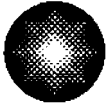


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August 31, 2006

VIA FACSIMILE AND FIRST CLASS MAIL

Mr. Read Comstock
Chairman
Technical Advisory Committee
Electric Reliability Council of Texas
7620 Metro Center Drive
Austin, Texas 78744

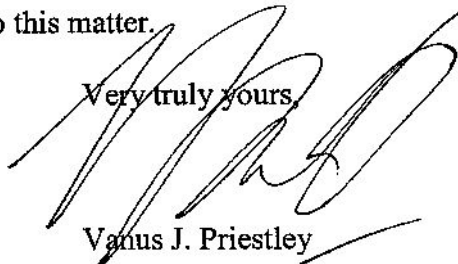
RE: *PRR674, Temporary Alteration of Settlement Equations Related to the RPRS
Under Scheduled Charge*

Dear Mr. Comstock:

Today the Protocol Revision Subcommittee rejected PRR 674, Temporary Alteration of Settlement Equations Related to the RPRS Under Scheduled Charge. Please accept this letter as an appeal of that decision pursuant to Protocol Section 21.4.11.

Thank you for your attention to this matter.

Very truly yours,



Vanus J. Priestley

cc: Mark Armentrout
Chairman, Board of Directors, ERCOT

Sam R. Jones
President and Chief Executive Officer, ERCOT

James Thorne
Vice President and General Counsel, ERCOT