



Ms. Jan Newton
Chairman of the Board of Directors, ERCOT
c/o ERCOT
7620 Metro Center Drive
Austin, TX 78644

March 12, 2010

Dear Ms. Newton,

Enclosed herein PSEG Texas, LP raises concerns about the ERCOT endorsed Tier 2 Project as set forth in the March 26, 2010, recommendation entitled: "ERCOT Independent Review Comanche Peak Congestion Mitigation Proposal" ("ERCOT Recommendation"). The "ERCOT Regional Planning Group Charter and Procedures" do not contain a specific avenue to raise concerns for Tier 2 Projects, but we believe it appropriate to bring this to your attention because of outstanding questions we have about the fundamental modeling assumptions, questions about ERCOT endorsement of a project that may only be "used and useful" for two years, and because this project has the potential to be precedential in terms of interim transmission configurations for purposes of economics.

The construct of a two year "interim" transmission solution for purposes of economics is unprecedented. In light of this, PSEG Texas submitted questions and concerns about this analysis to ERCOT on March 29, 2010 and received a response on April 5, 2010. This correspondence is included as an enclosure herein. Because there is no other avenue for us to raise these issues within the ERCOT processes, we bring this issue to your attention today. We respectfully request that the Board request ERCOT to temporarily suspend its endorsement of this project for an interim period of time to ensure that the important questions raised by this proposal are further discussed. During this interim period, we would commit to work with ERCOT and other stakeholders to more fully understand both the transmission modeling processes used for this analysis and policy issues raised by this potential project.

A partial list of our concerns and issues for discussion is included as an attachment to this letter.

Sincerely,

A handwritten signature in cursive script that reads "Marguerite A. Wagner".

Marguerite A. Wagner, Director
Regulatory & Market Policy
PSEG Texas, LP

Enc: 4