



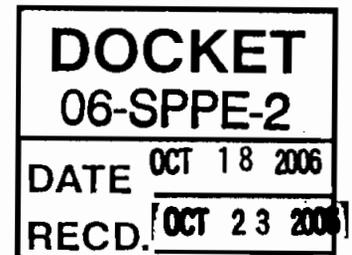
Gillian A. Wright
Director
Energy Markets and Capacity
Products

555 W. Fifth St., GT22A1
Los Angeles, CA 90013-1011

Tel: 213-244-3833
Fax: 213-244-8222
Mobile: 213-220-6843
gwright@semprautilities.com

October 18, 2006

Ms. Mary Dyas
Project Manager
California Energy Commission
1516 Ninth Street, MS-15
Sacramento, CA 95814



Dear Ms. Dyas:

**Re: CEC Draft Initial Study - El Centro Unit 3 Repower Project
CEC Docket 06-SPPE-2**

Southern California Gas Company (SoCalGas) submits this comment on the Draft Initial Study for the El Centro Unit 3 Repower Project. SoCalGas supports construction and operation of the project to provide needed additional electrical supply in the Imperial County area. In its application, Imperial Irrigation District (IID) states that primary gas service to the El Centro Unit 3 Repower Project will be provided by SoCalGas.¹ In order to avoid any misunderstanding we would suggest a clarification be added to the discussion of gas service from SoCalGas for the El Centro Unit 3 Repower Project.

The Draft Initial Study states at page 6-3:

Natural gas fuel will be supplied to the site via two pipelines, of 10 and 12 inch diameter, running south from the SCGC Niland regulating station to the ECGS. (IID2006a, SPPE 2.13). This interconnection can be expected to adequately serve the project. There is no real likelihood that the El Centro Unit 3 Repower Project will require the development of additional energy supply capacity.

SoCalGas is concerned that the last sentence in this paragraph could reasonably be interpreted to indicate that there is currently sufficient excess capacity serving the plant to provide firm gas transportation to the repower project. Firm capacity in the Imperial Valley is currently fully subscribed in the summer season, the peak operating season for electric generation. See the Prepared Direct Testimony of David M. Bisi in CPUC Order Instituting Rulemaking R.04-01-025 (note both CEC and IID are parties to this proceeding).²

¹ IID SPPE Application, page 2-13 – 2-15, and Appendix J.

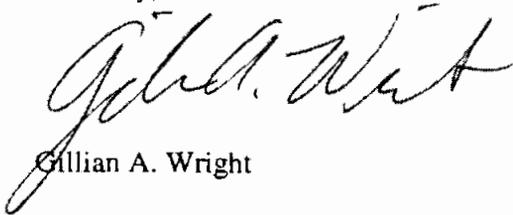
² Prepared Direct Testimony of David M. Bisi in R.04-01-025, dated December 1, 2005, pp. 14 – 15.

A slight revision to the sentence will make clear that additional energy supply capacity would only be needed for SoCalGas to provide firm transportation service. SoCalGas recommends the last sentence be revised as follows:

There is no real likelihood that the El Centro Unit 3 Repower Project will require the development of additional energy supply capacity, to the extent that IID does not intend to request additional firm capacity to serve the plant, and instead will rely on interruptible service for any additional load above its current or future firm capacity awarded in SoCalGas' open season process.

If you have any further questions about this matter, please contact me at (213) 244-3833.

Sincerely,

A handwritten signature in black ink, appearing to read "Gillian A. Wright". The signature is written in a cursive style with a large, sweeping initial "G".

Gillian A. Wright