



Control Number: 25937



Item Number: 160

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PROJECT NO. 25937

PUC INVESTIGATION INTO
POSSIBLE MANIPULATION OF
ERCOT MARKET

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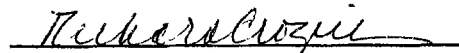
PUBLIC UTILITY COMMISSION
OF TEXAS

**RESPONSE TO REQUEST FOR ADMISSIONS OF THE
CITY OF WEATHERFORD**

NOW COMES the City of Weatherford ("Weatherford") and serves this its response to
the Requests for Admission served on it by the Public Utility Commission of Texas ("PUCT").

Respectfully submitted,

DAVIDSON & TROILO, P.C.
Capitol Center
919 Congress, Suite 810
Austin TX 78701
512/469-6006
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Richard L. Crozier
State Bar No. 05176500

Attorneys for the City of Weatherford

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Responses to Request for Admissions

1a. Admit or Deny: You engaged in "Wash," "Round Trip," "Bragawatt" or "Sell/Buyback" trading in ERCOT, whether scheduled through the ISO or not, for any time beginning on or after July 31, 2001. Such trading involves the sale of an electricity product to another entity together with a contemporaneous purchase of the same product at the same price.

Response:

Denied

1b. Admit or Deny: You engaged in activity in ERCOT designed to artificially increase your trading revenue or the price of electricity products traded in ERCOT.

Response:

Denied

2a. If you admit to engaging in the activity described in either 1a. or 1b., explain whether any such transactions were reported to Platts or any other entity that monitors, publishes or reports trading data (including bid-and-ask data) or publishes or reports prices or forward indices.

Response:

Not applicable.

2b. If you admit to engaging in the activity described in either 1a. or 1b., provide complete details of all transactions that you engaged in as part of such activities, including the dates of all transactions, the amount and price at which the power was sold and the identities of your counterparties. Also, provide all documents that refer or relate to these activities.

Response:

Not applicable.

STATE OF TEXAS §

COUNTY OF PARKER §

Before me, the undersigned individual, J. KRAIG KAHLER, appeared and, upon being duly sworn, stated as follows:

My name is J. Kraig Kahler. I am over 21 years of age and have never been convicted of a crime of moral turpitude. I am employed by the City of Weatherford as its Director of Utilities, which position I have held both before and after July 31, 2001. Power purchases and sales of by Weatherford are directly under my supervision. I am the employee of Weatherford qualified to answer these Requests for Admissions.

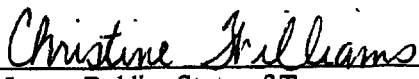
American Electric Power ("AEP") acts as Weatherford's Qualified Scheduling Entity under contract. The contract applies to all power transactions. AEP has assured me that it has not engaged in the activities described in questions 1a and 1b above on behalf of the City of Weatherford. Based upon that assurance, on information and belief, the above stated answers are true and correct.



J. Kraig Kahler

SUBSCRIBED AND SWORN to before me this 2nd day of July 2002.





Notary Public, State of Texas
My Commission Expires:

PUC INVESTIGATION INTO
POSSIBLE MANIPULATION
OF ERCOT MARKET

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PUBLIC UTILITY COMMISSION
OF TEXAS

AFFIDAVIT

STATE OF TEXAS §

COUNTY OF PARKER §

Before me, the undersigned authority, appeared J. Kraig Kahler, Director of Utilities for the City of Weatherford, who, under oath, states as follows:

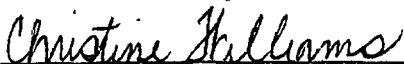
1. To the extent applicable to its activities, the City of Weatherford:
 - a. Will not knowingly engage in "Wash," "Round Trip," "Bragawatt" or "Sell/Buyback" trading activities in ERCOT.
 - b. Will not knowingly schedule load for the purpose of creating congestion.
 - c. Will make a good faith effort to comply with the letter and spirit of all ERCOT rules as reasonably understood of which it has, or should have, knowledge.
 - d. Will aide in identifying and closing loopholes in the ERCOT protocols rather than exploiting them for short-term gains. By this affirmation it means that, if in the normal course of business activities it identifies loopholes in the ERCOT protocols, it will bring those loopholes to the attention of ERCOT and, when able, offer constructive solution to address those loopholes.

The City of Weatherford has installed sufficient management controls to insure compliance with the above precepts by bringing this affidavit to the attention of its electric utility management.


J. Kraig Kahler

SUBSCRIBED to before me this 2nd day of July, 2002.




Notary Public, State of Texas

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was has been served on all parties of record by facsimile and/or regular, first class mail on this 2nd day of July, 2002.

Richard L. Crozier
Richard L. Crozier