

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

**NOTICE OF PUBLICATION OF A NEGATIVE DECLARATION****To All Interested Parties:**

As part of its effort to “restructure” the state’s electric utility industry, the California Public Utilities Commission (CPUC) identified the exercise of generation market power as a potential barrier to bringing competition into the state’s electric utility industry. In response to the Commission’s restructuring effort, San Diego Gas and Electric Company (SDG&E) voluntarily applied (A.97-12-039) to sell or “divest” the following assets: its electric generating assets (the Encina Power Plant in Carlsbad, California, the South Bay Power Plant in Chula Vista, California, a group of 17 combustion turbine (CT) generating units scattered throughout San Diego County, and the 24<sup>th</sup> Street Terminal Refueling Facility in National City, California); its 20 percent ownership interest in the San Onofre Nuclear Generating Station, located in San Clemente, California; nine long-term power purchase contracts for purchases from “Qualifying Facility” (QF) power plants (seven in San Diego County and one near Yuma, Arizona); and two long-term power purchase contracts for purchases from out-of-state utilities (Public Service Company of New Mexico in Albuquerque, and Portland General Electric in Portland, Oregon). SDG&E stated it filed the application in response to the CPUC’s expressed desire to reduce market power in the electric generation marketplace in California. After SDG&E filed its divestiture application, the CPUC later directed SDG&E to sell its natural gas-fired power plants, including the Encina and South Bay Power Plants and the 17 CTs, as a condition of the commission’s approval of the merger of SDG&E’s parent company, Enova Corporation, with Pacific Enterprises to form Sempra Energy.

In accordance with the California Environmental Quality Act (CEQA), the CPUC conducted an Initial Study of potential impacts related to SDG&E’s divestiture application. The Commission used the Initial Study as a “decision point” document to determine that issuing a Negative Declaration is the appropriate action under CEQA. Through this document, the CPUC determined that the actions taken as a result of approving SDG&E’s divestiture application would not have significant impact on the environment. In the limited instances where the environment could be potentially affected by divestiture, appropriate mitigation measures are recommended for adoption.

**Documents Available for Review**

The Commission’s proposed Negative Declaration and Initial Study conducted on the SDG&E divestiture application area available for review at the following locations:

San Diego Public Library  
820 E Street  
San Diego, California

Carlsbad Public Library  
1250 Carlsbad Village Drive  
Carlsbad, California

Chula Vista Public Library  
365 F Street  
Chula Vista, California

The full text of both documents will also be made available on the Internet as soon as possible, and no later than October 27, 1998, at "<http://www.sdgedivest.com>"; additional information regarding the overall electric utility restructuring process is available at "<http://www.cpuc.ca.gov>".

**Time for Review:**

This Negative Declaration and Initial Study will undergo a public review process from October 13, 1998, to November 12, 1998. Comments on the documents must be received in writing by 5:00 pm (Pacific Standard Time) on November 12, 1998, at the following address:

Andrew Barnsdale, Project Manager  
c/o Environmental Science Associates  
225 Bush St., Ste. 1700  
San Francisco, California 94104

Comments can also be submitted by the same deadline by electronic mail at: [dmiller@esassoc.com](mailto:dmiller@esassoc.com), or by facsimile to: (415) 896-0332.

For further information, please leave a message at (415) 989-1446 ext. 85, and your call will be returned promptly.