

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Fact-Finding Investigation of Potential)	Docket No. PA02-2-000
Manipulation of Electric and Natural)	
Gas Prices)	
_____)	

**RESPONSE OF SAN DIEGO GAS & ELECTRIC COMPANY (“SDG&E”) TO
STAFF’S SECOND SET OF DATA REQUESTS**

I. Requests for Admissions (“RFA”)

RFA I.A: Admit or Deny: The company engaged in activities referred to as “wash,” “round trip” or “sell/buyback” trading. This trading involves the sale of an electricity product to another company together with a simultaneous purchase of the same product at the same price.

Response: SDG&E denies that it engaged in trading activities referred to as “wash,” “round trip” or “sell/buyback” trading during the 2000-2001 period.

SDG&E engaged in approximately 50 physical swap transactions involving approximately 106,000 MWhrs during the 2000-2001 period. These swaps involved sales of electricity to another company together with a simultaneous purchase of electricity at the same price but at different locations. These 50 swap transactions were out of a total for all of SDGE&E’s electric swaps during this period of approximately 1100 transactions involving volumes of more than 5,000,000 MWhrs. These transactions were not simultaneous sales and purchases of the same product or “wash,” “round trip” or sell/buyback” trading activities. Further, SDG&E did not submit these transactions to any organization that monitors, publishes or reports trading data or publishes or reports prices or forward indexes.

RFA I.B:

If you so admit, provide transaction by transaction details for all such transactions your company engaged in, including, but not limited to the following:

1. Indicate the methods and rationale used to arrive at the value or compensation of such transactions.
2. Indicate whether any such transactions were reported to Platt's, Bloomberg, or any organization that monitors, publishes or reports trading data (including bid-and-ask data) or publishes or reports prices or forward indices.
3. Identify all such transactions referred to in question 3 that were so published or reported, or were disseminated in any manner.
4. Identify all traders that participated in such transactions, by name and position within your company, if employed by you, or by name and affiliation if they were not or are not presently employed by your company.
5. Identify how such transactions were executed (e.g., whether an electronic platform was use to initiate the sale, with the buy transaction subsequently arranged through a broker or by telephone).
6. Describe all policies and procedures implemented prevent future transactions of this type.

Response:

Not Applicable.

RFA II

To the extent your company engaged in “wash,” “round trip,” or “sell/buyback” type transactions, provide the following documents:

RFA II.A:

Provide copies of all communications or correspondence, including e-mail messages, instant messages, or telephone logs, between your company and any other company (including your affiliates or subsidiaries) that refer or relate to this activity.

Response:

Not Applicable.

RFA II.B: Provide copies of all material, including, but not limited to, opinion letters, memoranda, communications (including e-mails and telephone logs), or reports, that address or discuss your company's knowledge of, awareness of, understanding of, or employment or use of any of any such transactions in the U.S. portion of the WSCC during the period 2000-2001.

Response: Not Applicable.