

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

OFFICE OF ENERGY MARKET REGULATION

California Independent System Operator Corporation
Docket No. ER08-135-000
Pacific Gas and Electric Company
Docket No. ER08-136-000
December 19, 2007

Ronald E. Minsk
Alston & Bird, LLP
The Atlantic Building
950 F Street, N.W.
Washington, D.C. 20004-1404

Reference: 2008 Grid Management Charge Rate Design
Pacific Gas and Electric Company Pass-Through Tariff

Dear Mr. Minsk:

On October 31, 2007, the California Independent System Operator (CAISO) and Pacific Gas and Electric Company (PG&E) submitted for filing revisions to the CAISO's Grid Management Charge (GMC) rate formula (2008 GMC Rate Design) and PG&E's Pass-Through Tariff (PTT) for the purpose of continuing the current GMC rate design until the earlier of January 1, 2009, or the implementation of the CAISO's Market Redesign and Technology Upgrade (MRTU). In addition the 2008 GMC Rate Design submittal includes a proposal by the CAISO to address application of the GMC to Transmission Ownership Rights (TORs) in its filing on GMC rate design under MRTU.¹ The 2008 GMC Rate Design and PTT submittals are accepted for filing, as designated, effective January 1, 2008.

¹ The Commission required the CAISO to address the application of the GMC to TORs in its section 205 filing addressing the GMC to become effective in January 2008. *California Independent System Operator Corp.*, 119 FERC ¶ 61,313 at P 325 n.210 (2007), *reh'g pending*. The CAISO states that it is currently working on this issue with stakeholders in order to achieve as wide-ranging a consensus as possible with respect to GMC rate design under MRTU.

This filing was noticed on November 8, 2007, with comments, protests or motions to intervene due on or before November 21, 2007. No adverse comments, protests or motions to intervene were filed. Notices of intervention and unopposed timely filed motions to intervene are granted pursuant to the operation of Rule 211 and Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R § 385.211 and § 385.214). Any opposed or untimely filed motion to intervene is governed by the provisions of Rule 214.

This acceptance for filing shall not be construed as constituting approval of the referenced filing or of any rate, charge, classification, or any rule, regulation, or practice affecting such rates or services provided for in the filed documents; nor shall such acceptance be deemed as recognition of any claimed contractual right or obligation associated therewith; and such acceptance is without prejudice to any findings or orders which have been or any which may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against your company.

Authority to act on this matter is delegated to the Director, Division of Tariffs and Market Development - West, under 18 C.F.R. § 375.307. This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

If you have any questions regarding this letter order, please contact Robert Petrocelli at (202) 502-8447.

Sincerely,

Steve P. Rodgers, Director
Division of Tariffs and
Market Development-West

cc: All Parties