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William Rostov, Esq.
Earthjustice
426 17th Street, 5th Floor
Oakland, CA 94612-2807

Re: Data Requests on Carlsbad Energy Center Project's Use of SDG&E Supplied Natural Gas, Docket No. 07-AFC-6

Dear Mr. Rostov:

This is a further response to your letter dated February 2, 2009 requesting information primarily concerning the potential for natural gas derived from importation of liquefied natural gas ("LNG") to be utilized by the Carlsbad Energy Center Project ("CECP"). As noted in my letter to you dated February 24, 2009, the data requests cannot be regarded as made pursuant to 20 Cal. Code Regs. Section 1716 (h), and these responses are provided without waiver of our previous objections.

Data Request No. 1 - Will the CECP be supplied with LNG?

Response: The answer to this question depends on a number of factors including world supply and demand for natural gas, pricing and supply of LNG in Atlantic Basin and Pacific Basin markets, North American natural gas prices, and California and southwestern United States natural gas prices. CECP will receive whatever gas supplies are distributed by the SDG&E pipeline system. If natural gas from LNG is received by SDG&E pursuant to SDG&E's tariffs approved by the California Public Utilities Commission, then those supplies will be delivered to SDG&E's customers; where this natural gas will be transported and combusted, and by whom, depends on volumes delivered from all supply sources, where these deliveries occur, and demand conditions throughout the SoCalGas and SDG&E systems. SDG&E is unable to forecast whether, or to what extent, LNG-derived natural gas may enter the utility system in the future, where this natural gas will ultimately be transported, where it will be combusted, and by whom.

There is currently one operational LNG receipt and storage terminal that is capable of supplying re-gasified LNG to markets in California, and other terminals may be built within the 40-year time frame referenced in some of the questions below. Any attempt by SDG&E to estimate the volumes from the one existing facility, let alone from other potential facilities, that would actually be available for delivery to SDG&E's customers including CECP would be only speculation.

SDG&E cannot forecast the volumes of natural gas from LNG, if any, that may or may not be consumed by its customers including CECP in the future, particularly in a 40 year period as referred to in the data requests.

Data Request No. 2 - If so, please estimate the amount of LNG the CECP will be delivered on an annual basis for the estimated lifetime of the project, which is 40 years.

Response: As stated above, SDG&E cannot forecast the volumes of natural gas from LNG, if any, that may or may not be consumed by its customers including CECP in the future, let alone in a 40-year period.

Data Request No. 3 - What are the factors that would dictate "intermittent" or "continuous" use of LNG?

Response: These terms were not used by SDG&E previously. A number of factors could determine the extent to which re-gasified LNG is delivered to the SDG&E system and thereby to the CECP facility, including, but not limited to, world supply and demand for natural gas, pricing and supply of LNG in Atlantic Basin and Pacific Basin markets, North American natural gas prices, and California and southwestern United States natural gas prices.

Data Request No. 4 - What is the method for calculating how much LNG will go to the CECP? ***(Not included in previous data requests by Earthjustice to the Applicant.)***

Response: As explained above, there is no methodology for making such a determination absent speculation.

Data Request No. 5 – Identify the LNG terminal that will provide gas for the CECP. Please list the country or countries of origin of the LNG to be shipped to this terminal. Estimate the relative amounts of LNG that will be transported from each country of origin.

Response: There is only one LNG regasification terminal at present on the west coast of North America, Energia Costa Azul ("ECA") in Baja California, Mexico, though applications have been submitted for other terminals. Additional terminals could be built in the future which could deliver supplies of regasified LNG to the SDG&E system.

Data Request No. 6 – How much LNG has SDG&E already received that has gone into the SDG&E pipeline? ***(Not included in previous data requests by Earthjustice to the Applicant.)***

Response: During the start up of the ECA terminal in May 2008, SDG&E received 201 mmcf of natural gas at the Otay Mesa receipt point. The gas was a combination of

domestic gas in the North Baja and Baja Norte pipelines prior to ECA flows and gas from the ECA LNG terminal.

<u>Data Request No. 7</u> – Does SDG&E expect any additional LNG terminals to be supplying additional LNG to the SDG&E pipeline during the forty year lifetime of the project? ***(Not included in previous data requests by Earthjustice to the Applicant.)***

Response: SDG&E has no basis upon which to formulate an opinion in response to this data request. See the response to Data Request 5.

Sincerely yours,

/s/

Taylor O. Miller