



Control Number: 26185



Item Number: 9

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APPLICATION OF GUADALUPE
VALLEY ELECTRIC COOPERATIVE,
INC. FOR A CERTIFICATE OF
CONVENIENCE AND NECESSITY FOR
A 138kV TRANSMISSION LINE IN
GUADALUPE COUNTY, TEXAS

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PUBLIC UTILITY COMMISSION
OF TEXAS

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**GUADALUPE VALLEY ELECTRIC COOPERATIVE, INC.'S
RESPONSE TO ORDER NO. 2**

TO THE HONORABLE MARK GENTLE, ADMINISTRATIVE LAW JUDGE:

COMES NOW Guadalupe Valley Electric Cooperative, Inc. ("GVEC") and files this its Response to Order No. 2 and would show the following:

I.

At pages 2-3 of Order No. 2, four questions are set forth to which GVEC is required to respond. Presented below are the responses to said questions.

- 1. Has the Electric Reliability Council of Texas (ERCOT) Independent System Operator (ISO) recommended the proposed transmission project is necessary to alleviate "existing and potential transmission and distribution constraints and system needs within ERCOT" in the annual report filed pursuant to PURA §39.155(b)? If not, is there a need for the proposed transmission project?**

RESPONSE:

ERCOT has not recommended the proposed project as necessary to alleviate "existing and potential transmission and distribution constraints and system needs within ERCOT". ERCOT was, however, notified of the proposed project and in response to said notification, provided a response, attached hereto as Exhibit A.

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There is a definite need for this project and the reasons justifying such project are set forth in detail at pages 4-10 of GVEC's CCN application.

2. **If such a need exists, is the proposed transmission project the best option to meet the need, based on an analysis taking into account considerations of efficiency, reliability, costs, and benefits?**

RESPONSE:

The proposed project is the best option to meet the needs of GVEC. At pages 10-13 of GVEC's CCN application, 5 separate alternatives are set forth in detail which address the efficiency, reliability, costs and benefits for each.

3. **For utilities subject to the unbundling requirements of PURA §39.051, is the proposed transmission project the best option when compared to employing distribution facilities to meet the specified need?**

RESPONSE:

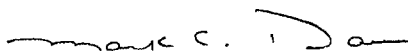
Not Applicable.

4. **For utilities that are not subject to the unbundling requirements of PURA §39.051, is the proposed transmission project the best option when compared to employing distribution facilities, distributed generation, and/or energy efficiency to meet the specified need?**

RESPONSE:

The proposed project is the best option when compared to employing distribution facilities, distributive generation, and/or energy efficiency. Please see the detailed discussion included in GVEC's CCN application, at pages 10-13.

Respectfully submitted,

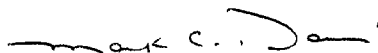


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**ATTORNEYS FOR GUADALUPE VALLEY
ELECTRIC COOPERATIVE, INC.**

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document, **Guadalupe Valley Electric Cooperative, Inc.'s Response to Order No. 2**, has been served on all parties of record in this proceeding on this 18th day of **July, 2002** by First Class, U.S. Mail, Postage Prepaid.



Mark C. Davis

From: "Rickerson, Woody" <WRickerson@ercot.com>
To: "1 RGPLsouth" <RGPLsouth@ercot.com>
Date: 4/2/02 8:39:10 AM
Subject: Hickory Forest-New Berlin Project

To all RGPLsouth members,

A LCRA project was sent out for review by the ERCOT South Regional Planning Group. The group has not received any dissenting comments.

Therefore, with no objections to the project, ERCOT South Regional Planning Group approves the LCRA project as presented.

Peer review dates for the LCRA Hickory Forest-New Berlin Project.

Project sent to group ---- March 18, 2002
Due date for comments ---- April 2, 2002

Regards,
Woody Rickerson P.E.