FEDERAL ENERGY REGULATORY COMMISSION WASHINGTON, D.C. 20426

California Independent System Operator Corporation Docket Nos. ER04-115-004, EL04-47-004, Pacific Gas & Electric Company Docket Nos. ER04-242-003 and EL04-50-002 December 1, 2005

Alston & Bird, LLP 601 Pennsylvania Avenue N.W. North Building, 10th Floor Washington, D.C. 20004-2601

Attention: Ronald E. Minsk Counsel for the California Independent System Operator Corporation

Reference: Refund Report

Dear Mr. Minsk:

On September 30, 2005, the California Independent System Operator Corporation (California ISO) filed a compliance refund report describing the manner in which the CAISO calculated the refunds and surcharges in compliance with the Commission's Order issued on February 2, 2005 in Docket Nos. ER04-115-000 *et al.*¹ The refund report is accepted as being in satisfactory compliance with the Commission's February 2 Order.

The filing was noticed on October 12, 2005 with protests, comments, or interventions due on or before October 21, 2005. On October 21, 2005, the City of Santa

¹ California Independent System Operator Corp. 110 FERC ¶ 61,090 (2005) (February 2 Order). The California ISO states that on September 22, 2005, the Commission issued an order approving a second settlement in this proceeding and notes that adjustments to bills associated with this second settlement will be addressed in a future compliance report. See California Independent System Operator Corp. 112 FERC ¶ 61,329 (2005).

Docket Nos. ER04-115-004 et al.

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Clara California and Silicon Valley Power (collectively, SVP) filed comments seeking a delay in Commission action on the compliance refund report. On November 3, 2005, SVP filed a notice of withdrawal of its comments. Notices of intervention and unopposed timely filed motions to intervene are granted pursuant to the operation of Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.214). Any opposed or untimely filed motion to intervene is governed by the provisions of Rule 214.

This acceptance for filing shall not be construed as constituting approval of the referenced filing or of any rate, charge, classification or any rule, regulation or practice affecting such rate or service contained in your tariff; nor shall such acceptance be deemed as recognition of any claimed contractual right or obligation associated therewith; and such acceptance is without prejudice to any findings or orders which have been or any which may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against the California ISO.

This action is taken pursuant to the authority delegated to the Director, Division of Tariffs and Market Development - West under 18 C.F.R. § 375.307. This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Sincerely,

John T. Carlson, Acting Director Division of Tariffs and Market Development – West

cc: All Parties