

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 23, 2016

SENT BY E-MAIL

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: PEA Completeness: 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 third review of San Diego Gas and Electric Company's and Southern California Gas Company's (the Applicants') Application and Proponent's Environmental Assessment (PEA), filed on September 30, 2015, for a Certificate of Public Convenience and Necessity (CPCN) to construct and operate the proposed Pipeline Safety & Reliability Project. The Applicants filed an Amended Application and PEA on March 21, 2016. Subsequent to a series of deficiency requests and responses that began in October 2015, Energy Division provided a third list of deficiency items to the Applicants by e-mail on April 29, 2016. The Applicants submitted responses from May 26 through August 11, 2016.

We have determined that the PEA can be deemed complete, but information gaps in critical areas remain that are expected to prevent preparation of an adequate environmental document in a timely manner. A federal Agency has not formally accepted the role of Lead Agency for review pursuant to 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 the USMC accepts the NEPA Lead Agency role, a Memorandum of Understanding (MOU) between the CPUC and the USMC must be executed. We are actively working on finalizing the MOU with the USMC. After the MOU is signed, we plan to provide the USMC an opportunity to review sections of the PEA and Amended PEA that are relevant to: determining the required type of NEPA environmental document to prepare, agreeing to the use of specific environmental consultants, identifying research needs and data requests, and scheduling and planning activities that are required in joint processes for projects of regional or area-wide significance, including scoping.

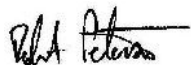
While the USMC and CPUC may require additional information to initiate the joint environmental review process (e.g., hold scoping meetings), the supplemental data and information provided by the Applicants in response to Energy Division's deficiency letters are sufficient for Energy Division to deem the PEA complete and determine that an Environmental Impact Report is required for the proposed project.

Energy Division will request additional data and information, as necessary, to review and analyze the environmental impacts of the proposed project and alternatives carried forward for detailed analysis in accordance with California Environmental Quality Act (CEQA) requirements. On a preliminary basis, Energy Division has identified the following areas that are expected (or already known) to require additional information from the Applicants. Due dates for pending responses are listed where known.

- Resource Areas
 - Changes to the Area of Potential Effect map pending additional tribal consultation (Deficiency Item 1.4.5-2), **due Winter 2016/17** depending on NEPA Lead Agency initiating 106 consultation;
 - Wetland delineations and biological surveys and agency consultation results (Deficiency Items 1.1-16, 1.4.4-2 to 1.4.4-5, 1.4.4-7 to 1.4.4-9, and 1.4.4-11), **due June 2016–September 2016**; and
 - Clarification and quantifiable data to explain to what extent the proposed project aligns with the following adopted laws, requirements, and policies regarding climate change, greenhouse gases, and energy: Executive Order B-30-15 and the City of San Diego Climate Action Plan (Deficiency Item 1.2.4-1). The Applicant’s responses to Deficiency Item 1.2-4 about Senate Bill 350 and Item 1.5-23 about CEQA Appendix F (e.g., preempting future energy development, preempting future energy conservation, and growth inducement) are expected to require further clarification as well.
- Alternatives
 - Input from the CPUC’s Formal Proceeding as relevant regarding the project objectives, purpose, and need (Deficiency Items 1.2-2 and 1.2-6 to 1.2-14);
 - Gas availability at Otay Mesa (Deficiency Items 1.5-15.2 and 1.5-24.1);
 - GIS data for alternatives identified in the Cost Effectiveness Analysis as well as those that may be identified during public scoping (Deficiency Item 1.5-2); and
 - A map that illustrates environmental constraints along Line 1600 (**New** Deficiency Item 1.5-5.1), **due TBD**.
- Agency Involvement
 - NEPA Lead Agency’s purpose and need for the proposed project and alignment with Navy and Marine Corps renewable energy goals (Deficiency Items 1.2-3 and 1.2-5); and
 - MOU between the CPUC and NEPA Lead Agency with Caltrans as a signatory (Deficiency Items 1.1-4 to 1.1-9).

Ongoing coordination, including phone calls and meetings with your technical experts, will be necessary to address data requests for these and other areas. Questions should be directed to me at (415) 703-2820 or by e-mail. Please copy Energy Division’s consultant, Erec DeVost, Project Manager at Ecology & Environment, Inc., on all communications concerning the environmental review (edevost@ene.com). 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 Petersen, Chief of Staff, Commissioner Randolph
 Antoinette Perez, Real Estate Director, USMC Air Station Miramar
 Brooke Emery, Project Engineer, Caltrans
 Molly Sterkel, Program Manager, Infrastructure Planning and Permitting
 Mary Jo Borak, Supervisor, Infrastructure Permitting and CEQA
 Jonathan Koltz, Legal Counsel
 Erec DeVost, Project Manager, Ecology and Environment, Inc.