

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Mirant Delta, LLC) Docket No. ER05-343-000
Mirant Potrero, LLC)

**JOINT STATUS REPORT ON SETTLEMENT NEGOTIATIONS
AND REQUEST FOR CONTINUED DEFERMENT OF
THE APPOINTMENT OF A SETTLEMENT JUDGE**

**TO: The Honorable Curtis L. Wagner, Jr.
Chief Administrative Law Judge**

Pursuant to the Order of Chief Judge Deferring Appointment of Settlement Judge, issued on February 22, 2005 in the above-captioned proceeding, the California Independent System Operator Corporation (“ISO”), Mirant Delta, LLC and Mirant Potrero, LLC (“Mirant”), Pacific Gas and Electric Company (“PG&E”), the California Electricity Oversight Board (“EOB”), and the California Public Utilities Commission (“CPUC”) (collectively the “Parties”) 1/ submit this Status Report and request that the Chief Judge defer appointment of a settlement judge for another thirty (30) days. In support thereof, the Parties state as follows:

I. BACKGROUND

On December 16, 2004, Mirant filed a Limited § 205 Filing which filing contained revisions to certain Reliability Must-Run Rate Schedules of its Reliability Must Run Agreements (“RMR Agreements”) with the ISO for Contract Year 2005 for the Contra Costa Plant, Pittsburg Power Plant and the Potrero Power Plant. On

1/ The Parties have authorized the ISO to file on their behalf this Joint Status Report and Request for Continued Deferment of the Appointment of a Settlement Judge.

January 7, 2005, Mirant amended its Limited § 205 Filing to reflect a partial settlement of the issues related to its proposed revisions. On January 6, 2005, the ISO, CPUC, PG&E and EOB filed a Joint Protest addressing two remaining issues: (1) the applicable surcharge payment factor for capital items and (2) the failure to strike all references to the Pittsburg Power Plant (“PPP”) Units 1 through 4 and 7 in Schedule A of the 2005 RMR Agreements. On January 21, 2005, Mirant filed an Answer to the Joint Protest responding to the issues raised in the Joint Protest and agreeing to file substitute revised sheets removing the references to PPP Units 1 through 4 only.

On February 11, 2005, the Commission accepted for filing, and suspended filing of the proposed revisions to Mirant’s 2005 RMR Agreements. In addition, the Commission initiated settlement procedures pursuant to Rule 603 of the Commission’s Rules of Practice and Procedure. On February 22, 2005, the Chief Judge granted the Parties’ request to defer appointment of a settlement judge for 30 days to allow the Parties time to resolve the two outstanding issues. The Chief Judge’s Order requires the Parties to file a status report if no settlement had been reached by March 22, 2005.

II. STATUS

During the past thirty days, the Parties have been actively engaged in settlement negotiations regarding the two outstanding issues. Based on the progress obtained in settlement discussions thus far, the Parties believe they would benefit from additional time to continue independent settlement discussions.

III. CONCLUSION

WHEREFORE, for the foregoing reasons, the Parties respectfully request that the Chief Judge defer appointment of a settlement judge in this proceeding for an additional thirty (30) days to allow the Parties to actively continue negotiations.

Dated: March 22, 2005

Respectfully submitted

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CERTIFICATE OF SERVICE

I hereby certify that I have this 22nd day of March, 2005 caused to be served a copy of the forgoing Joint Status Report on Settlement Negotiations and Request for Continued Deferment of the Appointment of a Settlement Judge upon all parties listed on the official service list compiled by the Secretary of the Federal Energy Regulatory Commission in this proceeding.

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