



Department of Energy  
Washington, DC 20585

February 22, 2012

Carolyn Y. Thompson  
Jones Day  
51 Louisiana Avenue, NW  
Washington, DC 20001-2113

**RE: Emergency Temporary Export Authority; Order No. EA-318-B**

Dear Ms. Thompson:

This letter Order is being issued in response to the Emergency Request for a Continuance or Temporary Extension of Existing Export Authorization or for a Temporary Export Authorization and Request for Expedited Consideration ("Request"), filed by AEP Energy Partners, Inc. (AEP EP) with the Department of Energy (DOE) on February 15, 2012.

AEP EP currently holds an export authorization issued by DOE in OE Docket No. EA-318-A. That authorization expires today. On December 19, 2011, AEP EP filed an application to renew that authorization for a period of ten years. The application was noticed in the *Federal Register*, in OE Docket No. EA-318-B, on January 10, 2012 (77 Fed. Reg. 1474). The notice requested that any comments, protests, or motions to intervene be filed by February 9, 2012. On February 9, 2012, the Sierra Club filed a timely Motion to Intervene and Protest. In response to the Sierra Club's motion, AEP EP filed the subject Request in order to maintain its current export activities while DOE continues to process the AEP EP renewal application. Those activities involve emergency transfers of power to Mexico pursuant to contractual arraignments with Comisión Federal de Electricidad (CFE).

The Request seeks emergency temporary authority for AEP EP to continue exports of electric energy to Mexico after today for a period of at least six months, if DOE has not yet acted on the pending renewal application from AEP EP. The Request is based on the possible adverse consequences that would be caused by a lapse in AEP EP's export authority. AEP EP indicates that such consequences would disrupt ongoing cross-border energy transactions with CFE and asserts that any lapse in export authority would also remove a participant from the cross-border market and place AEP EP at a competitive disadvantage relative to other power marketers in the same export market. AEP EP is particularly concerned regarding the impact on agreements in place with CFE, which facilitate the exchange of emergency transfers of power and promote the reliable operation of both the U.S. and Mexican grids.



On February 17, 2012, the Sierra Club filed an additional motion opposing AEP EP's emergency request. AEP EP responded to that motion by letter on February 21, 2012 that reiterated its need for a temporary authorization that would allow AEP EP to satisfy any necessary emergency transfers of power. AEP EP asserted that in 2011 it had to schedule emergency block load transfers to Mexico during three separate months and has been involved with similar transfers at least once a year since 2007. Based on past history, AEP EP believes that Mexico may need emergency transfers of power again in 2012.

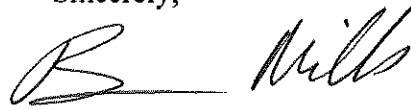
In the past, DOE has provided temporary emergency authority to other exporters, pending completion of a full proceeding to determine whether to grant a particular export authorization, in order to facilitate emergency transfers of power between the U.S. and Mexico and Canada. DOE does not believe that Sierra Club has presented sufficient reasons in its objection to the Request to justify terminating the ability of AEP EP to provide temporary emergency power to Mexico, especially in light of the actual exercise of these emergency transfers that have occurred under the current AEP EP export authorization. All of Sierra Club's objections to AEP EP's application to export electric power to Mexico will be addressed in the renewal proceeding before the issuance of any final decision on the AEP EP application for renewal filed on December 19, 2011.

Therefore, based upon the above, DOE hereby grants temporary emergency authority to AEP EP to export electric energy to CFE for emergency purposes only. After any such emergency export, AEP EP must notify DOE and Sierra Club, as a party to this proceeding, of any emergency exports conducted pursuant to this authority granted herein, including the date and duration of the emergency and of the export of power and the amount of electricity exported. This emergency authorization shall remain in effect until DOE completes its review of the application in the current renewal docket (OE Docket No. EA-318-B) and issues a final decision. All other terms and conditions contained in the current Order No. EA-318-A issued to AEP EP on June 27, 2007, shall remain in effect and fully applicable during the period of this temporary emergency authorization.

DOE notes that it will satisfy its responsibilities pursuant to DOE's National Environmental Policy Act (NEPA) Implementing Procedures (10 CFR Part 1021) at the conclusion of the renewal proceeding. DOE finds that because the activities under the emergency authority granted by this Order are virtually identical to those activities encompassed by AEP EP's current authorization, the use of the categorical exclusion for the current authorization will suffice to satisfy DOE's NEPA responsibilities for the issuance of this emergency temporary authorization.

If you have any questions regarding this Order, please contact me at (202) 586-8267.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Mills". The signature is written in a cursive style with a large, stylized initial "B" and a horizontal line extending from it.

Brian Mills  
Director, Permitting and Siting  
Office of Electricity Delivery and  
Energy Reliability

cc: Jay E. Jadwin, American Electric Power Service Corporation  
Gloria D. Smith, Sierra Club  
Andrea Issod, Sierra Club