

132 FERC ¶ 61,105
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

August 4, 2010

In Reply Refer To:
California Independent System
Operator Corporation
Docket No. ER10-188-000

Michael E. Ward
Counsel for California Independent System Operator Corporation
Alston & Bird LLP
The Atlantic Building
950 F Street, NW
Washington, DC 20004-1404

Dear Mr. Ward:

1. On March 31, 2010, you filed an Offer of Settlement and Stipulation (Settlement) on behalf of the California Independent System Operator Corporation (CAISO) and the Settling Parties¹ in the above referenced proceeding. On April 12, 2010, CAISO, Commission Trial Staff (Staff), and the Alliance for Retail Energy Markets filed initial comments in support of the Settlement. The California Department of Water Resources State Water Project (SWP) also filed initial comments.² On April 22, CAISO and Staff filed reply comments in support of the Settlement. On May 5, 2010, the Settlement Judge certified the Settlement to the Commission as uncontested.³

¹ The following Settling Parties support the Settlement: Calpine Corporation, Citigroup Energy, Inc., Dynegy Morro Bay, LLC, Dynegy Moss Landing, LLC, Dynegy Oakland, LLC, and Dynegy South Bay, LLC, Morgan Stanley Capital Group, Inc., Pacific Gas and Electric Company, Powerex Corp., San Diego Gas & Electric Company, and Southern California Edison Company.

² SWP did not oppose the Settlement, but rather submitted initial comments to clarify its position and the record.

³ *California Independent System Operator Corp.*, 131 FERC ¶ 63,013 (2010).

2. The Settlement resolves all issues set for hearing in the above-referenced docket concerning the calculation of CAISO's Market Usage-Forward Energy Charge. The Settlement appears to be fair and reasonable and in the public interest, and is hereby approved.

3. If the CAISO has made its baseline electronic tariff filing pursuant to Order No. 714, and did not file the Settlement in the eTariff format required by Order No. 714, it is required to make a compliance filing in eTariff format to ensure that its electronic tariff provisions reflect the Commission actions in this order.⁴ Such a compliance filing also is necessary for any Settlement filing containing pro forma tariff sheets, but is not necessary if the Settlement was filed in eTariff format with actual tariff records (as opposed to *pro forma* records).

4. The Commission's approval of the Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding. Article 4.7 of the Settlement provides that the applicable standard of review for the Settlement is the just and reasonable standard. The Commission retains the right to investigate the rates, terms, and conditions under the just and reasonable standard of section 206 of the Federal Power Act, 16 U.S.C. § 824e (2006).

5. This letter order terminates Docket No. ER10-188-000.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

cc: All Parties

⁴ See *Electronic Tariff Filings*, Order No. 714, FERC Stats. & Regs. ¶ 31,276, at P 96 (2008).