

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

Order Instituting Rulemaking to Integrate and
Refine Procurement Policies and Consider Long-
Term Procurement Plans.

Rulemaking 12-03-014
(Filed March 22, 2012)

**REPLY COMMENTS OF SAN DIEGO GAS & ELECTRIC COMPANY
(U-902-E) REGARDING PROPOSED MODIFICATION OF THE
PROCEDURAL SCHEDULE FOR TRACKS 2 AND 4 OF THE
LONG-TERM PROCUREMENT PLAN PROCEEDING**

AIMEE M. SMITH

101 Ash Street, HQ-12
San Diego, California 92101
Telephone: (619) 699-5042
Facsimile: (619) 699-5027
amsmith@semprautilities.com

Attorney for
SAN DIEGO GAS & ELECTRIC COMPANY

September 13, 2013

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Pursuant to the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”) and the direction provided by Administrative Law Judge (“ALJ”) David M. Gamson at the pre-hearing conference held in the above-captioned long-term procurement plan (“LTPP”) proceeding on September 4, 2013 (the “PHC”), San Diego Gas & Electric Company (“SDG&E”) provides these reply comments regarding proposed modification of the procedural schedule adopted for Tracks 2 and 4 of the LTPP proceeding.

In its opening comments, SDG&E expressed support for Judge Gamson’s proposed Track 4A/B procedural schedule (with limited modifications), as well as the proposal of the California Independent System Operator (“CAISO”) to defer Track 2 until 2014.^{1/} Judge Gamson’s Track 4 proposal recognizes the need to act expeditiously to ensure prudent resource planning in Southern California. While many parties filing comments recognize the critical importance of moving forward in a limited manner with procurement of local resources in Southern California, others do not and fail to acknowledge the risk inherent in inaction at this point. SDG&E submits that the “head in the sand” approach advocated by these parties is not in the public interest and should be rejected.

^{1/} See CAISO e-mail to the LTPP service list dated September 6, 2013.

SDG&E notes further that the comments of The Utility Reform Network (“TURN”) regarding Judge Gamson’s Track 4 proposal are confusing and unclear. TURN appears to support the Track 4A/4B approach and to concur in the need for a near-term phase of Track 4 to consider whether to grant interim procurement authorization in advance of completion of the CAISO’s transmission planning studies. TURN states, for example, that it agrees with Judge Gamson’s proposal that the Track 4 decision reach the following determinations:

- Authorize procurement to meet identified need *on an interim basis*, specify the types of resources to be procured and authorizes a process for procurement.
- Approve the method(s) for SDG&E/SCE to procure more or less than the authorized interim amounts.
- Consider the updated transmission alternatives study conducted by the CAISO as part of its Transmission Planning Process (TPP) before making the interim authorizations final.^{2/}

While TURN appears to support the proposal to create a Track 4A, it argues that SDG&E should not be permitted to present its case in support of its request for interim procurement authorization.^{3/} TURN is, in essence, asking the Commission to pre-judge SDG&E’s procurement authorization request through its procedural ruling on the Track 4 schedule. TURN’s recommendation is improper; further, SDG&E strongly objects to the mischaracterizations set forth in TURN’s comments. Plainly, TURN’s proposal to establish a Phase 4A, but deny SDG&E the opportunity to present its case, must be rejected.

Thus, for the reasons set forth in SDG&E’s opening comments, the procedural schedule for LTPP Tracks 2 and 4 should be modified in accordance with the comments provided therein.

^{2/} *Comments of the Utility Reform Network on Track 2 and 4 Scheduling Proposals*, filed September 10, 2013 in R.12-03-014, pp. 2-3. (Emphasis added).

^{3/} *Id.* at p. 4.

Dated this 13th of September, 2013 in San Diego, California.

Respectfully submitted,

/s/ Aimee M. Smith

AIMEE M. SMITH

101 Ash Street, HQ-12
San Diego, California 92101
Telephone: (619) 699-5042
Facsimile: (619) 699-5027
amsmith@semprautilities.com

Attorney for
SAN DIEGO GAS & ELECTRIC COMPANY