

August 29, 2007

Ellen K. Schall
Assistant General Counsel
Markets, Tariffs and Rates
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington D.C. 20426

Re: Docket No. EL04-24-000

Dear Ms. Schall:

By letter dated June 22, 2006, you inquired about the status of this matter and the plans of the California Independent System Operator Corporation ("CAISO") to file a motion to withdraw its Petition for Review of Arbitrator's Award. In this update in response to that letter, I'm pleased to advise you that the CAISO expects to file such motion in the very near future.

The CAISO and San Diego Gas & Electric Company are in the process of concluding other matters related to the issues in this proceeding. On July 2, 2007, the CAISO submitted a compliance report in Docket No. ER04-115-007 to detail refunds and payments that the parties have made in accordance with the termination provisions of the SWPL Settlement Agreement. On July 23, 2007, the CAISO filed in Docket No. ER07-1188-000 a Notice of Termination of the SWPL Operations Agreement, Original Rate Schedule FERC No. 60.

The CAISO intends to withdraw its Petition in this proceeding following the conclusion of those related matters. I will update you again when there is a change in status.

Please don't hesitate to contact me if you have any questions.

Sincerely,

/s/ Beth Ann Burns

Beth Ann Burns
Senior Counsel

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in the above-captioned dockets.

Dated at Folsom, California, on this 29th day of August, 2007.

/s/ Charity N. Wilson

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