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April 4, 2006

Commissioner Dian Grueneich
California Public Utilities Commission
505 Van Ness Avenue, Fifth Floor
San Francisco, CA 94102

Dear Commissioner Grueneich:

In order to help you determine a proceeding schedule that will enable San Diego Gas & Electric (SDG&E) to bring the Sunrise Powerlink into service by 2010 when it is needed, I wanted to provide you with a further update regarding the status of pending filings and review of the need for the project by the California Independent System Operator (CAISO) Board of Directors.

As stated in the March 21 letter from Debra L. Reed, SDG&E's President, SDG&E intends to amend our application in light of a recent agreement between SDG&E, the Imperial Irrigation District and Citizens Energy, as well as the March 20 announcement of a preferred and alternate routes for the project. We expect to make this filing in July. Because a significant amount of time will have elapsed since the Sunrise Powerlink application was filed, the amendment will also include an update of our case based on the most recent information, particularly with regard to the analysis of the economic benefits of the project. Our current expectation is that we will also file the Proponent's Environmental Assessment at the same time in July.

Regarding CAISO review of the Sunrise Powerlink, on January 4, 2006, SDG&E requested that the CAISO Board approve the project by April 2006. In recent discussions we learned that CAISO management intends to bring a resolution for Board approval at their July meeting. We will continue to work with the CAISO to ensure they have the information and resources necessary to reach a timely decision and encourage the CPUC to communicate to the CAISO the importance of their timely review.

As you can see, several key decisions and filings will likely come together in July. Consequently, this should enable you to issue a ruling on SDG&E's motion and set a procedural schedule that will still result in a final decision by the middle of 2007 and ultimately meet a 2010 in-service date.

I hope this information is useful. Please feel free to call me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Lorenz", written in a cursive style.

Lad Lorenz

cc: President Michael Peevey
Commissioner Geoffrey Brown
Commissioner John Bohn
Commissioner Rachelle Chong
Yakout Mansour, CAISO
ALJ Kim Malcolm
Service List A.05-12-014