

IMPORTANT MEETING NOTICE

For a Spanish version of this bill insert you may call the following number: 858-654-1766; or email: mcendejas@semprautilities.com; or visit our website at: <http://sdge.com/regulatory-notice>.

Para una versión en Español de esta circular puede llamar al 858-654-1766, mandar un correo electrónico a mcendejas@semprautilities.com, o visitar nuestro sitio web en: <http://sdge.com/regulatory-notice>.

NOTICE OF PUBLIC PARTICIPATION HEARINGS REGARDING PROPOSED WILDFIRE EXPENSE BALANCING ACCOUNT SAN DIEGO GAS & ELECTRIC COMPANY (APPLICATION NO. 09-08-020)

The CPUC is interested in hearing from you! Your public comments on the above proceeding are important to the CPUC. Two Public Participation Hearings (PPH's) are scheduled for the location and times listed below. Customer Service Representatives from SDG&E® will be present at each hearing to assist with individual customer billing and service concerns. A CPUC Administrative Law Judge assigned to this proceeding will be present to listen to and take all public comments on the formal record. CPUC Commissioners may be present; however, this will not constitute a quorum for any formal voting. This facility location is wheelchair-accessible. If you need interpreters for language or for the hard of hearing, please contact the Public Advisor's Office at the numbers listed below at least five working days in advance of the meeting date:

San Diego

AL BAHR SHRINERS MEMORIAL AUDITORIUM

April 5, 2012

2:00pm & 6:00pm

5440 Kearny Mesa Road

San Diego, CA 92111

INFORMATION ABOUT THIS APPLICATION

San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SoCalGas®) are asking the Commission to approve a mechanism to increase rates to recover uninsured costs associated with wildfires.⁽¹⁾

The Amended Application asks for CPUC approval of Wildfire Expense Balancing Accounts (WEBAs) allowing SDG&E and SoCalGas to record for potential future recovery uninsured costs arising from wildfires, including claims costs, outside legal costs, and financing costs. The proposed WEBAs would not cover wildfire-related damage to utility facilities. In addition, costs that have previously been authorized for recovery in rates in SDG&E's General Rate Case or other CPUC proceedings would not be added to the WEBA. Insurance proceeds, as well as any payments received from

third parties, would be credited to the WEBA as they are received, subject to a proposed sharing between the utilities and customers of third-party recoveries. Recording costs in a WEBA would not create a presumption of recoverability.

To include costs recorded in the WEBA, SDG&E and SoCalGas will have to file a subsequent request to the Commission, but will only need to show proper categorization of WEBA costs, accurate verification of WEBA costs, and an approval of an amortization schedule to include WEBA costs in customer rates.

SDG&E'S 2007 Wildfire Costs

SDG&E has recorded \$62 million of uninsured costs from the 2007 wildfires in San Diego County for potential recovery from ratepayers via this mechanism, and has announced the possibility that up to \$400 million more may be added to the account. SDG&E is not requesting to include any wildfire costs in rates immediately, but may do so in a separate WEBA filing.

You can obtain more information about this application from SDG&E by writing to Chuck Manzuk, 8330 Century Park Court, San Diego, CA 92123. You may also view a copy of the application on SDG&E's website: <http://sdge.com/node/691>.

Copies of this insert will be available for viewing and printing on the SDG&E website: <http://sdge.com/regulatory-notice>.

Staff from the CPUC's Public Advisor's Office will be at both hearings to assist you. If you would like more information on how to participate at these public hearings, or if you are unable to attend and would like to submit written comments about the Application, please contact:

Public Advisor

California Public Utilities Commission
320 West Fourth Street, Suite 500
Los Angeles, CA 90013

Or via email to Public.advisor.la@cpuc.ca.gov

Telephone: (415) 703-2074 or toll-free: 1-866-849-8390

Teletype (TTY): (415) 703-5282 or toll-free TTY:
1-866-836-7825

⁽¹⁾ Pacific Gas and Electric Company (PG&E) and Southern California Edison Company (SCE) were originally joint applicants with SDG&E and SoCalGas, but PG&E and SCE subsequently withdrew from the proceeding.



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