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US Department of Energy

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Mr. Christopher Lawrence
Electric Industry Specialist
U.S. Department of Energy
Office of Electricity Delivery and Energy Reliability
OE-20, Room 8G-024
1000 Independence Avenue, SW
Washington, DC 20585-0350

Electricity Delivery and Energy Reliability

Re: Emergency Request for a Continuance or Temporary Authorization of Existing Export Authorization or for a Temporary Export Authorization: AEP Energy Partners, Inc., OE Docket No. EA-318-B

Dear Mr. Lawrence:

The U.S. Department of Energy ("DOE") is currently considering an Emergency Request for a Continuance or Temporary Authorization of Existing Export Authorization or for a Temporary Export Authorization ("Request"), filed by AEP Energy Partners, Inc. ("AEP Energy Partners") in this docket on February 15, 2012. On February 17, 2012, the Sierra Club asked DOE to deny the Request.

AEP Energy Partners does not intend to respond point-by-point to the Sierra Club pleading but asks DOE to take the following information into account in making its decision as to whether to grant the Request:

1. AEP Energy Partners, pursuant to its current contracts with Comisión Federal de Electricidad ("CFE") was involved with emergency block load transfers to Mexico in three different months in 2011 and has been involved with one or more such emergency transfers in every year since 2007.

Given this recent history, it is not unreasonable to anticipate that Mexico may seek such emergency transfers in 2012. Should DOE deny the Request for a short continuance or temporary authorization, AEP Energy Partners will need to notify the Electric Reliability Council of Texas ("ERCOT"), the grid operator, that AEP Energy Partners will be unable to provide such assistance for the period of time that AEP Energy Partners lacks authority to export to Mexico.

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2. AEP Energy Partners also asks the DOE to recognize that the temporary continuance or authorization, if granted, cannot and will not jeopardize grid reliability. AEP Energy Partners cannot transact with Mexico at any time if such transaction(s) would have an adverse impact on the integrity of the ERCOT system. ERCOT's processes, procedures and protocols have sufficient safeguards and protections to prevent any export by a market participant if such export would have a negative impact on the ERCOT grid.

AEP Energy Partners believes that DOE can determine that AEP Energy Partners' export authorization should be renewed but, in the alternative, for good cause shown, that the current authorization issued in Docket No. EA 318-A should be continued for a period of six (6) months or until DOE can issue an order in OE Docket No. EA-318-B.

Respectfully submitted,

AEP Energy Partners, Inc.

: <u>(arlym)</u> Carolyn Y. (Thompson

One of its attorneys