

140 FERC ¶ 61,012
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

October 3, 2012

In Reply Refer To:
California Independent System Operator
Corporation
Docket No. ER12-50-000

California Independent System Operator
Corporation
250 Outcropping Way
Folsom, CA 95630

Attention: Anna McKenna

Dear Ms. McKenna:

1. On July 27, 2012, you filed a Settlement Agreement (Settlement) on behalf of the California Independent System Operator Corporation (CAISO) in the above-captioned docket, resolving all issues set for hearing concerning CAISO's Flexible Ramping Constraint.¹
2. On August 16, 2012, Commission Trial Staff filed comments in support of the Settlement. On August 16, 2012, the Independent Energy Producers Association filed a motion to intervene out of time and comments. CAISO filed responsive comments to the motion. The settlement judge granted the motion. On September 6, 2012, the settlement judge certified the Settlement to the Commission as uncontested.²
3. The Settlement resolves all issues set for hearing in Docket No. ER12-50-000. The Settlement appears to be fair and reasonable and in the public interest, and is hereby approved. The Commission also approves the revised tariff sheets appended to the Settlement.

¹ *Cal. Indep. Sys. Operator Corp.*, 137 FERC ¶ 61,191 (2011).

² *Cal. Indep. Sys. Operator Corp.*, 140 FERC ¶ 63,019 (2012).

4. The Commission's approval of this Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding. Section 6.5 of the Settlement provides that the standard of review for changes to the Settlement, including any modification resulting from the Commission acting *sua sponte*, will be the 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 (2006).

5. Within 30 days of the date of this order, CAISO is directed to make a compliance filing in eTariff pursuant to Order No. 714,³ in order to implement the Settlement and revised tariff sheets consistent with the Commission's approval in this order.

6. This order terminates Docket No. ER12-50-000.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

³ See *Electronic Tariff Filings*, Order No. 714, FERC Stats. & Regs. ¶ 31,276 (2008).