



Ken Deremer
Director
Tariffs & Regulatory Accounts
8330 Century Park Court
San Diego, CA 92123-1548

Tel: 858.654.1756
Fax: 858.654.1788
kderemer@semprautilities.com

December 28, 2007

ADVICE LETTER 1957-E/1742-G
(U 902-M)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: NOTIFICATION OF THE CREATION OF NEW AFFILIATES AND
RECLASSIFICATION OF AFFILIATES**

PURPOSE

San Diego Gas & Electric Company (SDG&E) hereby notifies the California Public Utilities Commission (Commission) of the creation of new affiliates and reclassification of affiliates from non-covered to covered and vice versa as defined in the Commission's Affiliate Transaction Rules (Rules).

BACKGROUND

In accordance with Commission Decision No. (D.) 97-12-088, in OIR 97-04-011/OII 97-04-012, Appendix A, Rule VI.B, as modified by D.98-08-035, SDG&E is required to notify the Commission of the creation of any affiliate addressed by these Rules. Accordingly, SDG&E is hereby notifying the Commission of the formation of new affiliates as shown on Attachment A and reclassification of certain affiliates from non-covered to covered and vice versa as shown on Attachment B.

As part of the 2004 Affiliate Transactions Audit of SDG&E, NorthStar Consulting Group recommended that SDG&E perform a comprehensive analysis of all affiliates to evaluate each affiliate's classification. In accordance with this recommendation, SDG&E has completed its annual assessment of affiliates, which resulted in the identification of: one affiliate classification change from non-covered to covered, and two affiliate classification changes from covered to non-covered under the Rules.

No unusual or unique circumstances exist that would require affiliate transaction rule implementation measures for the new affiliates beyond those already identified by SDG&E. Therefore, SDG&E will apply the provisions of its 2007 Compliance Plan Advice Letter 1905-E/1702-G to all transactions with the new affiliates included herein. If the Commission modifies or requires the modification of Advice Letter 1905-E/1702-G, SDG&E will apply all such changes, or the provisions of such amended plans, to the newly formed affiliates included herein.

This filing will not create any deviations from SDG&E's tariffs or cause withdrawal of service from any present customers.

EFFECTIVE DATE

SDG&E believes this filing is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition) pursuant to GO 96-B. Since this filing is being made in compliance with D.97-12-088, SDG&E therefore respectfully requests that it become effective on December 28, 2007, which is the date filed.

PROTEST

Anyone may protest this advice letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and received within 20 days of the date this advice letter was filed with the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

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

Copies of the protest should also be sent via e-mail to the attention of both Honesto Gatchalian (jinj@cpuc.ca.gov) and Maria Salinas (mas@cpuc.ca.gov) of the Energy Division. 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: Todd Cahill
Regulatory Tariff Manager
8330 Century Park Court, Room 32C
San Diego, CA 92123-1548
Facsimile No. (858) 654-1788
E-Mail: tcahill@SempraUtilities.com

NOTICE

A copy of this filing has been served on the utilities and interested parties shown on the attached list, by either providing them a copy electronically or by mailing them a copy hereof, properly stamped and addressed.

Address changes should be directed to SDG&E Tariffs by facsimile at (858) 654-1788 or by e-mail at SDG&ETariffs@semprautilities.com.

KEN DEREMER
Director — Tariffs & Regulatory Accounts

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) #: 1957-E/1742-G

Subject of AL: Notification of the Creation of New Affiliates and Reclassification of Affiliates

Keywords (choose from CPUC listing): Compliance, Affiliates

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

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

D.97-12-088, as modified by D.98-08-035 and further modified by D.06-12-029

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: 12/28/07

No. of tariff sheets: 0

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: None

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 jnj@cpuc.ca.gov

San Diego Gas & Electric

Attention: Todd Cahill

8330 Century Park Ct, Room 32C

San Diego, CA 92123

tcahill@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

D. Appling
S. Cauchois
J. Greig
R. Pocta
W. Scott

Energy Division

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

CA. Energy Commission

F. DeLeon
R. Tavares

Alcantar & Kahl LLP

K. Harteloo

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
E. Hull

City of Poway

R. Willcox

City of San Diego

J. Cervantes
G. Lonergan
M. Valerio

Commerce Energy Group

V. Gan

Constellation New Energy

W. Chen

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

Dynegy, 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

R. W. Beck, Inc.

C. Elder

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

Sutherland Asbill & Brennan LLP

K. McCrea

Southern California Edison Co.

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

TransCanada

R. Hunter
D. White

TURN

M. Florio
M. Hawiger

UCAN

M. Shames

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

San Diego Gas & Electric – Advice Letter 1957-E/1742-G
Attachment A
Notification of Creation of New Affiliates

Affiliate Name	Address of Headquarters	Primary Officers	Contact Person	Business Activity Description	Effective Date	Covered Affiliate?
H2Gen Innovations, Inc.	4740 Eisenhower Avenue Alexandria, VA, 22304	Barney Rush, CEO C.E. (Sandy) Thomas, PhD, President Michael J. Discenza Jr. CFO	Norma G. Jasso Affiliate Compliance Manager Affiliate Compliance Dept. 8330 Century Park Court San Diego, CA 92123	Investment for the development of small (GAX) gas absorption space conditioning products including chillers and heat pumps for the residential and light commercial market.	10/28/07	No
Sempra Energy Foundation	101 Ash Street San Diego, CA 92101	TBD	Norma G. Jasso Affiliate Compliance Manager Affiliate Compliance Dept. 8330 Century Park Court San Diego, CA 92123	To operate exclusively for charitable purposes within the meaning of 501(c)(3) of the Internal Revenue Code (the " Code "), including making grants to individuals and non-profit organizations or by making program-related investments as defined in Section 4944(c) of the Code.	10/29/2007	No
Sempra Ecogas Holdings, LLC.	101 Ash Street, San Diego, CA 92101	G. Liparidis, Pres. Randall Clark, Sec	Norma G. Jasso Affiliate Compliance Manager Affiliate Compliance Dept. 8330 Century Park Court San Diego, CA 92123	Holding Company	12/11/07	No
1369202 Alberta ULC	3700, 400 - 3rd Avenue S.W. Calgary, Alberta T2P 4H2	Joseph A. Householder, Pres. Ralph Todaro, V.P. & CFO Louis A. Santore, V.P. BryanT.Keogh, Treasurer Randall L. Clark, Secretary.	Norma G. Jasso Affiliate Compliance Manager Affiliate Compliance Dept. 8330 Century Park Court San Diego, CA 92123	Holding Company	12/14/2007	No

SDG&E Advice Letter 1957-E/1742-G
Attachment B
Reclassification of Affiliates

Name of Affiliate	Address of Headquarters	Primary Officers	Contact Person	Business Activity Description	Effective Date	Covered Affiliate?
Baja Wind, S. de R.L. de C.V.	No Change	No Change	Norma G. Jasso Affiliate Compliance Manager Affiliate Compliance Department 8330 Century Park Court San Diego, CA 92123	Developing a potential wind-power project in Baja California.	12/27/07	Reclassified from a non-covered affiliate to a covered affiliate

Name of Affiliate	Address of Headquarters	Primary Officers	Contact Person	Business Activity Description	Effective Date	Covered Affiliate?
Terra Grain Fuels, Inc.	No Change	No Change	Norma G. Jasso Affiliate Compliance Manager Affiliate Compliance Department 8330 Century Park Court San Diego, CA 92123	Developer of an ethanol production facility in Saskatchewan.	12/27/07	Reclassified from a covered affiliate to a non-covered affiliate
Universal Energy Group Ltd.	No Change	No Change	Same as above	Publicly traded holding company.	12/27/07	Same as above