## 106 FERC ¶ 61,052 FEDERAL ENERGY REGULATORY COMMISSION WASHINGTON, DC 20426

January 28, 2004

In Reply Refer To: Docket Nos. ER03-94-000 and ER03-299-000

Attn: Shiran Kochavi, Esq.
Attorney for Pacific Gas and Electric Company
Law Department, Mail Code B30A
PO Box 7442
San Francisco, CA 94120

Dear Mr. Kochavi:

- 1. On October 10, 2003, you filed a Settlement Agreement between Pacific Gas and Electric Company (PG&E) and the California Independent System Operator Corporation (the CAISO). On October 30, 2003, Trial Staff filed comments not opposing the Settlement. No other comments were filed. On November 20, 2003, you filed a supplement to the aforementioned Settlement Agreement. On December 10, 2003, the Chief Judge certified the Offer of Settlement to the Commission as uncontested.
- 2. The subject settlement appears to be fair and reasonable and in the public interest and is hereby approved. Any determinations made in this filing are subject to the outcome of Docket No. EL02-20-000. The Commission's approval of this Settlement does not constitute approval of, or precedent regarding any principle or issue in this proceeding. The Commission retains the right to investigate the rates, terms, and conditions under the just and reasonable and not unduly discriminatory or preferential standard of Section 206 of the Federal Power Act, 16 U.S.C. § 824e (2000).
- 3. The rate schedule sheets submitted with the Settlement are accepted for filing and are made effective as of the date of this letter, as they are properly designated and are in compliance with <u>Designation of Electric Rate Schedule Sheets</u>, Order No. 614, FERC Stats. & Regs. ¶ 31,096 (2000).
- 4. Any amounts collected in excess of the settlement rates shall be refunded together with interest computed under Section 35.19a of the Commission's Regulations, 18 C.F.R. §35.19a, in accordance with the terms of the settlement. Within fifteen (15) days after making such refunds, PG&E shall file with the Commission a compliance report

documenting such refunds. PG&E shall furnish copies of the report to all parties in this proceeding.

5. This letter order terminates Docket Nos. ER03-94-000 and ER03-299-000. A new sub-docket number will be assigned in Docket Nos. ER03-94 and in ER03-299 upon receipt of the required compliance refund report.

By direction of the Commission.

Magalie R. Salas, Secretary.

cc: All Parties

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