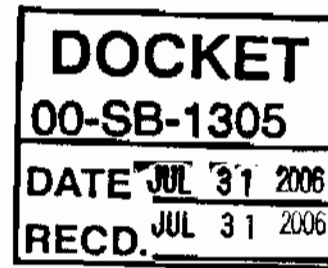


## CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET  
SACRAMENTO CA 95814-5512

July 31, 2006

Ms. Aimee M. Smith  
San Diego Gas & Electric Company  
101 Ash Street  
San Diego, CA 92101

**RE: Application for Confidentiality: 2005 SDG&E Annual Report**

Dear Ms. Smith:

On July 6, 2006, San Diego Gas & Electric Company (SDG&E) filed an application for confidentiality with the California Energy Commission (Energy Commission). SDG&E seeks confidentiality for portions of its 2005 Annual Report on Power Sources (hereinafter referred to as the "Annual Report"). The specific provisions seeking confidentiality are highlighted in the Schedules attached to the Annual Report. Specifically, SDG&E requests that SB 1305 Schedule 1 (Retail Sales), SB 1305 Schedule 2A (Retail Sales), SB 1305 Schedule 2B (Retail Sales), and SB 1305 Schedule 2C (Retail Sales) (hereinafter referred to collectively as the "Schedules") be designated as confidential. In addition, SDG&E requests that these portions of the Annual Report be kept confidential for three years.

A properly filed application for confidentiality shall be granted under the California Code of Regulations, title 20, section 2505(a)(1)(B), if the application "specifically indicate[s] those parts of the record that should be kept confidential." Although the Schedules, referenced above, have highlighted items, the actual application for confidentiality only references items seeking confidentiality by row number. Trying to reconcile the highlighted items with the row numbers is difficult, if not impossible, since the submitted Schedules do not have row number classifications.

The California Code of Regulations, title 20, section 2505(a)(2) states:

A deficient or incomplete application shall be returned to the applicant with a statement of its defects. The record or records for which confidentiality was requested shall not be disclosed for fourteen days after return of the application to allow a new application to be submitted . . . ."

Accordingly, we are returning the application for confidentiality and await a revised application. We would suggest that specific row numbers be included on your Schedules, so that the Energy Commission can determine the specific information needing a designation of confidentiality.

In addition, a cursory review of your application indicates that you have included information that is not needed by the Energy Commission for the SB 1305 Annual Report. For example, in Schedule 1, the procurement that occurs between SDG&E and a wholesale provider that could be attributed to a single generating facility is not needed since this information is usually classified under the "other-market" or "other-bilateral"

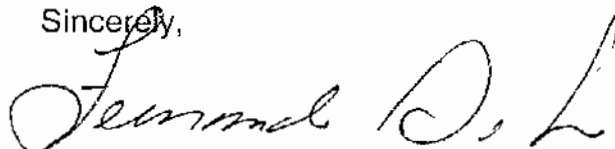
fuel category. Schedule 1 only needs to include procurement that could be traced back to a single generating facility. Moreover, the Energy Commission does not need the procurement that occurs between SDG&E and the California Independent System Operator.

We have also discovered some items on the application that need clarification and some items that are inaccurate. For example, the information contained in Schedule 2C differs from the information contained on the Power Content Label (a public document). Finally, we are puzzled why procurement from Cabezon Wind and Whitewater Wind is listed in Schedule 1 but not in SDG&E's 2005 CEC-RPS Track for RPS?

Be advised that the Energy Commission has only done a cursory review of the information submitted. This is not a comprehensive review. We recommend that you review your application for confidentiality and remedy any deficiencies, errors, or inaccuracies. A revised application for confidentiality needs to be submitted the Energy Commission's Executive Director within 14 days from the date of this letter.

Thank you for your anticipated cooperation. If you have any further questions concerning this matter, please contact me at (916) 654-4873.

Sincerely,

A handwritten signature in black ink, appearing to read "Fernando De Leon". The signature is fluid and cursive, with the first name "Fernando" being larger and more prominent than the last name "De Leon".

Fernando De Leon  
Senior Staff Counsel

Enclosure

cc: B. B. Blevins  
Docket Unit