

Eastman Cogeneration L.P.

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Lloyd Webb
Director, Commercial Power
Eastman Cogeneration, L.P.
P.O. Box 7444
Longview, TX 75607
July 18, 2008

Mr. Ronald W. Ciesiel
Executive Director of Compliance
Southwest Power Pool Regional Entity
415 N. McKinley Suite 140
Little Rock, Arkansas 72205

Re: Notice of Alleged Violation and Proposed Penalty or Sanction for Registered Entity
NCR01092

Dear Mr. Ciesiel:

This letter is to notify you that per Item III. in your attached communication of May 27, 2008DATE, Eastman Cogeneration L.P. does not contest the allegations.

Please be advised we have completed all needed mitigation work and all procedures and protocols are now in place to fully comply with the R1 and R4 requirements of CIP-001-1. Since completing our mitigation, we have also concluded our work to determine if our cogeneration facility located in Longview, Texas-- and registered as Entity NCR01092-- is a critical asset and subject to the NERC CIP standards. We determined the Longview cogeneration facility is a non-critical asset and have certified it as non-critical in the most recent CIP certification survey.

Thank you for your ruling to not impose a penalty and sanction.. We appreciate your continued assistance in ensuring that we meet all of the required Standards.

Yours truly,



Lloyd Webb
Director, Commercial Power

Enclosure

cc: C. Greenwaldt, JP Jones, B. Pitchie, D. Rachels, R. Ratheal, J. Ray