



Control Number: 35665



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DOCKET NO. 35665

**COMMISSION STAFF'S PETITION
FOR SELECTION OF ENTITIES
RESPONSIBLE FOR TRANSMISSION
IMPROVEMENTS NECESSARY TO
DELIVER RENEWABLE ENERGY
FROM COMPETITIVE RENEWABLE
ENERGY ZONES**

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PUBLIC UTILITY COMMISSION

OF TEXAS

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FILING CLERK

**TEJAS TRANSMISSION LLC'S RESPONSE
TO JOINT PARTIES' THIRD REQUEST FOR INFORMATION**

Tejas Transmission LLC ("Tejas") files this, its Response to Joint Parties' Third Request for Information filed September 30, 2008. Fifteen days after receipt of Joint Parties' requests is October 15, 2008; therefore, this Response is timely filed. Tejas agrees and stipulates that all parties may treat these responses as if the answers were filed under oath.

Respectfully submitted,



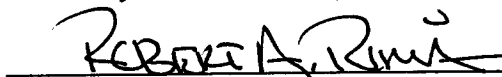
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October 15, 2008

Certificate of Service

I hereby certify that a copy of the foregoing document was served on all parties requesting to be served with discovery responses in this proceeding, on the 15th day of October 2008 by U.S. mail, postage prepaid, electronic delivery or hand delivery.


Robert A. Rima

JP-TT 3-1 Please provide a true and correct copy of any and all communications, including but not limited to, agreements, between Tejas or Babcock & Brown and any other entity concerning the procurement of materials or equipment for the construction of CREZ facilities that may be awarded to Tejas as in this proceeding.

Response: Documents discussing the Tejas relationships with suppliers through EPC contractors have been filed in response to JP-TT-2-5 (c) and (d). There are no other responsive documents.

Prepared by: Stan Gray
Sponsored by: Stan Gray
Attachments: None

JP-TT 3-2 Please identify all facilities, service centers, operations centers, maintenance centers, warehouses, or other related facilities that you believe will be necessary to allow Tejas to construct, operate, and maintain CREZ facilities that may be awarded to Tejas in this proceeding.

Response: Facilities currently being considered to support future Tejas Transmission business are defined on Bates page 63 in the Tejas Application in response to Subst. R. 25.216 (e)(1)(E).

Prepared by: Stan Gray
Sponsored by: Stan Gray
Attachments: None

JP-TT 3-3 Please provide any and all documents concerning your consideration of the facilities, service centers, operations centers, maintenance centers, warehouses, or other related facilities identified in response to JP-TT 3-2.

Response: Tejas relied on the knowledge of experienced electric industry staff to support its consideration of such facilities and centers. No specific documents were obtained in identifying the planned facilities. Detailed plans for individual facilities will be developed following Tejas' designation to construct CTP Facilities.

Prepared by: Stan Gray
Sponsored by: Stan Gray
Attachments: None

JP-TT 3-4 Please produce any and all documents concerning efforts by Tejas or Babcock & Brown to acquire the facilities, service centers, operations centers, maintenance centers, warehouses, or other related facilities identified in response to JP-TT 3-2.

Response: There are no responsive documents. Since CTP Facilities are not scheduled to go into commercial operation until 2012, acquisition and construction of such facilities would be premature at this time.

Prepared by: Stan Gray
Sponsored by: Stan Gray
Attachments: None

JP-TT 3-5 Please produce any and all documents concerning the cost or estimated cost for Tejas or Babcock & Brown to acquire any facilities, service centers, operations centers, maintenance centers, warehouses, or other related facilities identified in response to JPTT 3-2.

Response: There are no responsive documents. Tejas relied on the working knowledge of experienced electric industry staff to estimate the cost of required facilities and centers.

Prepared by: Stan Gray
Sponsored by: Stan Gray
Attachments: None

JP-TT 3-6 Please identify all types of materials or equipment that you believe will be necessary to allow Tejas to construct, operate, and maintain CREZ facilities that may be awarded to Tej as in this proceeding.

Response: Tejas provided a general description of materials and equipment assumed to be included in its future construction, operation and maintenance activities on bates page 63 in its Application. Tejas has not developed detailed lists of all individual equipment items required for future operations and maintenance. Tejas will develop detailed materials and equipment specifications and acquire all necessary materials and equipment in a timely fashion to ensure that all facilities are ready for the commencement of commercial operations in 2012.

Prepared by: Stan Gray
Sponsored by: Stan Gray
Attachments: None

JP-TT 3-7 Please provide any and all documents concerning your consideration of the materials or equipment that you believe may be necessary to allow Tejas to construct, operate, and maintain CREZ facilities that may be awarded to Tejas in this proceeding.

Response: Responsive documents consist of the MOUs that have been executed with competent entities that will be responsible for EPC of all Tejas facilities. Please see the Tejas Application, sections 1B, 1D and 1E, 1G, 1I, 1J with supplementation of information available about tower cost, design and procurement as part of the response to RFI JP-TT-2-5 (c) and (d). The MOUs have been filed as Highly Sensitive Protected Information in response to JP-TT 2-5.

Prepared by: Stan Gray
Sponsored by: Stan Gray
Attachments: None

JP-TT 3-8 Please produce any and all documents concerning efforts by Tejas or Babcock & Brown to acquire the materials or equipment that you believe may be necessary to allow Tejas to construct, operate, and maintain CREZ facilities that may be awarded to Tejas in this proceeding.

Response: Please see Tejas' Highly Sensitive Protected Information filed in response to JP-TT 2-5 (c) and (d).

Prepared by: Stan Gray
Sponsored by: Stan Gray
Attachments: None

JP-TT 3-9 Please produce any and all documents concerning the cost or estimated cost for Tejas to acquire the materials or equipment that you believe may be necessary to allow Tejas to construct, operate, and maintain CREZ facilities that may be awarded to Tejas in this proceeding.

Response: Please see Tejas' Application , section 1I and the materials filed in response to RFI JP-TT-2-5 (c) and (d).

Prepared by: Stan Gray
Sponsored by: Stan Gray
Attachments: None

JP-TT 3-10 Please provide the estimated direct cost in current dollars to construct representative tangent, 30-degree, and 90-degree structures for the type of conductor that Tejas would use to construct the facilities it has requested in this docket. For the purpose of this question please include all estimated construction cost relating to design, engineering, materials, labor, transportation and other necessary expenses but excluding ROW and land acquisition.

Response: Please see Tejas' Application section 1I as well as response to RFI JP-TT-2-6.

Prepared by: Stan Gray
Sponsored by: Stan Gray
Attachments: None

JP-TT 3-11 Please provide the actual average O&M cost-per-mile by year and voltage type for the last five calendar years for all transmission owning affiliates of Tejas.

Response: Tejas has objected to this request.

Prepared by:

Sponsored by:

Attachments: None

JP-TT 3-12 Provide all agreements between Tejas and Babcock & Brown or its affiliates concerning any CREZ facilities that may be awarded to Tejas in this proceeding.

Response: There are no responsive documents. In due course, contracts will be negotiated with BBI to assist with organizing Tejas and hiring its employees and to provide it O&M advisory services. Section 1N of the Tejas Application describes the plan to transfer Tejas to BBIFNA upon close of financing, at which time a contract will be required. No agreement currently exists.

Prepared by: Stan Gray
Sponsored by: Stan Gray
Attachments: None

JP-TT 3-13 Please provide a map showing the general location of Babcock & Brown's existing and publicly announced wind-powered generation resources in Texas.

Response: There are no responsive documents. Tejas does not have a map of Babcock & Brown's affiliate generation locations. Tejas filed a list of Texas counties with affiliate wind generation facilities in response to Staff RFI BA-TT 1-1.

Prepared by: Stan Gray
Sponsored by: Stan Gray
Attachments: None

JP-TT 3-14 Please provide Tejas's monthly and annual cost for office space, office personnel, equipment, supplies, utilities, insurance and other operating costs. Does Tejas plan to include these costs in its transmission cost of service that it plans to recoup from ERCOT load?

Response: Tejas included its O&M estimates in its Application, section 1J. A description of the FERC accounts containing O&M costs was filed in response to JT-TT-2-9. As with any utility, Tejas' O&M costs will be part of its revenue requirement. Tejas expects to recover its reasonable and necessary costs through rates.

Prepared by: Stan Gray
Sponsored by: Stan Gray
Attachments: None

JP-TT 3-15 Please provide Babcock & Brown's monthly and annual cost for office space, office personnel, equipment, supplies, utilities, insurance and other operating costs that you intend to utilize in constructing, operating or maintaining any CREZ facilities awarded to Tejas in this proceeding. Does Tejas plan to include these costs in its transmission cost of service that it plans to recoup from ERCOT load?

Response: Tejas and Babcock & Brown have not determined that Tejas will bear a portion of Babcock & Brown's cost for office space, office personnel, equipment, supplies, utilities, insurance and other operating costs. Although arms' length contracts have not yet been negotiated, Tejas anticipates that Babcock & Brown would charge hourly fees for time worked to provide advisory services, corporate oversight, and A&G services and that such costs will be determined reasonable and necessary and recoverable in rates.

Prepared by: Stan Gray
Sponsored by: Stan Gray
Attachments: None