



Control Number: 26268



Item Number: 2

Addendum StartPage: 0

American Electric Power  
400 West 15th Street, Suite 660  
Austin, TX 78701-1662  
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PUBLIC UTILITY COMMISSION  
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July 12, 2002

Ann Bowen  
Central Records Department  
Public Utility Commission of Texas  
1701 N. Congress Avenue  
Austin, TX 78701

20268

RE: Project 24492, Central Power and Light Company's Notice Of Capacity Auction Under P.U.C. Subst. R. 25.381 (f)(2)(B).

Dear Ms. Bowen:

Enclosed for filing please find Central Power and Light Company's (CPL's) Notice of Capacity Auction as required under P.U.C. Subst. R. 25.381 (f)(2)(B).

Please note that CPL requests the Commission determine that no entitlements are required to be auctioned by CPL in the September auction. As CPL expects to complete the divestiture of over 1300 MW of generation in the first quarter of 2003, CPL will have no annual products available for sale in an auction designed to auction one-year strips and 12 calendar monthly strips for the year 2003.

This notice will be posted on CPL's Auction website.

Sincerely,

A handwritten signature in black ink, appearing to read "Gilbert Hughes", is written over a circular stamp or seal.

Gilbert Hughes  
American Electric Power

Enclosures

**CENTRAL POWER & LIGHT COMPANY'S  
60 DAY NOTICE FILING AND REQUEST FOR DECLARATION OF  
APPROPRIATE TERM OF ENTITLEMENTS FOR THE  
SEPTEMBER CAPACITY AUCTION**

The purpose of this notice is to provide information about Central Power and Light Company's (CPL's) request for the Public Utility Commission of Texas (PUCT or the Commission) to set an appropriate term for entitlements for the September 10, 2002 capacity auction.

CPL requests the Commission to determine that no entitlements are required to be auctioned by CPL in the September 10, 2002 auction. CPL is committed to the divestiture of 1354 MW of generation capacity pursuant to the Integrated Stipulation and Agreement approved by the Commission in Docket No. 19265, *Application of Central and South West Corporation and American Electric Power Company, Inc. Regarding Proposed Business Combination*. Substantive Rule 25.381(d) exempts from the capacity auction companies that are making divestitures in compliance with a Commission "order in a business combination proceeding pursuant to PURA § 14.101." Docket No. 19265 contains such an order.

Substantive Rule 25.381(h)(3)(C) authorizes companies that are undergoing a divestiture to "petition the commission to set an appropriate term for entitlements." The September auction is designed to auction one-year strips and 12 calendar monthly strips for the year 2003. SUBST. R. 25.381(h)(3)(B)(iii). Under CPL's current divestiture plans, the divestiture will be complete by the end of the first quarter of 2003. Therefore, participation in the September auction would require CPL to auction capacity for a duration that exceeds CPL's auction requirement under the rules and would require CPL to effectively transfer much more than its statutorily obligated 15% to other parties. CPL does intend to participate in the November 2002 auction and will offer monthly entitlements for the first four months of 2003. CPL therefore requests that the Commission declare that CPL is not obligated to offer annual or 12 calendar monthly strips in

the September auction. CPL requests that this notice and request for declaration of appropriate term be processed in accordance with Substantive Rule 25.381(h)(2)(B)(i).

CPL is posting this notice filing and request for declaration of appropriate term of entitlements on the CPL PGC's web site at [HTTP://AUCTION.CPLCO.COM](http://AUCTION.CPLCO.COM). In addition to this notice, that web site also provides a link to the PUCT's Capacity Auction Rules in Section 25.381 of the PUCT's Substantive Rules. Anyone having questions about the notice or the request can contact Gilbert Hughes, Phone (512) 481-4545; Fax (512) 481-4587; E-mail [gthughes@aep.com](mailto:gthughes@aep.com).