PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298



SENT BY E-MAIL

December 30, 2015

Estela de Llanos San Diego Gas and Electric Company Director, Major Project Development 8330 Century Park Court, CP31D San Diego, CA 92123 edellanos@semprautilities.com

RE: Application Completeness Review: CPCN for the Rainbow-San Diego (Line 3602) 36-inch Natural Gas Pipeline Project (A.15-09-013; filed 9/30/15 as the Pipeline Safety & Reliability Project)

Dear Ms. de Llanos:

The California Public Utilities Commission's (CPUC's) Energy Division, Infrastructure Permitting and CEQA section has completed its second review of San Diego Gas and Electric Company's and Southern California Gas Company's (the Applicants') application and Proponent's Environmental Assessment (PEA) for a Certificate of Public Convenience and Necessity (CPCN) filed on September 30, 2015. Energy Division provided a list of deficiency items to the Applicants on October 30, 2015. The Applicants submitted responses from November 30, 2015 through December 21, 2015. Energy Division finds that the information contained in the application and PEA is still incomplete. There are information gaps in critical areas that would prevent preparation of an adequate environmental document in a timely manner.

Perhaps the most critical information gap concerns the acceptance of a public agency to act as Lead Agency under the National Environmental Policy Act (NEPA). The proposed project would cross approximately 3.5 miles of land within United States Marine Corps (USMC) Air Station Miramar. If USMC accepts the role of NEPA Lead Agency, a formal Memorandum of Understanding (MOU) between the CPUC and USMC must be completed. As a first step toward completing the MOU, reimbursement arrangements between the Applicants and the NEPA Lead Agency must be finalized. The reimbursement arrangements are a critical first step toward ensuring that the NEPA Lead Agency has the opportunity to review sections of the PEA that are relevant to their selection of the required type of NEPA environmental document and its preparation; agree to using the environmental consultants selected by the CPUC; identify research needs and data requests; and participate in all other early scheduling and planning activities required in joint processes for projects of regional or area-wide significance, including public scoping.

Although the CPUC and its consultant expect to prepare a joint environmental document, circulation of the Notice of Preparation and public scoping, which will be Energy Division's first CEQA milestone after deeming the application and PEA complete, cannot be planned without substantial involvement from the NEPA Lead Agency. Public scoping is also a NEPA process and for CEQA/NEPA joint processes, Article 14 of the CEQA Guidelines and the handbook, *NEPA and CEQA: Integrating Federal and State Environmental Reviews* (CEQ, OPR 2014), direct the Lead Agencies to conduct scoping and other planning processes as joint activities to the fullest extent possible.

The attached report provides a list of deficiency items that are complete and those that require a follow-up response. In a few cases, the report identifies new deficiency items. Until a NEPA Lead Agency is engaged in the PEA review process and agrees to move forward with all aspects of the joint environmental review as specified in the completed MOU, the PEA will remain incomplete. Until that time, Energy Division still requires that the Applicants respond in full to all of the deficiency items identified.

Information provided by the Applicants in response to Energy Division's deficiency items should be filed as supplements to the PEA. One complete set of responses should be sent to Energy Division's Rob Peterson, and a second complete set should be sent to Energy Division's consultant, Ecology & Environment, Inc. The responses should be provided in both hardcopy and electronic format. We request that both pdf and original file formats be provided (e.g., Word, Excel, and original image and GIS files). We request that the Applicants respond in full to each deficiency within 60 days (with the exception of alternate response deadlines defined in the attached report for seasonal surveys and a few other items). Upon receipt of the supplemental information, the CPUC will perform another completeness review.

Questions should be directed to Rob Peterson at (415) 703-2820 or by e-mail. Please copy the CPUC's consultant, Peggy Farrell, Ecology & Environment, Inc., on all communications (<u>pfarrell@ene.com</u>). Energy Division reserves the right to request additional information at any point during the proceeding and subsequently during project construction and restoration should the CPCN application be approved.

Sincerely,

Rob Peterson Project Manager

Energy Division, Infrastructure Permitting and CEQA

rp3@cpuc.ca.gov

cc: Judge Colette Kersten

Rachel Peterson, Chief of Staff, Commissioner Randolph Antoinette Perez, Real Estate Director, USMC Air Station Miramar Molly Sterkel, Program Manager, Infrastructure Planning and Permitting Mary Jo Borak, Supervisor, Infrastructure Permitting and CEQA Jonathan Koltz, CPUC Attorney Peggy Farrell, Project Manager, Ecology & Environment, Inc.

Attachment

http://www.gasoductorosarito.com/english/information.aspx

Gasoducto Rosarito - Projected Available Capacity for November 30, 2015

Path MMbtu/d
Interconnection with North Baja Pipeline to the
Interconnection with Transportadora de Gas Natural
de Baja California 268,836

Disclaimer:

- (1) Based on operational conditions of the GB system, assuming a minimun pressure of 710 psig.
- (2) Based on Timely Nominations Cycle. Nominations due at 9:30 am PT and timely confirmation by 2:30 pm PT.

 See Section 11.2 of GB's General Conditions For Natural Gas Transportation Service for a description of the nomination of the nomination

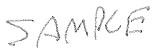


TABLE 9–2
CONSTRUCTION YEAR STREET SEGMENT OPERATIONS

Street Segment	Capacity (LOS E) a	Construction Year Without Project			Construction Year With Project		
		ADT b	V/C c	LOS d	ADT	V/C	LOS
Jackson Drive	**************************************	Anna minora Anna mana anna anna anna anna anna ann					
West of Lake Shore Drive	40,000	13,050	0.326	Α	13,111	0.328	A
Lake Shore Drive							
Jackson Drive to Laport Street/ El Paso Street	15,000	7,060	0.471	С	7,214	0.481	С
Baltimore Drive							
Laport Street / El Paso Street to Lake Murray Boulevard	15,000	12,900	0.860	D	12,992	0.866	D
Lake Murray Boulevard							
Kiowa Drive to Baltimore Drive	40,000	18,900	0.473	В	18,984	0.475	В

Footnotes

- a. Roadway capacity corresponding to Level of Service E based on the City of San Diego Roadway Capacity Standards.
- b. Average Daily Traffic volumes.
- c. Volume to Capacity ratio.
- d. Level of Service.

9.3 Post-Construction Operational Traffic

With the completion of the project, there will be no increase in the permanent staff. There will no longer be any construction related truck or employee traffic and roadways would be returned to their current conditions. It is therefore anticipated that the study area intersections and segments will continue to operate at current levels of service, post-construction.