

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell, Joseph T. Kelliher,
and Suedeem G. Kelly.

Pacific Gas and Electric Company

Docket Nos. ER04-109-000 and
EL04-37-000
(Consolidated)

ORDER APPROVING UNCONTESTED SETTLEMENT AGREEMENT

(Issued September 22, 2004)

1. On May 28, 2004, Pacific Gas and Electric Company (PG&E) filed a Settlement Agreement that resolves all issues pending in these proceedings concerning PG&E's proposed changes to its wholesale and retail transmission rates under its Transmission Owner Tariff.
2. The Sacramento Municipal Utility District filed comments in support on June 16, 2004. The Commission Trial Staff and the California Department of Water Resources State Water Project filed comments in support on June 17, 2004. PG&E filed reply comments on June 24, 2004. The presiding judge certified the uncontested Settlement Agreement to the Commission on July 15, 2004.
3. The Settlement Agreement constitutes a reasonable resolution of these proceedings and will be approved. The rates submitted with the settlement are accepted for filing and are designated and made effective as shown on the enclosure. The Commission's approval of the 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).

4. This order terminates Docket Nos. ER04-109-000 and EL04-37-000.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.