

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

California Independent System Operator Corporation)	Docket No. ER04-835-000
)	
)	
Pacific Gas and Electric Company)	Docket No. EL04-103-000
v.)	(consolidated)
California Independent System Operator Corporation)	
)	

STIPULATION NO. 3

**To: The Honorable H. Peter Young
Presiding Administrative Law Judge**

The below-signed parties agree that as of July 17, 2004, it was no longer just and reasonable to allocate the entirety of Minimum Load Cost Compensation (“MLCC”) to control area gross load and demand served by exports from the California ISO Control Area to other control areas within California. For the stipulating parties, this Stipulation resolves Issue No. I in Docket No. EL04-103 of the Joint Stipulation of Issues.

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CERTIFICATE OF SERVICE

I hereby certify I have this day served the foregoing document on each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Folsom, California, on this 29th day of July, 2005.

/s/ Stephen A. S. Morrison
Stephen A. S. Morrison