

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

July 2, 2007

In Reply Refer To:  
California Power Exchange Corporation  
Docket No. ER07-861-000

Bruder, Gentile & Marcoux, L.L.P.  
1701 Pennsylvania Avenue, N.W.  
Suite 900  
Washington, D.C. 20006-5807

Attention: James H. McGrew, Counsel  
California Power Exchange Corporation

Reference: Petition for Extension of Existing Settlement

Dear Mr. McGrew:

1. On May 4, 2007, the California Power Exchange Corporation (CalPX) filed a Petition to Extend Existing Settlement (Petition) pursuant to Rule 207(a)(5)<sup>1</sup> proposing a settlement to amend the existing settlement agreement approved in Docket Nos. ER05-167-000 *et al.* (Settlement) by extending its term for three years from the effective dates stated in the Settlement. The Petition does not propose any changes to CalPX's existing rates or tariff. CalPX requests the extension because the California refund proceeding in Docket No. EL00-95-000 and its related wind-up functions continue to be ongoing. CalPX notes that, as a result, the Commission has not yet issued final orders approving the calculation of "who owes what to whom" and the distribution of monies from its Settlement Clearing Account. CalPX states that extending the term of the settlement will save it, its market participants and the Commission the time, energy and expense that litigation of the cost allocation issues would entail.

2. The extension of the Settlement proposed in the Petition will be treated as an uncontested settlement pursuant to Rule 602<sup>2</sup> and appears to be fair and reasonable and in the public interest. It is therefore approved.

---

<sup>1</sup> 18 C.F.R. § 385.207(a)(5). CalPX cites *Enbridge Offshore Pipelines (UTOS) L.L.C.*, 118 FERC ¶ 61,142 (2007), in support of its Petition.

<sup>2</sup> 18 C.F.R. § 385.602(g).

3. The Petition proposes to maintain all of the terms of the existing Settlement, including the provision that the currently effective rates will continue to apply, but it modifies section 3 so that the existing Settlement effective period will be extending for an additional three years. Specifically, section 3 of the Settlement will be modified to change the existing effective period from December 31, 2007 to December 31, 2010. In addition, section 3-B of the Settlement provides: “If the PX is in existence after the end of 2007, any PX Market Participant has the right to reopen the issue of allocation of Going Forward costs for periods in 2008 and beyond in response to a PX filing to recover such Going Forward costs. In no event shall any such reopening result in any change to the allocation percentages for the Historical or Going Forward Costs agreed to herein through December 31, 2007.” In the proposed Petition, CalPX proposes to substitute “2010” for “2007” and “2011” for “2008”.

4. Notice of this filing was issued in the *Federal Register*, 72 Fed. Reg. 27,553 (2007), on May 9, 2007, with comments, protests, or motions to intervene due on or before May 25, 2007. Timely motions to intervene were filed by Williams Power Company, Inc., Portland General Electric Company, Powerex Corporation, Idaho Power Company, California Electricity Oversight Board, Northern California Power Agency, Modesto Irrigation District, City of Santa Clara, California, Pacific Gas and Electric Company, and California Independent System Operator Corporation. Southern California Edison Company filed a timely motion to intervene and comments supporting CalPX’s request that the Commission extend the term of the Settlement through December 31, 2010.

5. Pursuant to Rule 214 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.214, the timely unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

6. As noted above, CalPX is proposing an extension of a settlement, which none of the market participants oppose, and which results in rates on CalPX’s system equal to the existing Settlement rates. Pursuant to § 385.602(g) of the Commission’s Rules of Practice and Procedure,<sup>3</sup> the Commission finds that the extension of Settlement proposed by the Petition is fair and reasonable and in the public interest, and therefore is approved. The Commission’s approval of the extension of this Settlement does not constitute a precedent regarding any principle or issue in this proceeding.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

---

<sup>3</sup> 18 C.F.R. § 385.602(g)(3).