

____ FERC ¶ _____
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:

San Diego Gas & Electric Company
Docket Nos. ER13-941-000, ER13-941-001
and ER13-941-002

_____, 2014

San Diego Gas & Electric Company
101 Ash Street HQ 12
San Diego, CA 92101

Attention: Georgetta J. Baker
 James F. Walsh
 Attorneys for San Diego Gas & Electric Company

Re: Offer of Settlement

Dear Ms. Baker and Mr. Walsh:

1. On February 4, 2014, San Diego Gas & Electric Company (“SDG&E”) filed an Offer of Settlement (the “Settlement”) in the above-captioned proceeding.
2. The Settlement Agreement resolves issues set for hearing and settlement judge procedures concerning SDG&E’s Fourth Transmission Owner (“TO4”) Formula rate mechanism consistent with *Order Conditionally Accepting and Suspending Rates and Establishing Settlement Judge and Hearing Procedures* (“Order”).¹
3. In accordance with Rule 602(d) of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.602(d) (2012), the Settlement Agreement was served on all parties on the Commission’s official service list for the above-captioned proceedings, and all such parties had an opportunity to comment on the Settlement. Initial comments were filed on _____ and reply comments were filed on _____. The Settlement was unopposed.
4. The Settlement appears to be fair and reasonable and in the public interest, and is hereby approved.
5. Refunds to the California Independent System Operator Corporation resulting from the revised BTRR, with interest as required under 18 C.F.R. §35.19a, shall be effectuated pursuant to the terms of the Settlement (See _____).

¹ *San Diego Gas & Electric Company*, 143 FERC ¶61,246 (2013).

6. The Commission's approval of this Settlement Agreement does not constitute approval of, or precedent regarding, any principle or issue in these proceedings. Section II. M of the Settlement Agreement provides that the standard of review for modifications to the Settlement shall be the just and reasonable standard.

7. This letter order terminates Docket Nos. ER13-941.

Sincerely,

cc: All parties of record