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May 7, 2007

James Thorne  
Vice President, General Counsel and Corporate Secretary  
ERCOT  
7620 Metro Center Drive  
Austin, Texas 78744

Dear Mr. Thorne

I write you today for the purpose of appealing the failure of the Technical Advisory Committee (TAC) to approve PRR 716 in its meeting on May 4. We make this appeal consistent with ERCOT Protocol Section 21.4.11.

PRR 716 allows QSEs to self-provide Emergency Interruptible Load Service (EILS). The Protocol Revision Subcommittee forwarded PRR 716 to TAC with a recommendation for approval. As the voting record at TAC shows, this PRR received a majority of affirmative votes, but not the two thirds majority required for approval. It is my understanding that TAC was one affirmative vote short of approving PRR 716.

CPS Energy believes the failure by TAC to approve PRR 716 is not in the best interest of the market. Further, under the circumstance where the protocols are not amended to allow for Non-Opt In Entities (NOIEs) to self-provide EILS by June 1, 2007, ERCOT Inc. will find itself in violation of PUC Subst. R. §25.507(i).

Therefore, in order to improve the design of the market and comply with the PUC Rules CPS Energy requests that the board reconsider the decision by TAC and approve PRR 716.

Sincerely,

A handwritten signature in black ink that reads "Kenan Ögelman".

Kenan Ögelman  
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Market Policy and Planning Administrator  
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