In Reply Refer To:
Pacific Gas and Electric Company
Docket No. ER03-708-000

Pacific Gas and Electric Company
Attn: Charles R. Middlekauff, Esq.
Attorney for Pacific Gas and Electric Company
700 11th Street NW, Suite 250
Washington, DC 20001

Dear Mr. Middlekauff:

1. On December 17, 2003, as corrected on January 9, 2004, you filed, on behalf of Pacific Gas and Electric Company (PG&E) an offer of settlement in the above referenced docket. The settlement resolves all issues between PG&E and the California Independent System Operator Corporation (CAISO) pending in this proceeding. Initial comments in support of the settlement were filed by Commission Trial Staff on January 6, 2004. No reply comments were filed. On March 10, 2004, the Settlement Judge certified the uncontested Settlement to the Commission.

2. The subject settlement 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. 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).

3. This order terminates Docket No. ER03-708-000.

By direction of the Commission.

Linda Mitry,
Acting Secretary.