ATTACHMENT A
Exhibit A

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

In the Matter of the Application of San Diego Gas & Electric Company (U 902 M) and Southern California Gas Company (U 904 G) for Authorization to Support Reliable Deliveries at Otay Mesa.	A.06-10-034 (Filed October 27, 2006)

JOINT RECOMMENDATION

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March 2, 2007

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

In the Matter of the Application of San Diego Gas & Electric Company (U 902 M) and Southern California Gas Company (U 904 G) for Authorization to Support Reliable Deliveries at Otay Mesa.	A.06-10-034 (Filed October 27, 2006)

JOINT RECOMMENDATION

Pursuant to the direction of ALJ Brown at the January 30, 2007 Prehearing Conference in this proceeding, representatives of the following parties met and conferred by telephone on February 2, 2007, February 23, 2007, and March 1, 2007, and hereby submit a Joint Recommendation to resolve the issues raised at the Prehearing Conference: applicants, San Diego Gas & Electric Company ("SDG&E") and Southern California Gas Company ("SoCalGas") (jointly, "SDG&E/SoCalGas"); and intervenors, Southern California Generation Coalition; Coral Energy Resources, L.P.; the Division of Ratepayer Advocates; The Utility Reform Network; Southern California Edison Company; and Southwest Gas Corporation.

Issue No. 1: *Should the term of the Request for Offers ("RFO") for contractual commitments to support reliable deliveries at Otay Mesa, as proposed in A.06-10-034, be limited to two years ending March 31, 2009?*

Yes.

Issue No. 2: *Should Special Condition 34 of SoCalGas/SDG&E's Schedule GT-F be revised to provide:*

> For large noncore customers, the term for firm service shall be the earlier of (a) two (2) years beyond the in-service date of facilities associated with the expansion of local transmission service, **or the commencement of service on interstate and/or foreign pipelines or other arrangements that alleviate the need for expanding local transmission facilities as approved by the Commission in A.06-10-034;** or (b) five (5) years. For small noncore customers, the term is two years.

Yes. The authorization to count contractual commitments approved in A.06-10-034 as firm capacity should be reflected in the term of service required under Special Condition 34.

Issue No. 3: *Should the proposed revision to Special Condition 34 of SoCalGas/SDG&E's Schedule GT-F be limited to the contractual commitments approved in A.06-10-034?*

Yes. However, further consideration of revisions to Schedule GT-F, that may be needed to accommodate contractual arrangements beyond those permitted in A.06-10-034, may be considered in SoCalGas/SDG&E's upcoming BCAP proceeding.

Issue No. 4: *Can it be clarified that the RFO states that bids for the physical redelivery of up to 50 MMcf/d of supplies from other receipt points into the SDG&E/SoCalGas system (e.g., Ehrenberg/Blythe) to Otay Mesa, are within the scope of the RFO?*

Yes. The RFO shall explain what is needed to secure additional system capacity (i.e. firm deliveries up to 50 MMcf/day at Otay Mesa for the winter months November through March during the winters of 2007-08 and 2008-09). The RFO shall solicit offers from interested parties to provide an arrangement that meets this objective, with the exception that the range of options shall not include the purchase of gas supplies by SoCalGas' Gas Acquisition Department and San Diego Gas & Electric Company's Gas Procurement Department.

Issue No. 5: *Should the contracting party on behalf of SDG&E/SoCalGas be SoCalGas, Pipeline System Control and Planning?*

Yes. The party to these transactions on behalf of SDG&E/SoCalGas will be the SoCalGas Pipeline System Control and Planning Department, as defined in SoCalGas' Remedial Measures approved in D.98-03-073. The term "System Operator" will not be used and this Joint Recommendation does not prejudge the Commission's actions or affect any undersigned party's positions or arguments concerning the role of the "System Operator" in SDG&E/SoCalGas Application 06-08-026.

Issue No. 6: *Should all costs incurred by SDG&E/SoCalGas' Pipeline System Control and Planning Department to support reliable deliveries at Otay Mesa be tracked to the Otay Mesa System Reliability Memorandum Account (OMSRMA) and be addressed in SDG&E/SoCalGas' next Biennial Cost Allocation proceeding or other appropriate regulatory proceeding?*

Yes. In the interest of time, allocation of costs tracked to the OMSRMA should be addressed separately from issuance of the authorizations requested in this Application.

Issue No. 7: *Should the Commission clarify that SDG&E and SoCalGas are not requesting authority for off-system deliveries in this proceeding?*

Yes. SDG&E/SoCalGas' proposal for reliable deliveries at Otay Mesa does not entail off-system deliveries because all gas supplies will be delivered to the SDG&E/SoCalGas system. The off-system nominations discussed in the testimony of Rodger Schwecke filed October 27, 2006 in support of the Application, which would occur if the RFO results in contracting for the re-delivery of supplies from Blythe to Otay Mesa, would not result in off-system deliveries.

DATED this 2nd day of March, 2007, at Los Angeles, California.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing **JOINT RECOMMENDATION** on all parties identified in the attached service list compiled in A.06-10-034, by electronic mail, and by U.S. mail to those without an email address.

Dated this 2nd day of March, 2007, at Los Angeles, California.

Rose Mary Ruiz

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing **MOTION OF SAN DIEGO GAS & ELECTRIC COMPANY AND SOUTHERN CALIFORNIA GAS COMPANY FOR DETERMINATION THAT NO HEARING IS NEEDED** on all parties identified in the attached service list compiled in A.06-10-034, by electronic mail, and by U.S. mail to those without an email address.

Dated this 8th day of March, 2007, at Los Angeles, California.

Rose Mary Ruiz

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CALIFORNIA PUBLIC UTILITIES COMMISSION
Service Lists
Proceeding: A.06-10-034 - Last Update on March 1, 2007

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(END OF ATTACHMENT A