE
TU-1 STRUCTURE

CORNELIUS-PIERCE CONSULTING ENGRS., INC.

DRAWING

DWN. BY: P.D.G. CKD. BY: T.J.C.

SCALE

ENGRS.
FILE NO.

DATE: JUL 01

NONE

1 OF 1