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DOCKET NO. 34611 SOAH DOCKET NO. 473-08-3341

APPLICATION OF KELSON TRANSMISSION COMPANY, LLC FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY FOR THE PROPOSED CEDAR BAYOU-TO-DEWEYVILLE 345 KV TRANSMISSION LINE WITHIN CHAMBERS, HARDIN, JASPER, JEFFERSON, LIBERTY, NEWTON, AND ORANGE COUNTIES	<i>©</i> © © © © © © © © © © © © © © © © © ©	BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS	
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SRW COGENERATION, L. P.'s RESPONSES TO ENTERGY TEXAS, INC.'s FIRST REQUEST FOR INFORMATION

SRW Cogeneration, L.P. ("SRW") files these responses to Entergy Texas, Inc's ("ETI") First Request for Information. SRW received ETI's requests on September 9, 2008. Pursuant to P.U.C. Proc. R. § 22.144, SRW's responses are due on or before September 29, 2008. These responses are, therefore, timely filed.

The responses to ETI's requests are attached hereto and are numbered as in the request. Pursuant to P.U.C. Proc. R. 22.144(c)(2)(F), these responses may be treated as if they were filed under oath.

Respectfully submitted,

Kathleen E. Magruder

State Bar No. 12827700

Brown McCarroll, L.L.P.

1111 Bagby, 47th Floor

Houston, TX 77002-2543

kmagruder@mailbmc.com

Telephone: 713-525-6229

Telecopier: 713-525-6295

ATTORNEYS FOR

SRW Cogeneration, L.P.

Certificate of Service

I certify that a copy of this document was served on all parties of record in this proceeding on September 29, 2008, by regular mail, facsimile transmission, or hand-delivery.

Kathleen E. Magruder

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ETI 1-1. Please indicate whether it is SRW's intent, once the Kelson Transmission

line is operational, to interconnect with such line.

Response: Yes.

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Please provide a detailed description of (a) the changes that SRW plans to make to its facilities in order to interconnect with the Kelson transmission project including electrical system changes; (b) the changes in how the SRW load and any third party load that SRW is currently serving would be served after interconnection with Kelson; (c) whether the interconnection with the Kelson transmission line will be a dual interconnection that will allow SRW to inject power to both ERCOT and the Eastern interconnect simultaneously; (d) whether the interconnection with the Kelson transmission line will be a dual interconnection that will allow SRW the ability to switch back and forth between ERCOT and the Eastern Interconnect; and (e) whether SRW will be singly connected to ERCOT and disconnected from the Eastern Interconnect. Please provide copies of all drawings, schematics or other documents that specify how SRW will connect to the planned Kelson transmission line.

Response:

- (a) SRW has not yet evaluated the changes necessary to interconnect to the Kelson line and, therefore, has no responsive documents.
- (b) SRW will acquire back up supply, balancing power, and ancillary services through ERCOT to serve its own load and any third party load SRW might be serving.
- (c) No. SRW does not propose to maintain a dual connection.
- (d) No. SRW does not propose to maintain a dual connection.
- (e) Yes.

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Please indicate whether it is SRW's intent, once the Kelson transmission line is operational and SRW interconnects with such line, to (a) terminate its retail electric service from its current retail electric service provider; and, (b) take retail service from another electric service provider. If the latter, please provide the name of the new retail electric service provider from which SRW will take service and provide the legal basis for making such a change in retail electric service providers.

Response:

- (a) Yes, SRW will cease taking retail service pursuant to Entergy's SMS rate schedule.
- (b) Yes. SRW will take such retail electric service as it needs from its affiliate, ConocoPhillips. The Kelson line will provide a connection to the ERCOT market and competitive retail service is available there.

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ETI 1-4. Under what circumstances would (a) SRW terminate its retail electric

service agreement with its current retail electric service provider; and, (b)

take service from another retail electric service provider?

Response: (a) and (b) SRW's "retail electric service" is back up power provided

pursuant to Entergy Texas's SMS Rate Schedule. SRW would terminate

that service if it no longer maintained a connection to Entergy.

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ETI 1-5. Once the Kelson transmission line is operational and SRW interconnects with such line, will SRW continue to provide electric service to the SRW load and any third party load that SRW is currently serving? If not, what entity would serve this electrical load?

Response: Yes, SRW proposes to continue to serve DuPont, its steam host, once it is connected to the Kelson line. SRW does not currently "serve" any other load except to make occasional third party wholesale sales on a "spot" or "interruptible" basis. With the several years required to obtain a CCN and to construct the Kelson line, SRW assumes those third parties can make arrangement with other wholesale suppliers to meet their needs.

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ETI 1-6. In its Response to Appeal of Order No. 1 dated April 28, 2008, SRW states in support of its pleading that "delay would also increase costs to generators such as SRW and to the customers who will likely use the Kelson line to move or purchase electricity." (a) Please state who Cottonwood contemplates are "customers who will ultimately use the Kelson line to move or purchase electricity." Would SRW be such a customer? (b) Please also explain what is meant by "move" or "purchase" power? (c) Does SRW intend to use the Kelson transmission line to sell power generated from its qualifying facility and to purchase power from another electric service provider other than from its current electric service provider?

Response:

- (a) SRW had reference to customers in ERCOT when it made the above statement. Yes, SRW would be such a customer.
- (b) The referenced terms mean to transport or buy power.
- (c) Yes.