



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

December 20, 2013

ADVICE LETTER 2562-E
(U 902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: REQUEST FOR AUTHORITY FOR SAN DIEGO GAS & ELECTRIC COMPANY
TO ACT AS CALIFORNIA DEPARTMENT OF WATER RESOURCES AGENT
FOR THE KERN RIVER FIRM TRANSPORTATION AGREEMENT NO. 1724**

INTRODUCTION

In this Advice Letter filing, San Diego Gas & Electric Company (SDG&E) requests authorization to act as an agent for California Department of Water Resources (CDWR) for the Kern River Firm Transportation Service Agreement No. 1724 (TSA 1724).

BACKGROUND

California Public Utilities Commission (Commission) approved in Decision (D.) 13-11-003 a Settlement Agreement between SDG&E, Southern California Edison Company, and Pacific Gas and Electric Company regarding TSA 1724. Parties agreed in the Settlement Agreement that SDG&E shall seek authority from the Commission to execute such agreements with CDWR, as may be necessary for SDG&E to provide assistance to CDWR in the management of the shipper's rights under TSA 1724. SDG&E believes it would be beneficial to California electric customers to act as CDWR's agent for the purpose of managing the capacity contracted under TSA 1724 and scheduling the use of that capacity.

In D.13-11-003, it was stated that "(t)he Commission does not predetermine the efficacy of SDG&E's assistance to CDWR regarding the management of TSA 1724 ... but agree that SDG&E shall seek authority from the Commission to execute such agreements and incur costs related to such actions."¹ SDG&E, as stated herein, is seeking authority to execute "Kern River Gas Transmission Company Agency Delegation Agreement Shipper to Agent" (Delegation Agreement). SDG&E will not incur any costs related to the Delegation Agreement, as CDWR will continue to be financially responsible for the TSA.

Attached in Appendix A is the draft of the Delegation Agreement that would be executed when the Commission approves this advice letter.

¹ D.13-11-003, page 9.

EFFECTIVE DATE

SDG&E believes this filing is subject to Energy Division disposition and should be classified as Tier 1 pursuant to GO 96-B. SDG&E respectfully requests that this filing become effective on December 20, 2013, which is the date of this filing.

PROTEST

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically any of which must be received no later than January 9, 2014, which is twenty days from the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

CPUC Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Copies of the protest should be sent via e-mail to the attention of the Energy Division at EDTariffUnit@cpuc.ca.gov. 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: Megan Caulson
Regulatory Tariff Manager
8330 Century Park Court, Room 32C
San Diego, CA 92123-1548
Facsimile No. (858) 654-1879
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 in R.13-02-019, by providing them a copy hereof either electronically or via the U.S. mail, properly stamped and addressed.

Address changes should be directed to SDG&E Tariffs by facsimile at (858) 654-1879 or by e-mail at SDG&ETariffs@semprautilities.com.

CLAY FABER
Director – Regulatory Affairs

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: Aurora Carrillo

Phone #: (858) 654-1542

E-mail: acarrillo@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) #: 2562-E

Subject of AL:) Request for Authority for SDG&E to Act as California Department of Water Resources Agent for the Kern Firm Transportation Agreement No. 1724

Keywords (choose from CPUC listing): Agreement

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

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

D.13-11-003

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: _____

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 12/20/13

No. of tariff sheets: N/A

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 EDTariffUnit@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

S. Cauchois
R. Pocta
W. Scott

Energy Division

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

CA. Energy Commission

B. Helft
B. Pennington

Alcantar & Kahl LLP

K. Cameron

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

City of Poway

R. Willcox

City of San Diego

J. Cervantes
G. Lonergan
M. Valerio

Commerce Energy Group

V. Gan

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

Dynergy, 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

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

Southern California Edison Co.

M. Alexander
K. Cini
K. Gansecki
H. Romero

TransCanada

R. Hunter
D. White

TURN

M. Hawiger

UCAN

D. Kelly

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 in:

R.13-02-019

ATTACHMENT A

KERN RIVER GAS TRANSMISSION COMPANY
AGENCY DELEGATION AGREEMENT
SHIPPER TO AGENT

SDG&E Advice Letter 2562-E

**KERN RIVER GAS TRANSMISSION COMPANY
AGENCY DELEGATION AGREEMENT
SHIPPER TO AGENT**

KERN RIVER GAS TRANSMISSION COMPANY ("Transporter") and CALIFORNIA DEPARTMENT OF WATER RESOURCES ("Shipper") are parties to the following transportation agreement(s) ("Agreement(s)"):

Agreement Type	Agreement Date	Agreement No.
KRF-1	9/1/2003	1724

Shipper hereby designates as its agent **SAN DIEGO GAS & ELECTRIC COMPANY** ("Agent") to perform certain obligations under the Agreement(s) for the sole purpose of performing the following responsibilities (check all that apply):

- Net/Trade Imbalance
- Contract Request/Execute
- Capacity Release Offer (*)
- Capacity Release Bid
- Shipper Nominations
- View History

Detailed description of other responsibilities being delegated to Agent:

* Agent may administer the capacity releases on Shipper's behalf. Shipper retains responsibility for performing capacity releases.

By execution hereof, Agent accepts its designation and appointment as Agent for Shipper and agrees to act as Agent for Shipper in accordance with the terms hereof.

All of Agent's activities under this Agency Delegation shall be subject to, and conform to, all terms and conditions of the Agreement(s) and Transporter's FERC Gas Tariff ("Tariff"), as either or both may be amended from time to time. Transporter shall have no duty to inform Agent of such changes or amendments to the Transportation Agreement(s). The parties agree that this Agency Delegation (a) does not amend or modify the Agreement(s) in any manner and (b) does not create for or with respect to Agents, any rights, privileges or obligations in addition to or different from Shipper's rights, etc. under the Agreement(s) and Tariff. In lieu of the addresses set forth in the Agreement(s), all notices, invoices and correspondence concerning the above-mentioned delegated duties shall be directed to Agent at the following address:

San Diego Gas & Electric
8315 Century Park Court
San Diego, CA 92123
Attn: Ryan Miller
Telephone: (858)650-6169

Shipper shall remain liable to Transporter for all of its obligations as Shipper under the Agreement(s). Shipper and Agent, each, hereby indemnify and hold Transporter harmless from any and all liabilities, damages, charges, expenses and other obligations of any nature whatsoever that Transporter may suffer as a result of any claims, demands, costs, attorney fees and judgments against Transporter resulting from Transporter's reliance on Agent, including, but not limited to, payment made by Transporter to Agent or actions taken by Transporter pursuant to Agent's actions in connection with the Agreement(s). TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OBTAINED AS NOT BEEN WAIVED.

Shipper's designation and appointment of Agent may be terminated or canceled at any time by the Shipper, Agent or Transporter upon a ten (10) day written notice. This Agency Delegation Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed an original. The parties agree that faxed signature pages shall be deemed original signatures for evidentiary purposes. Notwithstanding the foregoing, this designation and appointment of Agent shall automatically terminate upon termination or cancellation of the Agreement(s).

Once executed by all parties, this Agency Delegation Agreement to be effective as of the day and year set forth below.

“Transporter”

KERN RIVER GAS TRANSMISSION COMPANY

By: _____
John Joosten
Manager, Marketing & Customer Services

Dated: _____

“Shipper”

**CALIFORNIA DEPARTMENT OF
WATER RESOURCES**

By: _____

Name: _____

Title: _____

Dated: _____

“Agent”

**SAN DIEGO GAS & ELECTRIC
COMPANY**

By: _____

Name: _____

Title: _____

Dated: _____

DRAFT