

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Morgan Stanley Capital Group Inc.

v.

Docket No. EL01-89-002

California Independent System  
Operator Corporation

ORDER OF CHIEF JUDGE  
TERMINATING SETTLEMENT PROCEDURES

(Issued December 23, 2002)

1. The Chief Judge, by Order issued on February 7, 2002, suspended the procedural schedule in this proceeding and reinstated settlement procedures. Since that time, the parties have engaged in settlement discussions.
2. On December 11, 2002, counsel for Morgan Stanley Capital Group Inc. (MSCG) advised the Chief Judge that as a result of recent regulatory actions, the parties to this proceeding have determined that further settlement negotiations in this case would not be fruitful and requested the Chief Judge to terminate the settlement procedures. MSCG also advised that it will be requesting the Commission to permit it to withdraw its complaint without prejudice within the next two weeks.
3. Under these circumstances, the Chief Judge hereby terminates the settlement procedures instituted by order of the Chief Judge issued on February 7, 2002. The Track II procedural schedule will continue to be held in abeyance pending the filing of the motion to withdraw the complaint.
4. The Chief Judge strongly encourages electronic filings. See, 18 C.F.R. § 385.2001(a)(1)(iii) and the instructions on the Commission's web site under the "eFiling" link.

Curtis L. Wagner, Jr.  
Chief Administrative Law Judge