

101 FERC ¶ 61, 371

**FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON DC, 20426**

(December 26, 2002)

**In Reply Refer To:
Docket Nos. ER02-250-**

000

**ER02-527-000
ER02-479-000**

**Swidler Berlin Shereff Friedman, LLP
Attn: Theodore Paradise, Esq.
Attorney for California Independent System
Operator Corporation
The Washington Harbour
3000 K Street, NW, Suite 300
Washington, DC 20007-5116**

Dear Mr. Paradise:

1. On October 17, 2002, as amended on October 24, 2002, you filed, on behalf of the California Independent System Operator Corporation (CAISO), a proposed offer of settlement in the above-referenced proceeding. On October 28, 2002, Commission Trial Staff and the California Public Utilities Commission filed comments in support of the settlement. On November 12, 2002, the Settlement Judge certified the settlement to the Commission as an uncontested settlement.

2. The subject settlement is in the public interest and is hereby approved. 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. Within thirty (30) days from the date of this letter order, 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 (2002). Within fifteen (15) days after making such refunds, CAISO shall file with the Commission a compliance refund report showing monthly billing determinants, revenue receipt dates, revenues under the present and settlement rates, the monthly revenue refund, and the monthly interest computed, together with

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a summary of such information for the total refund period. CAISO shall furnish copies of the report to the affected customers and to each state commission within whose jurisdiction the affected wholesale customers distribute and sell electric energy at retail.

4. As specified in Section 3.2 of the Settlement, Pacific Gas & Electric Company (PG&E) agrees to pass through any refunds and credits from the CAISO pursuant to Section 3.1 that are associated with amounts previously collected from PG&E's Control Area Agreement (CAA) customers. Within ten (10) days of the receipt of refunds plus interest from the CAISO, as described above, PG&E will further refund or credit amounts associated with its CAA customers. Within fifteen (15) days after making such refunds or credits, PG&E shall file with the Commission a compliance refund report showing such refunds or credits.

5. This letter order terminates Docket Nos. ER02-250-000, ER02-527-000, and ER02-479-000. A new subdocket will be assigned in Docket Nos. ER02-250, ER02-527, and ER02-479 upon receipt of the required compliance refund report.

By direction of the Commission.

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**Linwood A. Watson, Jr.,
Deputy Secretary.**

cc: All Parties

**San Francisco Office (Headquarters)
505 Van Ness Avenue
San Francisco, CA 94102**