

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Cabrillo Power II LLC

Docket No. ER07-291-000

ORDER APPROVING UNCONTESTED SETTLEMENT

(Issued June 26, 2007)

1. On May 11, 2007, Cabrillo Power II LLC (Cabrillo II), the California Independent System Operator Corporation (CAISO), and San Diego Gas & Electric Company (SDG&E) (collectively Settling Parties), filed a Settlement Agreement in the above-captioned docket. The Settlement resolves all issues set for hearing in this proceeding, which involves a dispute over modifications to Cabrillo II's Reliability Must Run agreement with CAISO.
2. On May 31, 2007, Commission Trial Staff filed initial comments in support of the Settlement Agreement. No other comments were filed. On June 1, 2007, the Settlement Judge certified the Settlement Agreement to the Commission as uncontested.
3. This Settlement Agreement is fair and reasonable and in the public interest and is hereby approved. The Commission's approval of the Settlement Agreement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.
4. The Settlement Agreement provides that any challenges to the Settlement shall be reviewed under a just and reasonable standard of review. 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 this Settlement are in compliance with Order No. 614. *See Designation of Electric Rate Schedule Sheets*, Order No. 614, FERC Stats. & Regs., 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 shall be made pursuant to the Settlement. Cabrillo II will file with the Commission a refund report within thirty (30) days of the date the refund has been provided to all customers.

7. This order terminates Docket No. ER07-291-000.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.