



Control Number: 29526



Item Number: 1405

Addendum StartPage: 0

PUC DOCKET NO . 29526
SOAH DOCKET NO. 473-04-4555

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PUBLIC UTILITY COMMISSION
FILING CLERK
BEFORE THE

APPLICATION OF CENTERPOINT §
ENERGY HOUSTON ELECTRIC, LLC, §
TEXAS GENCO, LP, AND RELIANT §
ENERGY RETAIL SERVICES, LLC TO §
DETERMINE STRANDED COSTS AND §
OTHER BALANCES. §

PUBLIC UTILITY COMMISSION
OF TEXAS

Contact: Andy Machtemes

(713) 207-5372
Fax: (713) 207-9840

June 4, 2004

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Request No: COH33-1

CENTERPOINT ENERGY, INCORPORATED

PUC DOCKET NO. 29526

SOAH DOCKET NO. 473-04-4555

CITY OF HOUSTON

- Q. Please refer to the Company's response to TIEC 5-56. In the attachment to the response, Account No. 105, Plant Held for Future Use (PHFU) includes 11,310 acres in Austin County, Texas with a balance of \$17,615,555 as of December 31, 2001. Footnote (2) states that in 2002, 9,558 acres of the property in Austin County (Wallis property) were sold with a plant value of \$14,222,034. Please provide the total sales price and any supporting documentation for the Wallis property sold in 2002. Also provide when the sale closed.
- A. The amount of the sale for the 9,558 acres in Austin County was \$16,533,333. Documentation for the sale was provided as Attachment 6 of HCHE 6-1. The agreement between the Brazos River Authority and Reliant Energy, Inc was entered into on November 12, 1999. The sale closed on August 15, 2002. Non-confidential attachments are provided in support of this sale.

Sponsor: James S. Brian

Attachments: COH33-1 Attachment 1



Reliant Energy
Houston, Texas 77010-4537
Phone 713 207 3000

November 12, 1999

Michael E. Field
Executive Counsel
Brazos River Authority
4400 Cobbs Drive
P. O. Box 7555
Waco, Texas 76714-7555

Dear Mr. Field:

Attached is an original AMENDMENT OF LAND PURCHASE PROVISIONS executed by Mr. David McClanahan, President and Chief Operating Officer, Reliant Energy Delivery Group.

Thank you for your attention to this matter.

Sincerely,

Edward A. Feith
Manager, Environmental Department

EAF:glg
Enclosures (1)
g:\mydocs\field.doc

bcc: W. F. McGuire
G. H. Denum
R. A. Zapalac
R. L. Grasshoff
J. C. Hoskins
R. L. Moore
L. A. Klotz

AMENDMENT OF LAND PURCHASE PROVISIONS

[Amendment To Agreement Dated June 1, 1988,
Between Reliant Energy, Incorporated, (then known as
Houston Lighting & Power Company) and
Brazos River Authority]

AMENDMENT OF LAND PURCHASE PROVISIONS

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AMENDMENT OF LAND PURCHASE PROVISIONS

AMENDMENT OF LAND PURCHASE PROVISIONS made and entered into this the 12th day of November, 1999, by and between **BRAZOS RIVER AUTHORITY** ("Authority") and **RELIANT ENERGY, INCORPORATED**. ("Reliant Energy").

1. **RECITALS.** The parties are parties to an agreement dated June 1, 1988 (Reliant Energy then being known as Houston Lighting & Power Company and said agreement being hereinafter called "1988 Agreement"). Among other things, 1988 Agreement provides that Reliant Energy grants unto Authority an option ("Option") to purchase from it a tract of land ("Original Site") located on Allen's Creek in Austin County, Texas, which Reliant Energy assembled as a site for a reservoir. Under amendments to 1988 Agreement heretofore made, Option expires November 1, 1999. During the regular session of the 76th Legislature, an act ("Act") was adopted in which Original Site was designated as a site of unique value for the construction of a dam and reservoir. Act further granted to the Texas Water Development Board ("TWDB") the right to construct a dam and reservoir on Original Site. It provided that upon application by TWDB, the Texas Natural Resource Conservation Commission ("TNRCC") should, contingent upon the site being owned by a municipality, river authority, other political subdivision, or water supply corporation organized under Chapter 67, reissue to TWDB

Water Appropriation Permit No. 2925 ("Permit") previously issued to Reliant Energy for the reservoir proposed to be constructed at Original Site. It further provided that TWDB was authorized to transfer interests in the reissued Permit to a river authority or other type of political subdivision or organization and that Permit might be amended in certain particulars. Because of the facts recited herein and other occurrences since parties entered into 1988 Agreement, the parties have agreed that Paragraph 8 of 1988 Agreement (in which provision for Option was made) should be amended as hereinafter provided. The purpose of this Amendment of Land Purchase Provisions is to provide for such amendment of Paragraph 8.

2. PROVISION THAT SECTION 8 IS AMENDED AND AUTHORITY EXERCISE OF OPTION. The parties agree that Paragraph 8 of 1988 Agreement which sets forth terms and conditions of land purchase and is the land purchase agreement which is amended hereby is amended so as to provide what is set forth in the provisions of Sections 3 through 17, which follow. By these presents, Authority exercises the option provided in said Paragraph 8 on the terms and conditions set forth in this Amendment Of Land Purchase Provisions.

3. DEFINITION OF RESERVOIR SITE. The parties agree that it is appropriate that in connection with operation of the reservoir proposed at Original Site, the Authority should acquire all affected lands below elevation 125 feet above mean sea level. In order to do this, Authority must acquire lands outside of Original Site, as well as

Original Site itself. Reliant Energy owns all of the land outside of the bed and banks of Allen's Creek adjacent to Original Site lying below elevation 125 feet above mean sea level with the exception of certain tract(s) the total area of which does not exceed twenty (20) acres. The term "Reservoir Site" as hereinafter used in this instrument means fee title to Original Site plus all land presently owned by Reliant adjacent to Original Site lying below elevation 125 feet above mean sea level and outside of the bed and banks of Allen's Creek.

4. **CONVEYANCE AND INITIAL HOLDING PAYMENT.** Within 60 days from the date of execution of this Amendment of Land Purchase Provisions, Reliant Energy shall execute and deliver unto Authority a deed containing a general warranty of limited application (the form of which is shown on Exhibit A, attached) conveying Reservoir Site unto Authority. Such conveyance shall be subject to:

- a) All outstanding oil, gas and other minerals in, on or under such tract owned by others than Reliant Energy;
- b) Reservation by Reliant Energy of all oil, gas and other minerals in, on or under said tract owned by it but without reservation, express or implied, of any right to use the surface of Reservoir Site for access to the oil, gas and other minerals thus retained;
- c) Easements or rights-of-way for pipelines, telephone or telegraph lines, electric power lines, roadways and other public ways of passage held by third parties and affecting Reservoir Site ; and
- d) The reservation described in Section 15, below.

Upon delivery of such warranty deed, Authority shall pay to Reliant Energy the sum of

One Hundred Fifty Thousand Dollars (\$150,000.00) cash [such payment being hereinafter called "Holding Payment"]].

5. **THE PERMIT AND CONTRACT WITH HOUSTON.** Authority shall immediately begin and diligently pursue efforts to arrange for reissuance of Permit to TWDB, and its amendment in a manner satisfactory to Authority and deemed by it to be necessary or desirable in connection with development of a reservoir on Reservoir Site; to arrange for transfer of the entirety or lesser interests in Permit from TWDB to Authority or to Authority and/or the City of Houston ("City"), as determined by Authority to be desirable and appropriate in connection with such development; and to reach agreement with City ("City Agreement") satisfactory to Authority under which an interest in Reservoir Site and/or a right to part of the water supply from Reservoir shall be assigned to City and City shall assume part of Authority's obligations under this Amendment of Land Purchase Provisions.

6. **TITLE ASSURANCES.** Within 90 days after the date of execution of this Amendment of Land Purchase Provisions, Reliant Energy shall procure and furnish to Authority an owner's title policy commitment ("Commitment") by a title insurance company authorized to write title insurance in the State of Texas to issue an owner's policy of title insurance covering Reservoir Site, together with legible copies of any documents creating exceptions other than the usual printed conditions and stipulations of title policies approved by the State Board of Insurance of the State of Texas ("Standard

Conditions and Stipulations"). If such Commitment reflects that the owner's policy of title insurance to be issued pursuant to Commitment will be subject to any exceptions other than (i) Standard Conditions and Stipulations; and (ii) the reservations and subordinations provided to be included in the warranty deed described in Section 4, above, Authority shall have 20 days after the receipt of Commitment and such copies to furnish Reliant Energy with a list of written objections to the title reflected by Commitment ("Closing Title Objections"). Absent the furnishing to Reliant Energy of Closing Title Objections within such period of time, it shall be conclusively presumed that Authority accepts title as reflected by Commitment. If Closing Title Objections are made, Reliant Energy shall have 120 days to cure same by removing the exception(s) causing Closing Title Objections from the Commitment. If any Closing Title Objections are not cured within such 120 day period, Authority may, at its option exercised by delivery of written notice to Reliant Energy within 30 days after the close of such 120 day period, either terminate the obligations of the parties to buy and sell Reservoir Site under the provisions of this Amendment of Land Purchase Provisions or accept title to Reservoir Site subject to Closing Title Objections which have not been cured. Uncured Closing Title Objections shall in no event be or become the basis for a breach of warranty action by Authority against Reliant Energy. Absent delivery of such written notice to Reliant Energy, it shall be conclusively presumed that Authority has elected to accept title as shown by Commitment. Upon completion of Appraisal as provided in Section 8,

below, Reliant Energy shall cause issuance of an owner's policy of title insurance ("Title Policy") in a form approved by the State Board of Insurance of the State of Texas insuring Authority's (or Authority's and City's) title to Reservoir Site in the face amount of the total price to be paid by Authority for Reservoir Site, subject to exceptions permitted by the terms of Commitment and Closing Title Objections agreed to be waived by Authority.

7. **SURVEYING.** Upon Authority's acceptance of title shown by Commitment or subject to uncured Closing Title Objections, Reliant Energy shall cause preparation of a map or plat showing the location of the boundaries of Reservoir Site and determination of the number of acres which it contains by a registered public surveyor of the State of Texas and deliver same to Authority.

8. **APPRAISAL.** Upon completion of the work of the registered public surveyor required in Section 7, above, the parties shall cause an appraisal ("Appraisal") to be made of the value of Reservoir Site. Appraisal shall be made by three appraisers, each of whom shall be a member of the American Appraisal Institute, with one of such appraisers to be selected by Authority, one to be selected by Reliant Energy and the third to be selected by the other two. Each party shall arrange with the appraiser selected by it to participate in making Appraisal as required by this Section 8 and to participate in the selection of the third appraiser and arrangements for his work as herein provided. Each party shall notify the other of the name and address of the appraiser selected by it by

written notice delivered not more than 10 days after delivery to Authority of the work of the registered public surveyor required in Section 7, above. The value ("Appraisal Value") of Reservoir Site determined by Appraisal shall be equal to the average of the opinions of the value of Reservoir Site of each of the three appraisers. Fees of the third appraiser shall be borne one-half by each party.

9. PAYMENT OF ADJUSTED APPRAISAL VALUE. Upon completion of delivery of Appraisal to the parties, delivery of Title Policy to Authority, reissuance of Permit and amendments and transfers satisfactory to it, as provided in Section 5, above, and execution of City Agreement on terms and conditions satisfactory to it, also as provided in Section 5, above, Authority shall pay to Reliant Energy in cash an amount ("Adjusted Appraisal Value") equal to (a) Appraisal Value, but not less than \$1,500.00 nor more than \$2,000.00 per acre for each acre of Reservoir Site, less (b) an amount which shall be (i) the amount of Holding Payment (\$150,000) plus (ii) \$300,000 heretofore paid by Authority to Reliant Energy for extensions of Option plus (iii) any Principal Amounts paid by Authority as provided by Section 12, below.

10. ESCROW, CANCELLATION, REFUND AND RECONVEYANCE. Concurrently with the delivery of the deed conveying Reservoir Site to Authority as provided in Section 3, above, Authority will place in escrow with the title company selected pursuant to the terms of Section 6, above, a deed containing a general warranty of limited application (the form of which is shown as Exhibit A, attached) providing for

reconveyance of Reservoir Site by Authority to Reliant Energy, subject only to conditions, restrictions and interests imposed or reserved by Reliant Energy in the conveyance made by it to Authority or excepted from the interests conveyed by Reliant Energy to Authority. The release of the escrowed deed will be governed by the terms of an escrow agreement in a form and substance reasonably acceptable to Reliant Energy and Authority which will provide generally that the escrowed deed will automatically be released to Reliant Energy for recordation upon the occurrence of a termination of this Amendment of Land Purchase Provisions pursuant to the terms of this Section 10 or Section 13 hereof. Should Authority be unable to obtain reissuance of Permit and amendments and transfers satisfactory to it, as provided in Section 5, above, and/or be unable to arrange for execution of City Agreement on terms and conditions satisfactory to it, also as provided in Section 5, above, Authority may elect by written notice to Reliant Energy to cancel this Amendment of Land Purchase Provisions. On delivery of such notice to Reliant Energy or notice of termination of the obligations of the parties to buy and sell Reservoir Site due to Closing Title Objections as provided in Section 6, above, Authority shall, within 10 days thereafter, take all steps required under the provisions of the escrow agreement described above to cause delivery by the title company of the escrowed deed to Reliant Energy for recordation. Should such a notice of cancellation be executed and delivered as a result of Closing Title Objections, Reliant Energy shall retain (a) Holding Payment and (b) \$300,000 heretofore paid by Authority to Reliant Energy for

extensions of Option and, upon delivery to it of such warranty deed, refund to Authority all ad valorem taxes theretofore paid by Authority which are allocable to time periods after the date of this Amendment of Land Purchase Provisions and \$214,416.90 of any amount(s) paid by Authority to Reliant Energy for engineering work described in Section 16, below. Should the reason for issuance of the notice of cancellation be failure to obtain satisfactory final reissuance, amendment and transfer of Permit, or failure to arrange for execution of City Agreement, Reliant Energy (a) shall retain (i) Holding Payment, (ii) \$300,000 heretofore paid by Authority to Reliant Energy for extensions of Option, and (iii) any Interest Amounts paid by Authority to Reliant Energy as required by Section 12, below, (b) shall not be required to make reimbursement on account of payment of ad valorem taxes by Authority and, (c) shall reimburse Authority any Principal Amounts paid by Authority to Reliant Energy as required by Section 12 plus \$214,416.90 of any amount(s) paid by Authority to Reliant Energy for engineering work described in Section 16, below.

11. AD VALOREM TAXES. Authority shall pay or reimburse Reliant Energy for all ad valorem taxes imposed with respect to Reservoir Site for the year 1999. It shall pay or reimburse Reliant Energy for all ad valorem taxes required to be paid with respect to Reservoir Site thereafter for periods prior to reconveyance of Reservoir Site by Authority to Reliant Energy pursuant to Section 10, above.

12. EXTENSION AND MONTHLY PAYMENTS. Should Authority not

either have paid to Reliant Energy the Adjusted Appraisal Value as provided in Section 9, above, or terminated this Amendment of Land Purchase Provisions by December 31, 2000, it shall:

(a) On January 2, 2001, pay to Reliant Energy an amount in cash equal to 2.5% of Adjusted Appraisal Value and, if Authority shall not theretofore either have paid to Reliant Energy Adjusted Appraisal Value as provided in Section 9, above, or terminated this Amendment of Land Purchase Provisions pursuant to Section 10, above, on or before any of April 1, 2001, July 1, 2001, or October 1, 2001, it shall on each such date on or before which there has been neither payment of Adjusted Appraisal Value or termination, pay to Reliant Energy in cash an additional 2.5% of Adjusted Appraisal Value, all of which payments shall constitute Principal Amounts for purposes of Section 9 and Section 10, above; and

(b) Begin monthly payments ("Monthly Payments") [in addition to the payments required in Subsection 12(a), above] to Reliant Energy in the amounts determined as provided in Subsection (c), below.

(c) Each Monthly Payment shall consist of a principal component ["Principal," with any amount(s) paid by Authority as Principal being called "Principal Amount(s) in Sections 9 and 10, above, and in this Subsection (c), below) and an interest component ("Interest"). The amount of Principal to be included in each Monthly Payment shall be Adjusted Appraisal Value multiplied by .004166. The Interest to be paid with each

Monthly Payment shall be an amount computed from January 1, 2001 in the case of the first Monthly Payment and from the date on which the next preceding Monthly Payment was due in the case of each subsequent Monthly Payment to the date on which the Monthly Payment in which the Interest is included is due. The rate shall be the higher of the following: (i) 9% per annum or (ii) 2.8% per annum plus the rate per annum shown as the published rate for the last week of the month ending immediately before the date on which the Monthly Payment is due in the Bond Buyer's Index of 20 Municipal Bonds published in The Bond Buyer, a publication of general circulation among persons interested in municipal bonds, but shall not exceed the highest rate allowed by law. The rate shall be applied to Adjusted Appraisal Value reduced by any Principal Amounts theretofore paid by Authority.

(d) Monthly Payments are due to Reliant Energy on the 16th day of each month beginning on January 16, 2001, and shall continue until (i) termination due to Closing Objections as provided by Section 6, above, (ii) termination pursuant to Section 10, above, (iii) payment of Adjusted Appraisal Value as provided in Section 9, above, or (iv) termination due to non-payment of Monthly Payments as provided in Section 13, below.

13. NON-PAYMENT OF MONTHLY PAYMENTS. Should Authority fail to deliver a total of two Monthly Payments as provided by Section 12, above, Reliant Energy may provide notice to Authority of such fact and request payment of all owed amounts within fifteen (15) days. Should Authority fail to make payment as requested in

such notice and fail to deliver the next due Monthly Payment, Reliant Energy may provide notice of intent to terminate Amendment of Land Purchase Provisions. Upon receipt of notice of intent to terminate Amendment of Land Purchase Provisions, Authority shall, within fifteen (15) days, deliver to Reliant Energy all owed Monthly Payments or immediately take all steps required under the provisions of the escrow agreement described in Section 10, above, to cause delivery by the title company of the escrowed deed to Reliant Energy for recordation. In the event of termination of this Amendment of Land Purchase Provisions by the requirements of this Section 13, Reliant Energy shall have no obligation to reimburse Authority any payments made to Reliant Energy by Authority under 1988 Agreement or this Amendment of Land Purchase Provisions.

14. ABANDONMENT OF PERMIT. Should Authority reconvey Reservoir Site to Reliant Energy pursuant to either of Sections 10 or 13, above, after Permit has been reissued by TNRCC, it shall abandon Permit or cause it to be abandoned.

15. ADDITIONAL RESERVATION. The warranty deed to be executed by Reliant Energy described in Section 4, above, shall provide that Reliant Energy reserves unto itself (a) the right to utilize its land adjoining Reservoir Site for construction of an electric generating station or other industrial purposes and /or for commercial and residential purposes, including construction of docks and piers and the right of access to and utilization of any reservoir constructed on Reservoir Site for swimming, fishing,

boating and other recreational purposes; and (b) the right for itself, its successors and assigns to cross any land (other than land which is used by Authority for operational purposes in connection with any dam and/or reservoir constructed and operated on Reservoir Site) for the purpose of access to and from land retained by it to and from the water stored in any such reservoir, with such rights to be assignable to Reliant Energy's successors and assigns only with written consent of Authority, which consent shall not be unreasonably withheld.

16. **ENGINEERING WORK.** Reliant Energy has caused engineering work to be done by Freese and Nichols, professional engineers, which Authority deems to be useful in connection with its efforts to obtain reissuance and amendment of Permit and with its planning of a reservoir on reservoir Site. Additionally, Authority has determined that further engineering work needs to be done to support these efforts. Authority has determined that because of its previous work in the area, Freese and Nichols is well qualified to do such engineering work and that it is appropriate for Reliant Energy to make arrangements with Freese and Nichols for such additional work. Reliant Energy agrees to arrange to have such additional work as Authority specifies in writing done by Freese and Nichols. Reliant Energy further agrees that it will make available and deliver to Authority the product of work which Freese & Nichols has already done in connection with permitting and planning of a reservoir at Reservoir Site, together with the results of such additional work. Authority agrees to reimburse Reliant Energy for the cost to it of

such work. Such payment shall be made with Holding Payment, except that any costs paid after the date of the Holding Payment shall be reimbursed within 30 days after receipt by Authority of bills from Reliant Energy for such costs.

17. **INDUSTRIAL DISTRICTS.** Authority recognizes that Reliant Energy and the Cities of Sealy and Wallis are negotiating agreements establishing Industrial Districts or other political subdivisions which include property owned by Reliant Energy adjacent to Reservoir Site. Authority shall cooperate with the formation of the Industrial Districts or other political subdivisions, including petitioning the Cities of Sealy and Wallis that all or portions of the Reservoir Site be included in the Extraterritorial Jurisdiction of the Cities of Sealy and Wallis to the extent necessary for the formation of the Industrial Districts or other political subdivisions.

BRAZOS RIVER AUTHORITY

BY


Gary Gwyn, General Manager

ATTEST :




Assistant Secretary

"Authority"

RELIANT ENERGY, INCORPORATED.

BY David M. McClanahan
President and Chief Operating Officer,
Reliant Energy Delivery Group

ATTEST:


Assistant Secretary

"Reliant Energy"

[D:\Brazos\Reliant 3\AmendmenL10 (8 99 wpd)]

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Grantor does hereby bind itself and its successors and assigns to WARRANT AND FOREVER DEFEND all and singular the Property unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof provided that (i) Grantees' remedies for breach of any warranty granted hereby shall be limited to remedies or amounts recovered against any policy of title insurance issued to Grantor, or any remedies or amounts recovered against any predecessor in interest to Grantor with respect to such title and in either case such remedies shall only be available if Grantee reimburses Grantor for the costs and expenses incurred by Grantor in connection with any claim or action related to the warranty provided herein (provided that Grantor is not otherwise reimbursed by the title insurance proceeds), and (ii) Grantor's general warranty of title to the Property shall run to and benefit only the specific and immediate Grantee named herein and shall not run to, benefit or be enforceable by any of such grantee's successors, assigns, receivers, trustees, transferees or subrogates (collectively, the "Successors") and such general warranty of title shall not run with the Property but is instead personal to and solely for the use and benefit of the immediate Grantee herein, and Grantor makes no warranty whatsoever, statutory, express or implied, to any or all of the Successors of the immediate Grantee herein, and Grantor expressly disclaims any warranty or representation to any person or entity other than Grantor's immediate Grantee herein, and as to all such persons or entities this Deed is intended as and shall be construed to be a deed without warranty, as permitted by Section 5.022(b) of the Texas Property Code.

EXHIBIT "A" (PAGE 1 OF 1)

M
1978 (95)

000293

GENERAL WARRANTY DEED WITH GENERAL WARRANTY
OF LIMITED APPLICATION

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF AUSTIN §

THAT RELIANT ENERGY INCORPORATED formerly known as Houston Lighting & Power Company ("Grantor"), for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) in hand paid to Grantor by THE BRAZOS RIVER AUTHORITY ("Grantee"), whose mailing address is P.O. Box 7555, Waco, Texas 76714-7555, and other good and valuable consideration, the receipt and sufficiency of which consideration are hereby acknowledged, has GRANTED, SOLD and CONVEYED and by these presents does GRANT, SELL and CONVEY unto Grantee those certain tracts of real property located in Austin County, Texas, as more particularly described on EXHIBIT A attached hereto, incorporated herein and made a part hereof for all purposes, together with (i) any and all appurtenances belonging or appertaining thereto; (ii) any and all improvements located thereon; (iii) any and all appurtenant easements or rights-of-way affecting said real property and any of Grantor's rights to use same; (iv) any and all rights of ingress and egress to and from said real property and any of Grantor's rights to use same; (v) any and all rights to the present or future use of wastewater, wastewater capacity, drainage, water or other utility facilities to the extent the same pertain to or benefit said real property or the improvements located thereon, including without limitation, all reservations, commitments or letters covering any use of such utilities in the future, whether now owned or hereafter acquired; (vi) any and all rights and interests of Grantor in and to any leases covering all or any portion of said real property; and (vii) all right, title and interest of Grantor, if any, in and to (a) any and all roads, streets, alleys and ways (open or proposed) affecting, crossing, fronting or bounding said real property, including any awards made or to be made relating thereto including, without limitation, any unpaid awards or damages payable by reason of damages thereto or by reason of a widening of or changing of the grade with respect to the same, (b) any and all air rights relating to said real property and (c) any and all reversionary interests in and to said real property (said real property together with any and all of the related improvements, appurtenances, rights and interests referenced in items (i) through (vii) above are herein collectively referred to as the "Property").

Grantor hereby reserves unto itself (a) the right to utilize its land adjoining the Property for construction of an electric generating station or other industrial purposes and/or for commercial and residential purposes, including construction of docks and piers into, and the right of access to and utilization of, any reservoir constructed on the Property for swimming, fishing, boating and other recreational purposes and (b) the right for itself, its successors and assigns to cross any land (other than land which is used by Grantee for operational purposes in connection with any dam and/or reservoir constructed and operated on the Property) for the purpose of access to and from land retained by it to and from the water stored in any such reservoir, with such rights to be assignable to Grantor's successors and assigns only with written consent of Grantee, which consent shall not be unreasonably withheld. The covenants and reservations contained in this paragraph are covenants running with the land and binding on the Property and Grantee's successors and assigns as owners of the Property.

This conveyance is expressly made subject to those certain encumbrances to title that are set forth on EXHIBIT B attached hereto and made a part hereof, to the extent and only to the extent such matters are valid and subsisting and affect the Property as of the date hereof.

This conveyance is also expressly made subject to the reservation of, and Grantor hereby reserves and excepts to itself and its successors and assigns, all of the oil, gas and other minerals of every kind, located in, on, and under the Property; provided, however, that Grantor hereby forever waives and releases any and all rights of Grantor to enter upon or use the surface of the Property in any manner in connection with access to such oil, gas and other minerals. Grantor shall not explore for, mine or drill for or otherwise produce the oil, gas or any other minerals reserved herein, from the surface of the Property, but Grantor shall have the right to produce the oil, gas and other minerals reserved herein only by directional drilling or other indirect means in a manner which does not enter upon or interfere with the use of the surface of the Property by Grantee, its successors and assigns, or disturb the vertical or lateral support of any improvements now or hereafter situated on the surface of the Property.

TO HAVE AND TO HOLD the Property together with all and singular the rights and appurtenances thereto in anywise belonging unto Grantee, its successors and assigns forever, subject to the matters herein stated; and Grantor does hereby bind itself and its successors and assigns to WARRANT AND FOREVER DEFEND all and singular the Property unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, provided that (i) Grantee's remedies for breach of any warranty granted hereby shall be limited to remedies or amounts recovered against any policy of title insurance issued to Grantor, or any remedies or amounts recovered against any predecessor in interest to Grantor with respect to such title and in either case such remedies shall only be available if Grantee reimburses Grantor for the costs and expenses incurred by Grantor in connection with any claim or action related to the warranty provided herein (provided that Grantor is not otherwise reimbursed by the title insurance proceeds), and (ii) Grantor's general warranty of title to the Property shall run to and benefit only the specific and immediate Grantee named herein and shall not run to, benefit or be enforceable by any of such grantee's successors, assigns, receivers, trustees, transferees or subrogates (collectively, the "Successors") and such general warranty of title shall not run with the Property but is instead personal to and solely for the use and benefit of the immediate Grantee herein, and Grantor makes no warranty whatsoever, statutory, express or implied, to any or all of the Successors of the immediate Grantee herein, and Grantor expressly disclaims any warranty or representation to any person or entity other than Grantor's immediate Grantee herein, and as to all such persons or entities this Deed is intended as and shall be construed to be a deed without warranty, as permitted by Section 5.022(b) of the Texas Property Code.

Grantee hereby assumes liability for the payment of all ad valorem taxes and assessments for the Property for the year 1999 and all subsequent years.

\\ODMA\PC\DOCS\HOUSTON\6724765

EXECUTED this 6th day of January, 2000.

"GRANTOR"

RELIANT ENERGY, INCORPORATED (formerly
known as Houston Lighting & Power Company)

THE STATE OF TEXAS

§

By: David McClanahan

§

Name: David McClanahan

COUNTY OF HARRIS

§

Title: President and Chief Operating Officer of
Reliant Energy Delivery Group, a division
of Reliant Energy, Incorporated

LAW DEPT

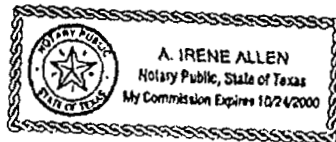
BY: [Signature]

This instrument was acknowledged before me on January 6, 2000, by David McClanahan,
President and Chief Operating Officer of Reliant Energy Delivery Group, a division of Reliant
Energy, Incorporated, on behalf of said corporation.

A. Irene Allen

Notary Public, State of Texas

→ After recording return to:
Brazos River Authority
P.O. Box 7555
Waco, Texas 76714-7555
Attention: Michael Field





DATE: March 21, 2000

TO: Jim Hoskins
Hank Roper

FROM: Ed Feith

SUBJECT: Allens Creek

Copy of Escrow Agreement for Allens Creek property.

REL 587 (6-1999)

CHRIS HARRIS & ASSOCIATES, P.C.
ATTORNEYS AT LAW

Chris Harris

**1309A W. Abram
Arlington, TX 76013
(817) 860-2294
(817) 275-6826 fax**

February 8, 2000

Mr. Michael E. Field
Executive Counsel
Brazos River Authority
P.O. Box 7555
Waco, TX 76714

Mr. Ed W. Feith P.E.
Manager, Environmental Dept.
Reliant Energy Incorporated
P.O. Box 4567
Houston, TX 77210-4567

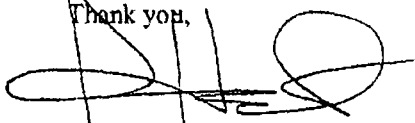
Re: Reliant Energy to BRA
Austin, Texas

Dear Mr. Field and Mr. Feith:

Please find enclosed a fully executed copy of the Escrow Agreement between Reliant Energy, Brazos River Authority and American Title Company. The Warranty Deed is being held by American Title pursuant to the terms of such Agreement.

Please contact the undersigned should you have any questions, comments, etc.

Thank you,



PAT HELMS
Closer

cc: Mr. Jim Hoskins via fax

ESCROW AGREEMENT

THIS ESCROW AGREEMENT ("Agreement") is entered into effective as of January 12, 2000, by and among **Reliant Energy, Incorporated** ("Reliant"), **Brazos River Authority** ("BRA") and **American Title Company of Dallas** (the "Escrow Agent").

BACKGROUND

A. Reliant and BRA are parties to an agreement dated June 1, 1988 (the "1988 Agreement"), pursuant to which, among other things, Reliant granted to BRA an option (the "Option") to purchase from Reliant a tract of land located on Allen's Creek in Austin County, Texas (the "Original Site"), which Reliant assembled as a site for a reservoir. Reliant and BRA have entered into that certain Amendment of Land Purchase Provisions dated as of November 12, 1999 (the "Amendment"), pursuant to which BRA has exercised the Option to purchase the Original Site and agreed to purchase certain additional lands owned by Reliant (together, the Original Site and the additional lands are, the "Reservoir Site") on the terms contained in the Amendment.

B. Pursuant to the terms of the Amendment, Reliant has executed and delivered to BRA a General Warranty Deed With General Warranty of Limited Application (the "Conveyance Deed") conveying the Reservoir Site to BRA.

C. In accordance with the provisions of Section 10 of the Amendment, BRA has agreed to deposit into escrow with the Escrow Agent a General Warranty Deed with General Warranty of Limited Application reconveying the Reservoir Site to Reliant (the "Reconveyance Deed") upon the happening of certain events, which Reconveyance Deed is to be held by the Escrow Agent and be released pursuant to the terms of this Agreement.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, each intending to be legally bound, hereby agree as follows:

1. Appointment of Agent. Reliant and BRA do hereby appoint and designate the Escrow Agent as escrow agent hereunder, and the Escrow Agent does hereby accept such appointment and designation and agrees to serve as escrow agent for the purposes and on the terms set forth herein.

2. Deposit of Reconveyance Deed. As of the effective date of this Agreement, BRA has deposited with the Escrow Agent a fully executed and acknowledged original of the Reconveyance Deed. By execution of this Agreement, the Escrow Agent hereby acknowledges receipt of the Reconveyance Deed.

3. Conditions for the Release of Reconveyance Deed.

(a) The Escrow Agent will release the Reconveyance Deed to Reliant upon receipt by the Escrow Agent of a certificate executed by a duly authorized officer of Reliant stating that either (i) BRA has delivered to Reliant a written notice of termination of the Amendment pursuant to Section 10 thereof (with a copy of such termination notice attached to the certificate) or (ii) BRA has failed to make the payments as required by Section 13 of the Amendment (with a copy of all notices required to be given by Reliant to BRA under Section 13 attached to the certificate). Concurrently with its delivery of a certificate to the Escrow Agent, Reliant will deliver a copy of such certificate to BRA.

(b) The Escrow Agent will release the Reconveyance Deed to BRA upon receipt by the Escrow Agent of a certificate executed by a duly authorized officer of BRA stating that BRA has paid to Reliant all sums due Reliant under Sections 4, 9, 12 and 16 of the Amendment (with cancelled checks evidencing all such payments attached to the certificate). Concurrently with its delivery of a certificate to the Escrow Agent, BRA will deliver a copy of the certificate to Reliant.

4. Termination of Escrow. When Escrow Agent has released to either party the Reconveyance Deed in accordance with the terms of this Agreement, this Agreement shall be terminated and the Escrow Agent shall no longer be liable to any party relative hereto.

5. Notice. All notices and other communications provided to any party hereto in connection with this Agreement shall be in writing (including telecopied communications) and shall be given to the intended recipient at the applicable address or telecopy number specified below, unless such address or telecopy number is changed by written notice hereunder. All such notices and other communications shall be effective (i) if delivered by telecopy, when transmitted, (ii) if delivered, when delivered at the address of the recipient specified below, or (iii) if mailed, on the third calendar day after being deposited with the United States Postal Service, certified mail, return receipt requested, postage prepaid, addressed as follows:

To Reliant:

Reliant Energy, Incorporated
P.O. Box 1700
Houston, Texas 77251
Attention: Land and Right-of-Way Department

To BRA:

Brazos River Authority
P.O. Box 7555
Waco, Texas 76714-7555

To Escrow Agent:

American Title Company
1309 A West Abram
Arlington, Texas 76013
Attention: Ms. Pat Helms
Fax: (817) 275-6826

6. Expenses. Reliant and BRA will each pay ½ of the reasonable charges of the Escrow Agent in connection with this Agreement.

7. Disputes. In the event of any disagreement between Reliant and BRA resulting in conflicting instructions to, or adverse claims or demands upon, the Escrow Agent with respect to the release of the Reconveyance Deed, the Escrow Agent may refuse to comply with any such instructions, claims or demands so long as such disagreement shall continue, and in so refusing the Escrow Agent shall not release the Reconveyance Deed. The Escrow Agent shall not be or become liable in any way to Reliant or BRA for its failure or refusal to comply with any such conflicting instructions or adverse claims or demands, and the Escrow Agent shall be entitled to continue so to refrain from acting until such conflicting or adverse demands or instructions (a) shall have been adjusted by agreement between Reliant and BRA and the Escrow Agent shall have been notified in writing by Reliant and BRA of such agreement or (b) shall have finally been determined in a court of competent jurisdiction. The parties hereby agree that any actions or proceedings arising hereunder shall be maintained in a court of competent jurisdiction in Harris County, Texas. The parties further agree to personal and subject matter jurisdiction of such court of competent jurisdiction in Harris County, Texas.

8. Interplead. Notwithstanding the provisions of Section 7 above, in the event of any disagreement between Reliant and BRA resulting in conflicting instructions to, or adverse claims or demands upon, the Escrow Agent with respect to the release of the Reconveyance Deed, the Escrow Agent may, in its sole discretion, but shall not be required to, deposit the Reconveyance Deed into a court of competent jurisdiction at no cost to the Escrow Agent.

9. Indemnification of Escrow Agent. Reliant and BRA each agree to indemnify the Escrow Agent and each of its employees, partners and agents for claims, damages or liabilities (including all reasonable costs and legal or other expenses) against the Escrow Agent by third parties against the escrow account or otherwise incurred in connection with or as a result of or arising out of any action taken or omitted by the Escrow Agent in connection with this Agreement except to the extent of gross negligence or willful misconduct on the part of the Escrow Agent. Each of Reliant and BRA waive any claims against the Escrow Agent arising out of the Escrow Agent's actions or omissions in connection with the Agreement, except to the extent of the gross negligence or willful misconduct of the Escrow Agent.

10. Resignation of Escrow Agent; Substitution. Upon not less than seven (7) business days' notice to each of Reliant and BRA of its intention to resign under this Agreement, the Escrow Agent may resign hereunder and shall thereafter be discharged of its duties as escrow agent hereunder. Such resignation shall take effect upon receipt by the Escrow Agent of an instrument of acceptance executed by a successor escrow agent (which successor will be mutually selected by Reliant and BRA within five (5) business days of the giving of notice by the Escrow Agent of its

intention to resign as aforesaid) and upon delivery by the Escrow Agent to such successor of the items then held in escrow by the Escrow Agent pursuant to this Agreement. In addition, the Escrow Agent shall be discharged of its duties and obligations hereunder upon its deposit in a court of competent jurisdiction of all of the items then held in escrow by the Escrow Agent pursuant to this Agreement.

11. Reliance of Escrow Agent. The Escrow Agent shall be entitled to rely, and shall be protected in acting in reliance, upon any instructions or directions furnished to it in writing by or on behalf of the parties to this Agreement and shall be entitled to treat as genuine, and as the document it purports to be, any letter, instruction or other document or instrument delivered to the Escrow Agent hereunder and believed by the Escrow Agent to be genuine and to have been presented by the proper party or parties, without being required to determine the authenticity or correctness of any fact stated therein, the propriety or validity thereof, or the authority or authorization of the party or parties making and/or delivering the same to do so.

12. Miscellaneous.

(a) This Agreement and all rights and duties of the parties arising from or relating to the subject matter hereof shall be governed by, construed and enforced in accordance with the laws of the State of Texas.

(b) In the event any party hereto institutes legal action against any other party hereto or with respect to this Agreement, the prevailing party in such action shall be entitled to recover from the non-prevailing party all court costs and reasonable attorneys' fees incurred in connection therewith.

(c) This Agreement embodies the entire agreement among the parties as to the subject matter hereof, and supersedes all prior agreements and understandings relating to the subject matter hereof.

(d) Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and, to this end, the provisions hereof are severable.

(e) No amendment of any provision hereof shall be effective unless it is in writing and signed by each of the parties hereto.

(f) The parties hereto hereby agree to execute such further documents as may be necessary and desirable to carry out the purposes of this Agreement.

(g) This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, legal representatives and assigns.

(h) This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute but one Agreement. Signatures of the

parties by facsimile shall be deemed sufficient to bind the parties to this Agreement and each party waives any objection to such signature by facsimile.

RELIANT:

Reliant Energy, Incorporated

By: David M. McClanahan

Name: David McClanahan

~~As Its~~ President and Chief Operating

Officer of Reliant Energy

Group

LAW DEPT

BY: CHZ

ERA:

Brazos River Authority

By: Gary Gryn

Name: GARY GRYN

As Its: General Manager

ESCROW AGENT:

American Title Company of Dallas

By: Pat Helms

Name: PAT HELMS

As Its: MANAGER / ESCROW OFFR.



Brazos River Authority



QUALITY • CONSERVATION • SERVICE

May 11, 2001

Mr. Edward A. Feith, P.E.
Manager, Environmental
Reliant Energy Wholesale Service Company
P.O. Box 1700
Houston, Texas 77251-1700

Dear Mr. Feith:

Please find enclosed a copy of the appraisal performed on the Allens Creek reservoir site by the Authority's appraiser, Kokel Appraisal Associates. As we have discussed, the appraisals required by Section 8 of the AMENDMENT OF LAND PURCHASE PROVISIONS [Amendment to Agreement dated June 1, 1988 Between Reliant Energy, Incorporated, (then known as Houston Lighting & Power Company) and Brazos River Authority] ("the Agreement") have been completed.

The Agreement requires that three appraisals be made of the Allens Creek reservoir site, one by an appraiser selected by Reliant and one selected by the Authority, and a third appraiser chosen by the first two appraisers. The Authority's appraiser, Kokel Appraisal Associates, appraised the site at \$15,000,000. The third-party appraiser, Gerald A. Teel Company, Inc., appraised the site at \$16,000,000. The Reliant appraiser, American Appraisal Associates, appraised the site at \$18,600,000.

Under the terms of the Agreement, the purchase price to be paid for the Allens Creek reservoir site is the average value of the three appraisals. The average of the three appraisals is \$16,533,333, or \$1,730 per acre for the 9,559 acre site.

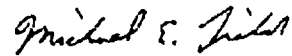
We had previously agreed to use the figure of the \$1,750 per acre for payments made to Reliant before the appraisals were completed. The Authority will make an adjustment in the next payment to Reliant to reflect the slight overpayment to date.

4400 Cobbs Drive • P.O. Box 7555 • Waco, Texas 76714-7555
254-776-1441 • FAX 254-772-5780

Mr. Edward A. Feith, P.E.
Page 2
May 11, 2001

If you are in agreement with the above analysis, please sign both copies of this letter, keep one for your files, and return the other one to me. Again, thank you for your assistance in this important project.

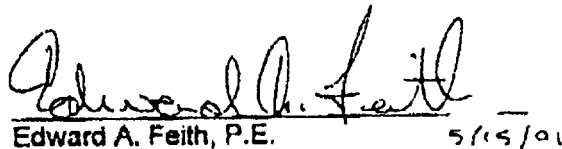
Sincerely,



MICHAEL E. FIELD
Executive Counsel

MEF:rw

Appraisal Accepted by:



Edward A. Feith, P.E. 5/15/01
Manager, Environmental
Reliant Energy Wholesale Service Company

\\BRDEALPA\WPICORR\FIELD\Feith ltr - Appraisal 5-11-01 (2).doc



Brazos River Authority



QUALITY • CONSERVATION • SERVICE

March 13, 2002

Mr. Ed Feith, P.E.
Environmental Director
Reliant Energy
1301 Kurland
Houston, Texas 77034

Dear Mr. Feith:

Please find enclosed an executed original of the Consent to Assignment (Brazos River Authority) in connection with the Allens Creek Property.

Thank you for your assistance in this matter.

Sincerely,

MICHAEL E. FIELD
Special Projects Manager

MEF:kgg
Enclosure

w:\cor\field\feith consent to assignment 03-13-02.doc

4600 Cobbs Drive • P.O. Box 7555 • Waco, Texas 76714-7555
254-776-1441 • FAX 251-772-5780

Allen's Creek Property
Austin County, Texas

**CONSENT TO ASSIGNMENT
(BRAZOS RIVER AUTHORITY)**

Reference is made to that certain General Warranty Deed With General Warranty of Limited Application (the "Deed") dated as of January 6, 2000, and recorded under Volume 293, Page 95 of the Official Public Records of Austin County, Texas, between Reliant Energy Incorporated ("Grantor"), and The Brazos River Authority ("Grantee"), under which Deed Grantor reserved certain rights described in the second paragraph of the Deed.

Grantor now desires to assign the right contained in the Deed to an affiliate of Grantor, Texas Genco, LP, by one or more interim transfers to another affiliate of Grantor (the "Assignment(s)").

The Deed provides in the second paragraph thereof: "(a) the right to utilize its land adjoining the Property for construction of an electric generating station or other industrial purposes and/or for commercial and residential purposes, including construction of docks and piers into, and the right of access to and utilization of, any reservoir constructed on the Property for swimming, fishing, boating and other recreational purposes and (b) the right for itself, its successors and assigns to cross any land (other than land which is used by Grantee for operational purposes in connection with any dam and/or reservoir constructed and operated on the Property) for the purpose of access to and from land retained by it to and from the water stored in any such reservoir, which such rights to be assignable to Grantor's successors and assigns only with written consent of Grantee, which consent shall not be unreasonably withheld."

Accordingly, by execution of this instrument (this "Consent") below, Grantee hereby consents to the Assignment(s). This Consent shall be binding upon and shall inure to the benefit of the undersigned, its successors and assigns.

This Consent may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

[End of Page]

NOU03:218024.3

Allen's Creek Property
Austin County, Texas

EXECUTED this 12 day of March, 2002.

GRANTEE:

THE BRAZOS RIVER AUTHORITY

By: Phil Ford
Name: Phil Ford
Title: General Manager / CEO

STATE OF TEXAS §

COUNTY OF McLennan §

The foregoing instrument was acknowledged before me on the 12th day of March, 2002, by Phil Ford, General Manager / CEO of The Brazos River Authority, on behalf of The Brazos River Authority.



Jennifer White
Notary Public in and for the
State of Texas

HOU03:014014.3

TOTAL P.09

August 8, 2002

Mr. Albert Murillo
Texas Water Development Board
P. O. Box 13231, Capitol Station
Austin, TX 78711-3231

Re: Delivery Instructions with respect to the \$6,000,000 Brazos River Authority, State Participation Loan, Series 2002 and the \$14,000,000 City of Houston, Texas, State Participation Loan, Series 2002

Payment for the above referenced obligations is scheduled to occur at 10:00 A.M. on Thursday, August 15, 2002 (the "Closing Date").

A) On the Closing Date, the Texas Water Development Board (the "Purchaser") will wire transfer to:

1. the Brazos River Authority immediately available funds in payment for the sum of\$2,103,725.00

Wells Fargo Bank Texas, N.A.
For credit of Brazos River Authority Disbursement Account
(Pooled Cash)
Acct. No. 711-046-149-1
ABA #111 900 659
Attention: Ms. Kathy Refcek

Please notify:

Bill Trussell, Cash & Investment Manager/
Financial Analyst (254) 761-3126

Or

Ina Talbert, Financial Assistant (254) 761-3115

with wire reference number and date
when wire is transmitted

2. the City of Houston immediately available funds in payment for the sum of\$4,675,358.00

Instructions for wiring funds to the City are as follows:

JP Morgan Bank
aba #113000609
For the City of Houston Public Works Deposit Account
Account no. 00103333952

3. the Reliant Energy immediately available funds in payment for the sum of\$13,220,917.00

Instructions for wiring funds to Reliant are as follows:

Chase Bank of Texas
ABA # 113000609
Reliant Energy
Account No. 00100757930

13,348,723.90

B) -- On the Closing Date, The Brazos River Authority will wire transfer to the Texas Water Development Board for the payment of the Loan Origination fee as follows:

1. Immediately available funds in the sum of\$154,000.00

Instructions for wiring funds to the District are as follows:

Tex Compt-Austin
ABA #114 900 164
BNF=ACCT#440-4740-01
Attn: TWDB-Albert Murillo
(512) 305-8713

The verification of the instructions regarding the receipt, disbursement and application of funds is greatly appreciated. Should additional instructions be required, please advise me at (214) 953-4014.

Very truly yours,

Steven A. Adams, CFA

SAA/es

cc: Distribution

Distribution List

Texas Water Development Board
1700 North Congress Avenue
PO Box 13231
Austin, Texas 78711-3231

Gabriela Quiroga
Albert Murillo
David Yager

Brazos River Authority
4600 Cobbs Drive
Waco, Texas 76714-7555

Susan L. Morgan, CPA
Bill Trussell

City of Houston
611 Walker Suite #2436
Houston, Tx 77002

Gilbert Garcia
James Moncur
Carmen Best
Gary Wood
Charisse Page
Harish Roopani

Coastal Securities
5555 San Felipe, Suite 2200
Houston, Texas 77056

James F. Gilley
Debbi Jones
Tim Kelley

McCall Parkhurst & Horton L.L.P.
717 North Harwood
9th Floor
Dallas, Texas 75201

Charles Kobdich

Fulbright & Juworski, L.L.P.
1301 McKinney, Suite 5100
Houston, TX 77010-3095

Richard Huff

Request No: COH33-2

CENTERPOINT ENERGY, INCORPORATED

PUC DOCKET NO. 29526

SOAH DOCKET NO. 473-04-4555

CITY OF HOUSTON

Q. When did TGN decide to sell the Wallis property included in plant held for future use?
When did the sales process begin?

A. The Brazos River Authority first expressed interest in the Allens Creek property in June 1988. The sales process began in 1999.

Sponsor: David G. Tees

Attachments: None

Request No: COH33-3

CENTERPOINT ENERGY, INCORPORATED

PUC DOCKET NO. 29526

SOAH DOCKET NO. 473-04-4555

CITY OF HOUSTON

- Q. Other than CP's announced plans to sell all of TGN, has CP had any previous plans to sell any other parcels of land included in plant held for future use? If so, provide the following information:
- (a) The date TGN decided to sell the site,
 - (b) The status of the sale, and
 - (c) The amount of any offers.
- A. Texas Genco has identified the following tracts as being surplus to our needs:
1. Two tracts at Mill Creek to George Tharp containing a total of 253.176 acres.
Mr. Tharp sold the tracts to HL&P in September of 1972 as part of land being acquired for the construction of a nuclear power plant. Mr. Tharp retained a "Buy Back" clause in his deed to HL&P allowing him to repurchase the tract in the event that HL&P did not build the plant and decided to later sell the property. The resale price back to Mr. Tharp was established in the 1972 deed to HL&P to be the same as what HL&P had paid, which was \$329,878.24. In 2002, Mr. Tharp contacted Texas Genco requesting to repurchase the two tracts. Authorization was obtained from Texas Genco executive management, and the property was sold in 2003.
 2. One tract at Mill Creek to Mr. Kim Clements containing 85.170 acres.
Mr. Clements is the family representative for the estate of Mr. & Mrs. I. L. McCamy, who sold the property to HL&P in November 7, 1972. The McCamy's retained a "Buy Back" clause in the deed allowing them to repurchase the tract in the event HL&P did not build a plant and decided to later sell the property. The resale price back to Mr. McCamy was established in the 1972 deed to HL&P to be the same price as what HL&P had paid, which was \$60,035.80. Mr. Clements contacted Texas Genco on January 12, 2004 as the family representative requested to repurchase the property. Authorization was obtained from Texas Genco executive management, and the property is scheduled to be sold in June 2004.
 3. Four tracts at Allens Creek totalling 5.63 acres to Mr. Stan Roberts, Jr.

Mr. Roberts contacted Texas Genco March 1, 2004 requesting to purchase the tracts. The requested tracts were originally used as an access road to a metering station, which is no longer located on the property. Mr. Robert's property flanks the access road and creates a problem in his ability to improve his pasture land. The tracts are not contiguous to the balance of property owned by Texas Genco at Allens Creek and were therefore considered surplus. Authorization has been received from Texas Genco executive management, and the property is scheduled to sell for \$5,630 in June 2004.

4. Two tracts of land containing a total of 148 acres located at Mills Creek.

These tracts were identified as surplus property, and Texas Genco executive management has given approval to liquidate the property. The property was posted for sale on April 26, 2004, and offers are currently being accepted for review. One offer has been received to date in the amount of \$1750.00 an acre.

Sponsor: David G. Tees

Attachments: None

CERTIFICATE OF SERVICE
PUC Docket 29526
SOAH Docket 473-04-4555

I hereby certify that a true and correct copy of the foregoing document was hand delivered, electronic mail or sent by overnight delivery or United States first class mail to all parties this 4th of June, 2004.

Bunny Browning