

June 30, 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.

The CAISO and San Diego Gas & Electric Company ("SDG&E") continue to work together with respect to proceedings pending before the Commission that relate to this matter. In Docket Nos. ER97-2358-007, et al., the Commission issued an Order on Remand on December 20, 2005 that allows Pacific Gas and Electric Company, Southern California Edison Company, and SDG&E to recover the cost differentials between their Existing Transmission Contracts ("ETCs") and Transmission Owner ("TO") tariffs. SDG&E filed a TO Tariff Rate Revision in Docket No. ER06-818 that implements the December 20, 2005 Order on Remand and provides for recovery of the cost differentials related to SWPL. Upon conclusion of that matter, the instant matter will be withdrawn.

In order to allow time for SDG&E's filing in Docket No. ER06-818 to become final, the CAISO proposes to defer filing a motion to withdraw the Petition in this matter. No later than July 1, 2006, we will either file such joint 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 30<sup>th</sup> day of June, 2006.

**/s/ Beth Ann Burns**

Beth Ann Burns