

December 29, 2006

Ellen K. Schall
Assistant General Counsel
Markets, Tariffs and Rates
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington D.C. 20426

Re: Docket No. EL04-24-000

Dear Ms. Schall:

By letter dated June 22, 2006, you inquired about the status of the above-referenced matter and the plans of the California Independent System Operator Corporation ("CAISO") to file a motion to withdraw its Petition for Review of Arbitrator's Award. In our December 1, 2006 response to that letter, the CAISO indicated that no later than January 1, 2007, we would either file such motion to withdraw or provide further update about the status of this matter.

The CAISO proposes to defer filing a motion to withdraw the Petition in this matter while we continue to work with and discuss withdrawal of this matter with San Diego Gas & Electric Company. No later than February 1, 2007, the CAISO will either file a motion to withdraw or provide further update about the status of this matter.

Sincerely,

/s/ Beth Ann Burns

Beth Ann Burns
Counsel

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in the above-captioned dockets.

Dated at Folsom, California, on this 29th day of December, 2006.

/s/ Beth Ann Burns

Beth Ann Burns