

FEDERAL ENERGY REGULATORY COMMISSION 90 ferc ¶ 61,176  
WASHINGTON, D.C. 20426

February 24, 2000

In Reply Refer To:  
Docket Nos. ER98-992-000,  
ER98-996-000, ER98-1002-000,  
ER98-1310-000, ER98-1910-000,  
ER98-1912-000, ER98-1930-000,  
ER98-1931-000, ER98-1933-000,  
ER98-1935-000, and  
ER98-2115-000

Swidler Berlin Shereff Friedman, LLP  
ATTN: Kenneth G. Jaffe, Esquire  
Attorney for the California Independent  
System Operator Corporation  
3000 K Street, N.W.  
Washington, DC 20007

Dear Mr. Jaffe:

On December 29, 1998, as amended on December 23, 1999, you filed, on behalf the California Independent System Operator Corporation (Cal ISO) an Offer of Settlement in the above referenced dockets addressing, in pertinent part, generic terms and conditions for Participating Generator Agreements (PGAs). Comments were filed by the Public Utilities Commission of the State of California and Commission trial staff supporting the initial Offer of Settlement. Reliant Energy Power Generation, Inc. (formerly known as Houston Industries Power Generation, Inc. (Reliant)) filed comments opposing the initial Offer of Settlement; however, Reliant now supports the amended Offer of Settlement.

Turlock Irrigation District (Turlock) filed comments on the initial Offer of Settlement requesting, among other things, that the Commission establish a separate proceeding for the design of a Metered Subsystem PGA (MSS PGA). The Cal ISO submitted reply comments noting that discussions on the Metered Subsystem concept are ongoing in stakeholder working groups. In addition, Cal ISO contends that the issue of Metered Subsystems was not identified in the joint statement of issues submitted in this case. On March 8, 1999, the presiding Administrative Law Judge certified the settlement to the Commission as contested.

The subject settlement is in the public interest and is hereby approved. The Commission has established a proceeding in Docket No. EL99-93-000 to address Turlock's concerns. Therefore, Turlock's requested relief in the instant proceeding has been granted. The Commission's approval of the 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.

Within one hundred twenty (120) days from the date of this letter, Cal ISO will make a compliance filing with the Commission to replace all of the original PGAs with the settlement PGAs. Designations will be assigned upon Commission acceptance of the required compliance filing.

This letter terminates Docket Nos. ER98-992-000, ER98-996-000, ER98-1002-000, ER98-1310-000, ER98-1910-000, ER98-1912-000, ER98-1930-000, ER98-1931-000, ER98-1933-000, ER99-1935-000, and ER98-2115-000. New subdockets will be assigned upon receipt of the required compliance filing.

By direction of the Commission.

Linwood A. Watson, Jr.,  
Acting Secretary.

cc: All Parties

State of California Public Utilities Commission  
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