

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Sudeen G. Kelly, Marc Spitzer,
Philip D. Moeller, and Jon Wellinghoff.

Pacific Gas and Electric Company

Docket No. ER06-1325-000

ORDER APPROVING UNCONTESTED SETTLEMENT

(Issued June 7, 2007)

1. On February 15, 2007, Pacific Gas and Electric Company (PG&E) filed a settlement agreement to resolve all issues in this proceeding, which concerns PG&E's proposed changes to its wholesale and retail electric transmission rates under PG&E's Transmission Owner Tariff.
2. On March 7, 2007, the California Public Utilities Commission and Commission Trial Staff submitted comments in support of the settlement agreement. No other comments were filed. On March 8, 2007, the Presiding Administrative Law Judge certified the settlement agreement to the Commission as uncontested.
3. The settlement agreement is in the public interest and is hereby approved. The Commission's approval of this settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.
4. The applicable standard of review for the settlement is the just and reasonable standard. The Commission retains the right to investigate the rates, terms and conditions under the just and reasonable and not unduly discriminatory or preferential standard of section 206 of the Federal Power Act, 16 U.S.C. § 824e (2000).
5. The rate schedule sheets submitted as part of the settlement are in compliance with Order No. 614. *See Designation of Electric Rate Schedule Sheets*, Order No. 614, 65 Fed. Reg. 18,221, FERC Statutes & Regulations, Regulations Preambles July 1996-December 2000, ¶ 31,096 (2000). The rate schedules are hereby accepted for filing and made effective as specified in the settlement.
6. Any refunds and adjustments shall be made pursuant to the settlement. PG&E will file with the Commission a refund report within 30 days of the date on which PG&E has provided refunds to all customers.

7. This order terminates Docket No. ER06-1325-000.

By the Commission. Commissioner Moeller concurring in part with a separate statement attached.

(S E A L)

Kimberly D. Bose,
Secretary.

cc: All Parties

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MOELLER, Commissioner *concurring in part*:

While the settlement agreement does not state the applicable standard of review for changes, the explanatory statement clearly indicates that changes to the settlement agreement shall be subject to the “just and reasonable” standard. I would remind parties that the standard of review they intend to apply to changes to the settlement agreement must match the standard set forth in the explanatory statement. An explanatory statement does not control the terms of a settlement agreement and in the event of a conflict, I intend to rely on the terms of the settlement agreement, not the explanatory statement, in determining the applicable standard of review.

Philip D. Moeller
Commissioner