

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
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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.

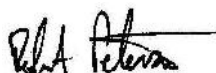
Although the CPUC and its consultant expect to prepare a joint environmental document, circulation of the Notice of Preparation and public scoping, which will be Energy Division's first CEQA milestone after deeming the application and PEA complete, cannot be planned without substantial involvement from 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 (pfarrell@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 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