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FEDERAL ENERGY REGULATORY COMMISSION WASHINGTON, D.C. 20426

February 13, 2002

In reply refer to: Pacific Gas and Electric Company Docket No. ER02-545-000

Pacific Gas and Electric Company
Attn: Shiran Kochavi, Esq.
Attorney for Pacific Gas and Electric Company
P.O. Box 7442
San Francisco, California 94120

Dear Mr. Kochavi:

On December 17, 2001, Pacific Gas and Electric Company (PG&E) submitted revised rate schedule sheets for two reliability must run service agreements (RMR Agreements) with the California Independent System Operator Corporation (California ISO) for the Helms and San Joaquin Hydroelectric Power Plants. The revised rate schedule sheets are conditionally accepted, suspended for a nominal period, to be effective thereafter, subject to refund and subject to the outcome of Docket No. ER02-11-000.

PG&E and other power plant owners in California provide RMR service to the California ISO by dispatching designated units at certain power plants at the direction of the California ISO. This dispatch is provided under individual RMR Agreements that follow a generic, standard-form RMR Agreement that was agreed to as part of a settlement approved in California Independent System Operator Corporation, 87 FERC ¶ 61,250 (1999) (Settlement). The RMR Agreements set forth the rates, terms and conditions for RMR service. Under the terms of the Settlement, each RMR owner files annual updates to the RMR Agreements. The proposed rate schedule sheets at issue here reflect Year 2002 updates and include: Schedule A revisions to contract service limits and the owner's repair cost obligation, and Schedule D revisions to prepaid start-up costs.

020214-0032-1



On October 1, 2001, in Docket No. ER02-11-000, PG&E filed Year 2002 updates to its RMR Agreements reflecting revised annual fixed revenue requirement values and variable operating and maintenance expenses. That filing is currently pending.

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PG&E asks that the revisions in the instant docket be made effective January 1, 2002, in accordance with the Settlement (i.e., Article I, Part C.1 of the Settlement provides for annual updates to certain RMR Agreement schedules). For good cause shown, waiver of the prior notice requirement of section 35.11 of the Commission's regulations is granted and the revised rate schedule sheets are conditionally accepted, suspended for a nominal period and made effective January 1, 2002, subject to refund and to the outcome of Docket No. ER02-11-000.

Additionally, on October 31, 2001, in Docket No. ER02-208-000, PG&E filed revised rate schedule sheets reflecting the majority of PG&E's RMR Agreement Year 2002 updates, including updates for the Helms and San Joaquin power plants. By Commission order issued December 19, 2001, the Commission conditionally accepted, suspended and made effective subject to refund and subject to the outcome of Docket No. ER02-11-000, those Year 2002 updates. The instant order is consistent with the Commission's finding in Docket No. ER02-208-000.

Notice of the filing was published in the Federal Register, with protests or interventions due on or before January 7, 2001. No protests or interventions were filed.

PG&E is advised of the following rate schedule designations: Third Revised Sheet No. 120 and Second Revised Sheet No. 152, FERC Electric Rate Schedule No. 207; and Third Revised Sheet No. 124 and Second Revised Sheet No. 157, FERC Electric Rate Schedule No. 211.

By direction of the Commission.

hwood A. Watson, Jr.

Deputy Secretary.

cc: All Parties

² Pacific Gas and Electric Company, 97 FERC ¶ 61,291 (2001).