

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



March 30, 2011

Advice Letter 2195-E

Clay Faber, Director
Regulatory Affairs
San Diego Gas and Electric
8330 Century Park Court, CP32C
San Diego, CA 92123-1548

Subject: Withdrawal of Advice Letter 2195-E

Dear Mr. Faber:

Advice Letter 2195-E is withdrawn as requested in your letter dated January 25, 2011.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division



Clay Faber
Director – Regulatory Affairs
8330 Century Park Court
San Diego, CA 92123-1548

Tel: 858-654-3563
Fax: 858-654-1788
CFaber@semprautilities.com

August 30, 2010

ADVICE LETTER 2195-E
(U 902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SUBJECT: SECOND AMENDMENT TO THE EEI MASTER POWER PURCHASE AND SALE AGREEMENT FOR PROCUREMENT OF ELIGIBLE RENEWABLE ENERGY RESOURCES BETWEEN ESMERALDA ENERGY COMPANY AND SDG&E

PURPOSE

San Diego Gas and Electric Company (SDG&E) seeks California Public Utilities Commission (Commission) approval of the second amendment (Second Amendment) to a CPUC-approved Renewable Portfolio Standard (RPS) Power Purchase and Sale Agreement and related Cover Sheet and Confirmation Letter (PPA) between Esmeralda Energy Company (Esmeralda) and SDG&E (collectively, the Parties). The PPA amendment is included herein as Appendix B.

BACKGROUND

The PPA resulted from SDG&E's 2005 RPS Solicitation. SDG&E filed the PPA for Commission approval on November 20, 2006 in Advice Letter 1845-E. The Commission approved the PPA on March 15, 2007 in Resolution E-4073. SDG&E filed the first amendment (First Amendment) to the PPA on May 8, 2009 in Advice Letter 2083-E and the Commission approved it on September 24, 2009 in Resolution E-4271.

The original PPA provided that the obligations of SDG&E were expressly conditioned on SDG&E obtaining all governmental, third party and corporate approvals and authorizations necessary to construct a new transmission line on or before a certain date and that the obligations of Esmeralda were expressly conditioned on the receipt of legally binding commitments from a financial institution (or institutions) to finance the development construction and ownership of the facility by a certain date.

The First Amendment delayed the date by which SDG&E must receive all governmental, third party and corporate approvals and authorizations necessary to construct a new transmission line and the date that Esmeralda must receive legally binding commitments from a financial institution (or institutions) to finance the development construction and ownership of the facility. Additionally the First Amendment updated the COD to reflect new timing assumptions and set this date at July 1, 2012. The principle terms of the Second Amendment are described below.

SECOND AMENDMENT

The Second Amendment further delays the date by which SDG&E must receive all governmental, third party and corporate approvals and authorizations necessary to construct a new transmission line.

SDG&E submits confidential information (Appendix B, Second Amendment) in the manner directed by the Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with Decision 06-06-066, issued August 22, 2006 in Rulemaking 05-06-040, and ratified by D.08-04-023 to demonstrate the confidentiality of the material and to invoke the protection of confidential utility information provided D.06-06-066, Appendix 1 (the IOU Matrix), Section 583 of the Public Utilities Code and/or General Order 66-C. Appendix A, a separate Declaration Seeking Confidential Treatment, is contained herein.

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

EFFECTIVE DATE

SDG&E believes that this filing is subject to Energy Division disposition and should be classified as Tier 3 (effective after Commission approval) pursuant to GO 96-B. Therefore, SDG&E respectfully requests that the Commission issue a resolution approving this advice letter on or before November 2, 2010.

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 impacts, 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 CPUC. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

Public Utilities Commission
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 Honesto Gatchallian (jnj@cpuc.ca.gov) and Maria Salinas (mas@cpuc.ca.gov) of the Energy Division. It is also requested that a copy of the protest 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: Megan Caulson
Regulatory Tariff Manager
8330 Century Park Court, Room 32C
San Diego, CA 92123-1548
Facsimile No. (858) 654-1788
E-mail: mcaulson@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 lists R.06-02-012 and R.08-08-009, 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.

CLAY FABER
Director - Regulatory Affairs

(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: Joff Morales

Phone #: (858) 650-4098

E-mail: jmorales@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) #: 2195-E

Subject of AL: Second Amendment to the EEI Master Power Purchase and Sale Agreement for Procurement of Eligible Renewable Energy Resources between Esmeralda Energy Company and SDG&E

Keywords (choose from CPUC listing): Procurement, Amendment

AL filing type: Monthly Quarterly Annual One-Time Other

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

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: None

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

Does AL request confidential treatment? If so, provide explanation: Yes. Contains confidential procurement information. See attached declaration.

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 11/2/2010

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 proposed¹: None

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

mas@cpuc.ca.gov and jnj@cpuc.ca.gov

San Diego Gas & Electric

Attention: Megan Caulson

8330 Century Park Ct, Room 32C

San Diego, CA 92123

mcaulson@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.06-02-012
R.08-08-009

San Diego Gas & Electric Advice Letter 2195-E
August 30, 2010

APPENDIX A

DECLARATION OF GEOFF GAEBE REGARDING CONFIDENTIALITY OF CERTAIN DATA

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

**DECLARATION
OF GEOFFREY GAEBE**

I, Geoffrey Gaebe, do declare as follows:

1. I am a Project Manager III in the Electric and Fuel Procurement Department of San Diego Gas & Electric Company (“SDG&E”). I have reviewed Confidential Appendix B (“Appendix B”) to Advice Letter 2195-E that consists of the Second Amendment to the Power Purchase Agreement (“PPA”) between Esmeralda Energy Company and SDG&E (“Parties”). In addition, 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 D.06-06-066, as modified by D.07-05-032, and D.08-04-023 to demonstrate that the confidential information (“Protected Information”) provided in Appendix B submitted concurrently herewith, falls within the scope of data protected pursuant to the IOU Matrix attached to D.06-06-066 (the “IOU Matrix”).^{1/} I address below each of the following five features of Ordering Paragraph 2 in

D.06-06-066:

^{1/}The Matrix is derived from the statutory protections extended to non-public market sensitive and trade secret information. (See D.06-06-066, *mimeo*, note 1, Ordering Paragraph 1). The Commission is obligated to act in a manner consistent with applicable law. The analysis of protection afforded under the Matrix must always produce a result that is consistent with the relevant underlying statutes; if information is eligible for statutory protection, it must be protected under the Matrix. (See *Southern California Edison Co. v. Public Utilities Comm.* 2000 Cal. App. LEXIS 995, *38-39) Thus, by claiming applicability of the Matrix, SDG&E relies upon and simultaneously claims the protection of Public Utilities Code §§ 454.5(g) and 583, Govt. Code § 6254(k) and General Order 66-C.

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

3. The information contained in Appendix B is confidential pursuant to Matrix Category VII.G. because it details contractual terms between the Parties.


4. I am not aware of any instances where the Protected Information has been disclosed to the public.

5. SDG&E intends to comply with the limitations on confidentiality specified in the Matrix for the type of data that is provided herewith.

6. The Protected Information cannot be provided in a form that is aggregated, partially redacted, or summarized and still provide the level of detail requested and expected by Energy Division.

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

Executed this 30th day of August, 2010, at San Diego, California.


Geoffrey Gaebe
Project Manager III
San Diego Gas & Electric Company