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December 19, 2007

ADVICE LETTER 1947-E-A
(U902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: PARTIAL SUPPLEMENTAL FILING— REQUEST FOR APPROVAL OF
RENEWABLE POWER PURCHASE AGREEMENT RESULTING FROM THE
2006 RENEWABLE PORTFOLIO STANDARD (“RPS”) SOLICITATION**

PURPOSE

This partial supplemental advice letter is being filed to notify the California Public Utilities Commission (the “CPUC”) of amendments to the following agreements: (1) the Master Power Purchase and Sale Agreement (“PPA”) made as of June 28, 2007, between SDG&E and Envirepel Energy Inc. (“Envirepel”), together with all amendments thereto (the “Los Coyotes PPA”); and (2) the Master Power Purchase and Sale Agreement made as of June 28, 2007, between SDG&E and Envirepel, together with all amendments thereto (the “Ramona PPA” and together with the Los Coyotes PPA, the “Proposed Agreements”). SDG&E submits the amendments to the Proposed Agreements (the “Proposed Amendments”) in order to comply with the CPUC’s most recent guidance with regard to standard terms and conditions (“STCs”) contained in RPS contracts.

DISCUSSION

SDG&E’s Advice Letter 1947-E, filed on November 20, 2007, sought approval from the CPUC of the Proposed Agreements. The Los Coyotes PPA is for 15 years of biomass energy from a plant to be constructed with an expected start date of September 1, 2008. The Ramona PPA is for 15 years of biomass energy from a plant to be constructed with an expected start date of June 1, 2009.

The Proposed Agreements are products of SDG&E’s 2006 Request for Offers – Eligible Renewable Resources. Approval of the Proposed Agreements by the Commission will support SDG&E’s efforts to achieve its RPS objective of a 20% renewable portfolio by 2010.

In Decision (D.) 07-11-025 issued on November 16, 2007, the CPUC modified certain STCs contained in RPS contracts. The decision requires that any RPS contracts that the CPUC has not yet approved be amended to conform to the decision. Since the Proposed Agreements had been executed, but not approved as of November 16, 2007, SDG&E has amended such agreements to conform to D. 07-11-025.

The Proposed Amendments also modify the definition of Green Attributes in accordance with D. 07-05-057 issued on May 24, 2007. This decision corrected an inadvertent editing error in the definition of Green Attributes. Since neither of the Proposed Agreements included this correction, SDG&E has taken this opportunity to update the language. The Proposed Amendments, therefore, bring the Proposed Agreements into compliance with all decisions regarding non-modifiable STCs.

This filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

This partial supplemental advice letter contains confidential information and is protected from disclosure under the statutory provisions of the Matrix attached to D.06-06-066. This submittal is therefore accompanied by a declaration in accordance with ALJ Thomas's Ruling Clarifying Interim Procedures for Complying with Decision 06-06-066, dated August 22, 2006. The Proposed Amendments are attached as a confidential appendix.

EFFECTIVE DATE

This advice letter should be classified as Tier 3 (effective after Commission approval) pursuant to GO 96-B. SDG&E respectfully requests that the Commission issue a resolution approving this partial supplemental advice letter in conjunction with approval of Advice Letter 1947-E on or before February 29, 2008.

PROTEST

Anyone may protest this Advice Letter to the California Public Utilities 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 must be 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 of the protest should also be sent via e-mail to the attention of both Honesto Gatchalian (jni@cpuc.ca.gov) and Maria Salinas (mas@cpuc.ca.gov) of the Energy Division. A copy of the protest should also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

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 to service list R.06-05-027, by either providing them a copy electronically or by mailing them a copy hereof, properly stamped and addressed.

Address changes should be directed to SDG&E Tariffs by facsimile at (858) 654-1788 or by e-mail at SDG&ETariffs@semprautilities.com.

KEN DEREMER
Director – Tariffs & Regulatory Accounts

(cc list enclosed)

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 (U 902)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Todd Cahill

Phone #: (858) 654-1745

E-mail: Tcahill@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) #: 1947-E-A

Subject of AL: Partial Supplemental Filing: Request for Approval of Renewable Power Purchase Agreement Resulting from the 2006 Renewable Portfolio Standard ("RPS") Solicitation

Keywords (choose from CPUC listing): Contract, Renewables

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

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

D.05-10-042

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL N/A

Summarize differences between the AL and the prior withdrawn or rejected AL¹: N/A

Does AL request confidential treatment? If so, provide explanation: Amendments confidential pursuant to D.06-06-066.

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 02/29/08

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: N/A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

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

mas@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

¹ Discuss in AL if more space is needed.

General Order No. 96-B
ADVICE LETTER FILING MAILING LIST

cc: (w/enclosures)

Public Utilities Commission

DRA

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

Energy Division

P. Clanon
S. Gallagher
H. Gatchalian
D. Lafrenz
M. Salinas

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

H. Nanjo
M. Clark

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
L. DeLacruz

Utility Specialists, Southwest, Inc.

D. Koser

Western Manufactured Housing

Communities Association

S. Dey

White & Case LLP

L. Cottle

Interested Parties: R.06-05-027

**BEFORE THE PUBLIC UTILITIES
COMMISSION OF THE STATE OF CALIFORNIA**

**DECLARATION OF HILLARY HEBERT
REGARDING CONFIDENTIALITY OF CERTAIN DATA**

I, Hillary Hebert, do declare as follows:

1. I am an Energy Administrator for San Diego Gas & Electric Company (“SDG&E”). I have concurrently submitted the PARTIAL SUPPLEMENTAL FILING— REQUEST FOR APPROVAL OF RENEWABLE POWER PURCHASE AGREEMENT RESULTING FROM THE 2006 RENEWABLE PORTFOLIO STANDARD (“RPS”) SOLICITATION that contains certain confidential and proprietary information. I am personally familiar with the facts and representations in this Declaration and, if called upon to testify, I could and would testify to the following based upon my personal knowledge and/or belief.

2. I hereby provide this Declaration in accordance with the *Administrative Law Judge’s Ruling Clarifying Interim Procedures for Complying with Decision 06-06-066, dated August 22, 2006* (the “ALJ Ruling”) to demonstrate that the confidential information (“Protected Information”) provided in the concurrently-filed testimony, falls within the scope of data provided confidential treatment in the IOU Matrix attached to the Commission’s confidentiality decision, D.06-06-066 (the “IOU Matrix”). To the extent information matches a Matrix category, it is entitled to the protection the Matrix provides for that category of information.^{1/} In addition, the Commission has made clear that

^{1/} D.06-06-066, as amended by D.07-05-032, *mimeo*, p. 81, Ordering Paragraph 2.

information must be protected where “it matches a Matrix category exactly . . . or consists of information from which that information may be easily derived.”^{2/}

3. In order to claim the protection afforded by the relevant Matrix, the party seeking confidential treatment must establish:

- 1) That the material it is submitting constitutes a particular type of data listed in the Matrix,
- 2) Which category or categories in the Matrix the data correspond to,
- 3) That it is complying with the limitations on confidentiality specified in the Matrix for that type of data,
- 4) That the information is not already public, and
- 5) That the data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure.^{3/}

4. SDG&E’s Protected Information: As directed by the Commission, SDG&E demonstrates in table form below that the instant confidentiality request satisfies the requirements of D.06-06-066:^{4/}

Data at issue	D.06-06-066 Matrix Requirements	How moving party meets requirements
Contract Terms Location: Confidential Appendix	Demonstrate that the material submitted constitutes a particular type of data listed in the IOU Matrix	This data includes specific contract terms.
	Identify the Matrix category or categories to which the data corresponds	This information is protected under IOU Matrix category VII.G.
	Affirm that the IOU is complying with the limitations on confidentiality specified in	In accordance with the limitations on confidentiality set forth in the IOU Matrix,

^{2/} See, *Administrative Law Judge’s Ruling on San Diego Gas & Electric Company’s April 3, 2007 Motion to File Data Under Seal*, issued May 4, 2007 in R.06-05-027, p. 2 (emphasis added).

^{3/} D.06-06-066, as amended by D.07-05-032, *mimeo*, p. 81, Ordering Paragraph 2.

^{4/} See, *Administrative Law Judge’s Ruling on San Diego Gas & Electric Company’s Motions to File Data Under Seal*, issued April 30 in R.06-05-027, p. 7, Ordering Paragraph 3 (“In all future filings, SDG&E shall include with any request for confidentiality a table that lists the five D.06-06-066 Matrix requirements, and explains how each item of data meets the matrix”).

	the Matrix for that type of data	SDG&E requests that this information be kept confidential for three years.
	Affirm that the information is not already public	SDG&E has not publicly disclosed this information and is not aware that it has been disclosed by any other party.
	Affirm that the data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure.	In order to include as much detail as possible in its testimony, SDG&E has provided specific contract terms instead of summaries.

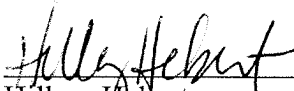
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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 19th day of December, 2007, at San Diego, California.



Hillary Hebert
Energy Administrator