

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

El Segundo Power, LLC) Docket No. ER05-363-000

JOINT STATUS REPORT ON SETTLEMENT NEGOTIATIONS

**TO: The Honorable Curtis L. Wagner, Jr.
Chief Administrative Law Judge**

Pursuant to the *Order of Chief Judge Continuing Deferral of Appointment of Settlement Judge*, issued on July 15, 2005 in the above-captioned proceeding, the California Independent System Operator Corporation (“CAISO”), El Segundo Power, LLC (“El Segundo”), Southern California Edison Company (“SCE”), the California Electricity Oversight Board (“EOB”), and the California Public Utilities Commission (“CPUC”) (collectively, the “Parties”) 1/ submit this Status Report.

I. BACKGROUND

On December 21, 2004, El Segundo filed a proposed Reliability Must-Run Agreement (“RMR Agreement”) with the CAISO for Contract Year 2005 for the El Segundo Units 3 and 4. On January 11, 2005, the CAISO, CPUC, SCE and EOB filed a Joint Protest raising several issues. On January 21, 2005, El Segundo filed an Answer to the Joint Protest.

1/ The Parties have authorized the CAISO to file on their behalf this Joint Status Report.

On February 11, 2005, the Commission accepted for filing and suspended El Segundo's RMR Agreement. In addition, the Commission initiated settlement procedures pursuant to Rule 603 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.603 (2005). On February 22, March 25, April 22, June 3, and again on July 15 the Chief Judge granted the Parties' requests to defer appointment of a settlement judge to allow the Parties time to resolve the outstanding issues. The Chief Judge's July 15 Order requires the Parties to file a status report if no settlement has been filed by August 15, 2005.

II. STATUS REPORT

As the Parties last reported, the Parties have, subject to management review and approval, reached settlement on the outstanding issues in this proceeding. The Parties have been actively engaged in drafting the settlement agreement over the last thirty days, and have a final draft of the settlement agreement. The Parties need an additional ten (10) days to obtain final management review and approval of the settlement agreement. Subject to such review and approval, the Parties expect to execute and file the settlement agreement within ten (10) days, by August 25, 2005. The Parties, therefore, request that the Chief Judge defer any action in this proceeding for an additional ten (10) days.

III. CONCLUSION

WHEREFORE, for the foregoing reasons, the Parties respectfully request that the Chief Judge defer action in this proceeding to allow the Parties ten (10) days to file the settlement agreement.

Dated: August 15, 2005

Respectfully submitted

Joseph M. Paul
Senior Corporate Counsel
Dynegy
5976 W. Las Positas Blvd., Suite 200
Pleasanton, CA 94588

Attorney for El Segundo Power, LLC

Kenneth L. Glick
California Electricity Oversight Board
770 L Street; Suite 1250
Sacramento, CA 95814

*Attorney for the California Electricity
Oversight Board*

/s/ Mary Anne Sullivan

Mary Anne Sullivan
Karin L. Larson
Hogan & Hartson L.L.P
555 13th Street, N.W.
Washington, D.C. 20004

*Counsel for California Independent
System Operator Corporation*

Anna J. Valdborg
Southern California Edison Co.
2244 Walnut Grove Ave.
Rosemead, CA 91770

*Attorney for Southern California
Edison Co.*

and

Nicholas Sher
Public Utilities Commission of the
State of California
505 Van Ness Avenue, Room 5131
San Francisco, CA 94102

*Attorney for the Public Utilities
Commission of the State of California*

CERTIFICATE OF SERVICE

I hereby certify that I have this 15th day of August, 2005 caused to be served a copy of the forgoing *Joint Status Report* upon all parties listed on the official service list compiled by the Secretary of the Federal Energy Regulatory Commission in this proceeding.

/s/ Sidney M. Davies
Sidney Mannheim Davies
Assistant General Counsel
California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630