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September 20, 2005

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Honorable Magalie R. Salas  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

Re: Delta Energy Center  
ER03-510-\_\_\_\_\_

FILED  
OFFICE OF THE  
SECRETARY  
FEDERAL ENERGY  
REGULATORY COMMISSION  
2005 SEP 20 P 1:55

Dear Secretary Salas:

By letter order dated September 10, 2003, the Secretary of the Commission, acting at the direction of the Commission, approved the uncontested Offer of Settlement in *Delta Energy Center*, Docket Nos. ER03-510-000 and ER03-510-001 and terminated those subdockets. This notice is submitted on behalf of the Sponsoring Parties of that settlement.<sup>1</sup>

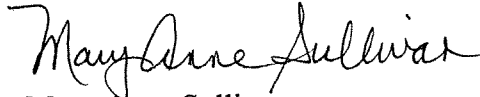
The nature of the settlement in question was an agreement to defer without prejudice further proceedings in this docket pending a final resolution of issues presented in another docket. Specifically, under the terms of the settlement, proceedings before the Commission in this Docket were to be reinstated under a new subdocket if a Sponsoring Party provided notice to the Commission within 90 days after the earlier of: (i) the date that the Commission issued an order on rehearing, or 30 days after an opinion if no rehearing was sought, of a Commission decision addressing the initial decision in *Pacific Gas and Elec. Co.*, Docket ER98-495-000 *et al.*; or (ii) October 1, 2005 (the so-called "Reinstitution Date"). If no such notice were given, the interim rates provided for by the settlement would become final. See Section II.D.1. The settlement further provided, however, that the Sponsoring Parties could by agreement extend the time for giving notice of the reinstatement of proceedings. See Offer of Settlement, Section II.D.5.

Since shortly following the issuance of the final Commission Order on rehearing in Docket No. ER98-495-000, the Sponsoring Parties have been meeting in good faith in an effort to reach a further and final settlement in this proceeding. Those discussions have not yet produced a settlement, but the parties believe that additional discussions will be productive. They further believe that such discussions can proceed productively, at least for an additional period,

<sup>1</sup> The Sponsoring Parties are: Delta Energy Center, LLC (Delta), the California Independent System Operator (CAISO), and Pacific Gas and Electric Company (PG&E).

without reinstatement of proceedings before the Commission and the appointment of a Settlement Judge. Accordingly, the Sponsoring Parties advise the Commission that this letter constitutes their written agreement, as provided under Section II.D.5 of the Commission-approved settlement, to extend the period for reinstatement of proceedings for 60 additional days, to November 21, 2005. In the event a final settlement is not reached within that 60-day period, the Sponsoring Parties will notify the Commission and either advise that they have agreed that the period for reinstatement of proceedings before the Commission has been extended for a further specific period or request a reinstatement of proceedings.

Respectfully submitted,



Mary Anne Sullivan  
Counsel for California Independent  
System Operator Inc.

*On behalf of the Sponsoring Parties*

cc: Service List