Docket No. ER01-831-000, et al.-1-

FEDERAL ENERGY REGULATORY COMMISSION WASHINGTON, D.C. 20426

February 27, 2002

In Reply Refer To:

Docket Nos. ER01-831-000

ER01-832-000

ER01-839-000

ER01-839-001 and

ER01-839-003

Southern California Edison Company Attn: Anna J. Valdberg, Esq. 2244 Walnut Grove Avenue Rosemead, California 91770

Dear Ms. Valdberg:

On December 21, 2001, you filed an offer of settlement on behalf of Southern California Edison Company (Edison), San Diego Gas & Electric Company (SDG&E) and Pacific Gas & Electric Company (PG&E) in the above proceedings.

Comments supporting the offer were filed by the Commission's Trial Staff on January 10, 2002. No reply comments were filed. The presiding administrative law judge certified the offer to the Commission as uncontested on January 29, 2002. The subject settlement is in the public interest and is hereby

approved. The tariff sheets submitted with the settlement are

1

On April 16, 2001, PG&E filed for Chapter 11 bankruptcy protection. The Bankruptcy Code provision automatically staying certain actions against the debtor allows an exception for action by a governmental unit to enforce its police and regulatory power. 11 U.S.C. 362(b)(4) (1994 & Supp. 2000). In this case, we are exercising our regulatory power under the FPA and not threatening the bankruptcy court's control over the property of the bankruptcy estate. Therefore, this order falls within 362(b)(4) of the Code. See Virginia Electric and Power Company, 84 FERC 61,254 (1998); and Century Power Corp., 56 FERC 61,087 (1991). The Commission conclusion on this matter is consistent with judicial precedent regarding the scope of the exemption to the automatic stay. E.g., Board of Governors of the (continued...)

Docket No. ER01-831-000, et al.-2-

accepted for filing and are designated and made effective as shown on the Enclosure. 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 (1994).

Pursuant to the provisions of the settlement, PG&E shall file with the Commission a refund report within ninety (90) days of the date on which the California Independent System Operator Corporation implements wholesale transmission rates reflecting the Transmission Revenue Requirements contained in Section 2.1 of the offer.

This letter terminates Docket Nos. ER01-831-000, ER01-832-000, ER01-839-000, ER01-839-001, and ER01-839-003.

By direction of the Commission.

Linwood A. Watson, Jr.,

Deputy Secretary.

(...continued)
Federal Reserve System v. MCorp Fin., Inc., 502 U.S. 32 (1991);
SEC v. Brennan, 250 F.3d 65 (2nd Cir. 2000); NLRB v. Continental Hagen Corp., 932 F.2d 828 (9th Cir. 1991); United States v. Commonwealth Cos. Inc. 913 F.2d 518 (8th Cir. 1990); NLRB v. Edward Cooper Painting, Inc. 804 F.2d 934 (6th Cir. 1986); Penn Terra Ltd. v. Dept. of Environmental Resources, 733 F.2d 267 (3rd Cir. 1984); see generally 3 Collier on Bankruptcy 362.05 (15th ed. rev. 2000).

Docket No. ER01-831-000, et al.-3-

Enclosure

cc: All Parties

Public Utilities Commission of California 505 Van Ness Avenue

San Francisco, CA 94102

Enclosure Page 1 of 2

Settlement Rate Schedule Designations

Southern California Edison Company Docket No. ER01-832-000

Description/

Designation

Effective Date

(1) Substitute First Revised Sheet Nos. 1, TAC

Implementa

tion

5 and 26 to FERC Electric Tariff,

Settlement/

No. 6

First Revised Volume No. 6 January 1, 2001 (Supersedes Original Sheet Nos.

1, 5 and 26)

(2) Original Sheet No. 26a to FERC

Electric Tariff, First Revised Volume

Settlement

Implementation

TAC

January 1, 2001

(3) First Revised Sheet Nos. 1, 5, and

TAC

Implementation 26 to FERC Electric Tariff, Substitute Settlement First Revised Volume No. 6 August 1, 2001 (Supersedes Original Sheet Nos. 1, 5 and 26) (4) Original Sheet No. 26a to FERC TAC Implementa tion Electric Tariff, Substitute First Revised Settl ement Volume No. 6 August 1, 2001 Pacific Gas & Electric Company Docket No. ER01-839-000 (5) First Revised Sheet Nos. 5 TAC Implementation and 25 to FERC Electric Tariff, Settlement/ Sixth Revised Volume No. 5 January 1, 2001 (Supersedes Original Sheet Nos. 5 and 25) Page 2 of 2 Description/ Designation Effective Date (6) Original Sheet No. 25a to FERC TAC Implementation Electric Tariff, Sixth Revised Volume Settlement/ No. 5 January 1, 2001 (7) First Substitute First Revised TAC Implementation Sheet Nos. 56 and 58 to FERC Settlement/ Electric Tariff, Sixth Revised January 1, 2001 Volume No. 5 (Supersedes First Revised Sheet No. 56 and Original Sheet No. 58) (8) Fourth Revised Sheet No. 56 to TAC Implementation FERC Electric Tariff, Sixth Revised Settlement/ Volume No. 5 May 6, 2001 (Supersedes Third Revised Sheet No. 56) (9) Third Revised Sheet No. 58 to TAC Implementation

FERC Electric Tariff, Sixth Revised Settlement/

Volume No. 5

May 6, 2001

(Supersedes Second Revised Sheet No. 58)

San Diego Gas & Electric Company Docket No. ER01-831-000

(10) First Revised Sheet Nos. 5,

15 and 26 to FERC Electric Tariff, First Revised Volume No. 6

(Supersedes Original Sheet Nos. 5, 15 and 26)

TAC Implementation Settlement/ January 1, 2001