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VIA ELECTRONIC MAIL to IEED@bia.edu

May 15, 2006

OFFICE OF INDIAN ENERGY AND ECONOMIC DEVELOPMENT
1849 C St., NW., Mail Stop 2749-MIB
Washington, D.C. 20240

Re: Energy Policy Act of 2005
Section 1813 Study of Energy Rights-of-Way on Tribal Lands

Dear Office of Indian Energy and Economic Development:

San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SoCalGas), regulated public utility subsidiaries of Sempra Energy, submit the following information and comments for consideration by the Office of Electricity Delivery and Energy Reliability and the Office of Indian Energy and Economic Development in connection with the Study of Energy Rights-of-Way on Tribal Lands pursuant to Section 1813 of the Energy Policy Act of 2005.

Together, SDG&E and SoCalGas serve 23 million electric and gas consumers within the State of California from the Central Valley to the Mexican border, one of the largest customer bases of any energy utility in the United States.

SDG&E and SoCalGas support the development of a federal policy governing the acquisition of rights-of-way on tribal land that provides fair compensation for the use of tribal land and the ability to acquire and renew necessary rights-of-way. A sound federal policy is needed to ensure the construction and maintenance of vital energy infrastructure in an environmentally responsible and cost-effective manner.

Existing policy negatively impacts the energy consumers in our service territory in several ways.

Pass Through of Transwestern and El Paso Rights-of-Way Costs

SDG&E's and SoCalGas' ratepayers are negatively impacted to the extent unreasonable right-of-way fees are paid by interstate pipeline suppliers for rights-of-way across tribal lands.

Our gas ratepayers receive 70% of their natural gas (approximately 2 Bcf/day) from Transwestern Pipeline Company and El Paso Natural Gas Company. Accordingly, a significant portion of right-of-way fees paid by Transwestern and El Paso to cross tribal lands falls upon our ratepayers.

In addition to incurring the pass through of interstate transmission right-of-way costs, SDG&E's and SoCalGas' own intrastate transmission facilities have been negatively impacted by existing federal policy, and future problems are anticipated unless a new policy is adopted.

Valley-Rainbow Interconnect

In 2001, a \$360 million, 31 mile, 500 kV electric transmission line project known as the Valley-Rainbow Interconnect was planned by SDG&E to meet future energy needs of the citizens of San Diego County.

The route with the least environmental impact ran across a remote portion of the reservation for the Pechanga Band of Luiseño Indians. The tribe refused to grant its consent for a right-of-way, at any price.

An alternate route across non-tribal land was blocked when the Pechanga Tribe purchased and placed the land into federal trust. The only remaining option was a longer route through the Cleveland National Forest, raising environmental concerns and likely significantly increasing the project cost.

Sunrise Powerlink

Unable to construct the Valley-Rainbow Interconnect, in 2005, SDG&E began planning a \$1.4 billion, 140 mile, 500 kV electric transmission line known as the Sunrise Powerlink. This power line is supported by numerous business interests, but will cross the Anza-Borrego Desert State Park and is opposed by several environmental groups.

The most direct route for the Sunrise Powerlink is across the Santa Ysabel reservation. SDG&E, however, does not want to invest millions of dollars in power line facilities without certainty that rights-of-way crossing tribal property can be renewed upon expiration at a reasonable cost. Accordingly, a route around the reservation was selected. This route adds significant cost and five miles of length to the project.

San Gorgonio Pass

SoCalGas operates three high pressure gas pipelines, each 30 inches in diameter or larger, across reservation land belonging to the Morongo Band of Mission Indians. These pipelines supply 40% of the natural gas used in Southern California. These pipelines are located in the San Gorgonio Pass through the San Jacinto mountain range. This pass provides the only reasonable access into Southern California from the East, as demonstrated by the fact that the San Gorgonio Pass also contains seven high-voltage electric transmission lines, fiber optic telecommunication lines, the Colorado River Aqueduct, Interstate Highway 10, and Union Pacific Railroad.

No practical route exists through the San Gorgonio Pass without crossing Morongo tribal land.

The easements for SoCalGas' pipelines on the Morongo tribal land will expire in twelve years. Relocating SoCalGas' pipelines around the Morongo tribal land would result in the abandonment of 24 miles of pipeline and require the construction of longer pipelines, most likely through difficult terrain in the San Jacinto Wilderness Game Preserve, although this may not be feasible and other, still longer routes may need to be explored.

Relocation of these pipelines appears to be a distinct possibility as we are informed that Questar relocated its pipeline off the reservation when negotiations to renew its pipeline right-of-way with the Morongo Tribe failed.

Other Concerns

SDG&E transmits over 1800 MW on electric transmission facilities that cross tribal lands. Within the next 25 years, SDG&E is facing expiration of rights-of-way for other critical transmission facilities located on tribal lands:

Tribe	Facility	Expires
La Jolla	Line 682	2022
Rincon	Line 6926	2027
Pauma & Yuima	Line 682	2029
Quechon	Line 50002	2033
Campo	Line 50001	2033

(While SDG&E and SoCalGas have thousands of distribution rights-of-way on tribal land with expiration dates, renewals of these distribution rights-of-way have not posed a problem as they contain distribution facilities providing gas and electric service to tribal members.)

There are 33 tribal reservations in SDG&E's and SoCalGas' service territories. Some tribes are actively adding acreage to their protected trust land, and have the ability to target critical

May 15, 2006

Page 4

properties needed for future infrastructure development, such as occurred with the Valley-Rainbow Interconnect Project.

Conclusion

The adoption of a new federal policy providing a procedure to acquire and renew necessary rights-of-way on tribal land and providing fair compensation for the use of tribal land will support the construction and maintenance, in an environmentally responsible and cost-effective manner, of the energy infrastructure needed to ensure reliable service to millions of customers at reasonable rates.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bret Lane".

Bret Lane

Vice President, Environmental Safety and Facilities