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August 23, 2006

**ADVICE LETTER 1824-E/1635-G**  
(U 902-M)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: NOTIFICATION OF THE CREATION OF NEW AFFILIATES**

**PURPOSE**

San Diego Gas & Electric Company (SDG&E) hereby notifies the California Public Utilities Commission (Commission) of the creation of a new affiliate as defined in the Commission's Affiliate Transaction Rules ("Rules").

**BACKGROUND**

In accordance with Commission Decision (D.) 97-12-088, in OIR 97-04-011/OII 97-04-012, Appendix A, Rule VI.B, as modified by D.98-08-035, SDG&E is required to notify the Commission of the creation of any affiliate addressed by these Rules. Accordingly, SDG&E is hereby notifying the Commission of the formation of a new affiliate as shown on the enclosed Attachment.

No unusual or unique circumstances exist that would require affiliate transaction rule implementation measures for the new affiliates beyond those already identified by SDG&E. Therefore, SDG&E will apply the provisions of its 2005 Compliance Plan Advice Letter 1760-E/1583-G to all transactions with the new affiliates included herein. If the Commission modifies or requires the modification of Advice Letter 1760-E/1583-G, SDG&E will apply all such changes, or the provisions of such amended plans, to the newly formed affiliates included herein.

This filing will not create any deviations from SDG&E's tariffs or cause withdrawal of service from any present customers.

**EFFECTIVE DATE**

SDG&E believes this filing is subject to Energy Division disposition and since this filing is being made in compliance with D.97-12-088, SDG&E therefore respectfully requests that it become effective on August 23, 2006, which is the date filed.

**PROTEST**

Anyone may protest this advice letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and received within 20 days of the date this advice letter was filed with the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

Copies should also be sent via e-mail to the attention of both Jerry Royer (jrr@cpuc.ca.gov) and Honesto Gatchallian (jnj@cpuc.ca.gov) of the Energy Division. It is also requested that a copy of the protest be sent via electronic mail and facsimile to SDG&E on the same date it is mailed or delivered to the Commission (at the addresses shown below).

Attn: Todd Cahill  
Regulatory Tariff Manager  
8330 Century Park Court, Room 32C  
San Diego, CA 92123-1548  
Facsimile No. (858) 654-1788  
E-Mail: tcahill@SempraUtilities.com

**NOTICE**

A copy of this filing has been served on the utilities and interested parties shown on the attached list, including interested parties in R.97-04-011, et. al., by either providing them a copy electronically or by mailing them a copy hereof, properly stamped and addressed.

Address changes should be directed to Christina Sondrini by facsimile at (858) 654-1788 or by e-mail at CSondrini@SempraUtilities.com.

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J. STEVE RAHON  
Director — Tariffs & Regulatory Accounts

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SAN DIEGO GAS & ELECTRIC**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Aurora Carrillo

Phone #: (858) 654-1542

E-mail: acarrillo@semprautilities.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 1824-E/1635-G

Subject of AL: Notification of the Creation of New Affiliates

Keywords (choose from CPUC listing): Affiliate, Compliance

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other Periodic

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D.97-12-088, D.98-08-035

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL \_\_\_\_\_

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: \_\_\_\_\_

Resolution Required?  Yes  No

Requested effective date: 8/23/06

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/a

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: None

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: None

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:**

**CPUC, Energy Division**

**Attention: Tariff Unit**

**505 Van Ness Ave.,**

**San Francisco, CA 94102**

**jjr@cpuc.ca.gov and jnj@cpuc.ca.gov**

**San Diego Gas & Electric**

**Attention: Todd Cahill**

**8330 Century Park Ct, Room 32C**

**San Diego, CA 92123**

**tcahill@semprautilities.com**

<sup>1</sup> Discuss in AL if more space is needed.

General Order No. 96-A, Sec. III. G.  
ADVICE LETTER FILING MAILING LIST

cc: (w/enclosures)

Public Utilities Commission

DRA

D. Appling  
S. Cauchois  
J. Greig  
R. Pocta  
W. Scott

Energy Division

W. Franklin  
S. Gallagher  
H. Gatchalian  
D. Lafrenz  
J. Royer

CA. Energy Commission

F. DeLeon  
R. Tavares

Alcantar & Kahl LLP

K. Harteloo

American Energy Institute

C. King

APS Energy Services

J. Schenk

BP Energy Company

J. Zaiontz

Barkovich & Yap, Inc.

B. Barkovich

Bartle Wells Associates

R. Schmidt

Braun & Blaising, P.C.

S. Blaising

California Energy Markets

S. O'Donnell  
C. Sweet

California Farm Bureau Federation

K. Mills

California Wind Energy

N. Rader

Children's Hospital & Health Center

T. Jacoby

City of Chula Vista

M. Meacham  
E. Hull

City of Poway

R. Willcox

City of San Diego

J. Cervantes  
G. Lonergan  
M. Valerio

Commerce Energy Group

V. Gan

Constellation New Energy

W. Chen

CP Kelco

A. Friedl

Davis Wright Tremaine, LLP

E. O'Neill  
J. Pau

Dept. of General Services

C. Torres

Douglass & Liddell

D. Douglass  
D. Liddell  
G. Klatt

Duke Energy North America

M. Gillette

Dynegy, Inc.

J. Paul

Ellison Schneider & Harris LLP

E. Janssen

Energy Policy Initiatives Center (USD)

S. Anders

Energy Price Solutions

A. Scott

Energy Strategies, Inc.

K. Campbell

M. Scanlan

Goodin, MacBride, Squeri, Ritchie & Day

B. Cragg  
J. Heather Patrick  
J. Squeri

Goodrich Aerostructures Group

M. Harrington

Hanna and Morton LLP

N. Pedersen

Itsa-North America

L. Belew

J.B.S. Energy

J. Nahigian

Luce, Forward, Hamilton & Scripps LLP

J. Leslie

Manatt, Phelps & Phillips LLP

D. Huard

R. Keen

Matthew V. Brady & Associates

M. Brady

Modesto Irrigation District

C. Mayer

Morrison & Foerster LLP

P. Hanschen

MRW & Associates

D. Richardson

Pacific Gas & Electric Co.

J. Clark  
M. Huffman  
S. Lawrie  
E. Lucha

Pacific Utility Audit, Inc.

E. Kelly

R. W. Beck, Inc.

C. Elder

San Diego Regional Energy Office

S. Freedman  
J. Porter

School Project for Utility Rate Reduction

M. Rochman

Shute, Mihaly & Weinberger LLP

O. Armi

Solar Turbines

F. Chiang

Sutherland Asbill & Brennan LLP

K. McCrea

Southern California Edison Co.

M. Alexander

K. Cini

K. Gansecki

H. Romero

TransCanada

R. Hunter

D. White

TURN

M. Florio

M. Hawiger

UCAN

M. Shames

U.S. Dept. of the Navy

K. Davoodi

N. Furuta

J. Perez

Utility Specialists, Southwest, Inc.

D. Koser

Western Manufactured Housing

Communities Association

S. Dey

White & Case LLP

L. Cottle

Interested Parties:

R-97-04-011

**SDG&E Advice No. 1824-E/1635-G**  
**Attachment**  
**Notification of the Creation of New Affiliates**

New Affiliate Name	Address of Headquarters	Primary Officers	Contact Person	Business Activity Description	Effective Date	Covered Affiliate?
Direct Drive Systems, Inc.	12880 Moore Street Cerritos, CA 90703	Thomas Smith, President and Chief Executive Officer Patrick McMullen, Secretary Herman Artinian, Treasurer	Norma G. Jasso Affiliate Compliance Manager Affiliate Compliance Department 8330 Century Park Court San Diego, CA 92123	Working toward producing a line of high speed-high power motors and alternators that provide more efficient and cost effective compression and generation solutions to industrial suppliers and users of natural gas.	7/05/2006	Yes
ECONnergy Energy Company, Inc.	286 N Main Street Spring Valley, NY 10977	Gary Bondi, Chairman Steve Maslak, President and Chief Executive Officer Jay Corn, Chief Financial Officer	Norma G. Jasso Affiliate Compliance Manager Affiliate Compliance Department 8330 Century Park Court San Diego, CA 92123	An energy service company that markets and sells gas and electricity to mostly residential customers located primarily in New York.	7/21/2006	Yes