

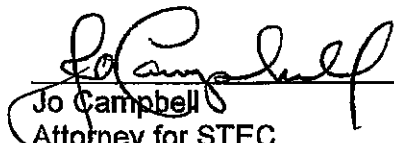
October 12, 2011

Bill Magness  
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**NOTICE OF APPEAL OF TAC'S ACTION CONCERNING SECTION 3.6 OF ERCOT  
BUSINESS PRACTICE: SETTING THE SHADOW PRICE CAPS AND POWER  
BALANCE PENALTIES IN SECURITY CONSTRAINED ECONOMIC DISPATCH**

Comes Now South Texas Electric Cooperative, Inc. (STEC) and files its Notice of Appeal of the Technical Advisory Committee's (TAC's) action on October 11, 2011 concerning Section 3.6 of ERCOT Business Practice: Setting the Shadow Price Caps and Power Balance Penalties in Security Constrained Economic Dispatch. Because the ERCOT Board Policies and Practices state that the appeal must be submitted to the ERCOT General Counsel within ten (10) days after the date of the TAC action and that appeals shall be heard at the next regular Board meeting that is at least ten (10) business days after the date of the appeal, STEC understands that the appeal will be considered at the December 2011 ERCOT Board meeting. STEC will file the specific language contained within section 3.6 that it is appealing, the justification for its appeal and the relief it seeks no later than October 21, 2011.

Respectfully submitted,

  
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