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May 23, 2012

Tariff Unit  
California Public Utilities Commission  
505 Van Ness Avenue, 4th Floor  
San Francisco, CA 94102

**RE: Withdrawal of SDG&E Advice Letter 2262-E**

Dear Energy Division Tariff Unit:

On June 17, 2011, San Diego Gas & Electric Company (SDG&E) filed Advice Letter (AL) 2262-E - Request to Modify Electric Rule 21 to Establish an Interim Interconnection Procedure for Electric Qualifying Facilities Signing Power Purchase Agreements (PPAs) with SDG&E. The purpose of the AL was to modify language in Electric Rule 21 to establish an interim interconnection that would allow SDG&E to use the California Independent System Operator's tariff (CAISO) or SDG&E's Wholesale Distribution Tariff (WDAT) for an interim period until the California Public Utilities Commission (Commission), along with the Rule 21 Working Group, could determine the best interconnection procedures for these generators.

In August 2011, the Commission began a settlement process on CPUC-jurisdictional distribution-level interconnection issues and encouraged all parties interested to participate in the settlement discussions. The interested parties began confidential settlement negotiations on August 23, 2011. On September 22, 2011, the Commission issued an Order Instituting Rulemaking (OIR) on the Commission's own motion to improve distribution level interconnection rules/regulations for certain classes of electric generators and electric storage resources, R.11-09-011. The interested parties reached a settlement in March 2012, and submitted a Settlement Agreement to the Commission for approval on March 16, 2012. The Settlement Agreement includes nearly all issues identified in the OIR by either capturing them via revisions to the existing Rule 21 tariff ("Revised Rule 21") or recommending they be addressed in a second phase of the OIR proceeding. These reform efforts will allow the Qualifying Facilities referred to in Advice 2262-E to move forward with their interconnection, making the requests in AL 2262-E unnecessary. Therefore, SDG&E asks to withdraw AL 2262-E without prejudice.

Accordingly, SDG&E submits this request for withdrawal of AL 2262-E pursuant to General Order 96-B, Section 5.3, and asks that a confirmation letter be returned regarding this withdrawal.

Should you have any questions, please contact me.

Sincerely,

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CLAY FABER  
Director - Regulatory Affairs

cc: Edward Randolph, Director, CPUC Energy Division  
Don Lafrenz, CPUC Energy Division  
Rachel Peterson, CPUC Energy Division  
All Parties to SDG&E Advice Letter 2262-E