



## **DRA**

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July 18, 2010

Honesto Gatchalian and Maria Salinas  
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California Public Utilities Commission  
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**Subject: DRA's Comments on Draft Resolution E-4408 (Public Version)**

Dear Mr. Gatchalian and Ms. Salinas,

The Division of Ratepayer Advocates (DRA) submits the following comments on Draft Resolution E-4498 (Draft Resolution), approving cost recovery for San Diego Gas & Electric Company's (SDG&E) renewable energy power purchase agreement (PPA) with C Solar IV South, LLC. DRA's comments specifically pertain to the fact that Findings and Conclusions #15 is an endorsement of a recommendation DRA made in its protest to the Advice Letter and as such should be construed in a manner consistent with that recommendation.

Finding and Conclusion #15 states: "If SDG&E chooses to exercise the PPA's purchase option, it will need to request and obtain Commission approval to exercise the purchase option." Draft Resolution E-4498 does not specify whether SDG&E should seek Commission approval for the purchase option by Advice Letter or Application. DRA believes it should be made clear to all parties that the only vehicle for seeking to exercise a purchase option, unless otherwise stated by Commission decision, is by an Application. Therefore, DRA recommends that Finding and Conclusion # 15 read as follows:

If SDG&E chooses to exercise the PPA's purchase option, it will need to request and obtain Commission approval to exercise the purchase option by filing an Application requesting Commission approval to do so.

SDG&E has already conceded that this recommendation reflects the current Commission practice. In support of DRA's proposed revision to Finding and Conclusion #15 DRA provides the following three excerpts verbatim from SDG&E's confidential response to the protest filed by DRA regarding SDG&E Advice Letter 2223-E sent Monday, February 7, 2011.

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**END CONFIDENTIAL**

DRA appreciates the opportunity to provide these comments on Draft Resolution E-4408 and respectfully requests the proposed revisions to Finding and Conclusion #15.

Sincerely,

Cynthia Walker  
Program Manager  
Electricity Planning & Policy Branch  
Division of Ratepayer Advocates  
California Public Utilities Commission

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