

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 CONTINUING SUSPENSION
OF PROCEDURAL SCHEDULE

(Issued November 6, 2002)

1. The Chief Judge, by Order issued on October 18, 2002, directed the parties to show cause why a hearing schedule should not be instituted in these proceedings. On October 24, 2002, counsel for Morgan Stanley Capital Group Inc. ("MSCG"), reported on behalf of all parties a desire to continue settlement negotiations. At the same time, it was admitted that the parties had not met since the last report on the case filed on September 5, 2002. This means that the parties have not met to discuss settlement since July 31, 2002, the excuse being that they were involved in California and other Western energy cases.
2. The Chief Judge is reluctantly granting a further 30-day postponement of the procedural schedule. If the parties have not met and made substantial progress towards settlement during this period, or by December 11, 2002, the Chief Judge will re-institute a Track II procedural schedule.
3. In this connection, a report to the Chief Judge on the status of the settlement negotiations **must** be received by him no later than the close of business on December 11, 2002. It is noted that the parties have been less than diligent in filing timely status reports.
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