

**NOTIFICATION OF APPLICATION FILING BY
SOUTHERN CALIFORNIA GAS COMPANY:
WILDFIRE CLAIMS COST RECOVERY
A.09-08-020**

On August 31, 2009, Southern California Gas Company (SoCalGas®), San Diego Gas and Electric Company, Pacific Gas and Electric Company and Southern California Edison Company (the Utilities) jointly filed Application No. 09-08-020 requesting authority from the California Public Utilities Commission (CPUC) to approve a mechanism to allow the Utilities to recover uninsured costs associated with wildfires. In the face of a potential insurance crisis that may limit the Utilities' ability to obtain insurance coverage, the application asks for CPUC approval for each Utility to establish a Wildfire Expense Balancing Account (WEBA) to record for future recovery all uninsured costs arising from wildfires, including:

- (1) Payments to satisfy wildfire claims, including any co-insurance and deductible expense paid by the Utilities;
- (2) Outside legal costs incurred in the defense of wildfire claims;
- (3) Premiums for insurance against wildfire claims, and
- (4) The cost of financing these amounts.

Costs that have previously been authorized for recovery in rates in SoCalGas' General Rate Case shall not be added to the WEBA. Insurance proceeds, as well as any payments received from third parties, will be credited to the WEBA as they are received. The application requests that amounts recorded in the WEBA be included in rates after review and approval by the Commission. However, while requesting approval of the mechanism, the application does not request increases in current rates.

FOR FURTHER INFORMATION

You may request additional information or obtain a copy of the application and related exhibits by writing to: Chuck Manzuk, Southern California Gas Company, 8330 Century Park Court, San Diego, CA 92123. SoCalGas' application and exhibits may also be inspected at the CPUC office located at 505 Van Ness Ave., San Francisco, CA 94102.

Copies of this application are available on the SoCalGas Web site at: www.socalgas.com/regulatory/cpuc.shtml.

Copies of this insert will be available for viewing and printing on the SoCalGas Web site at: www.socalgas.com/regulatory.

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THE CPUC PROCESS

The CPUC's Division of Ratepayer Advocates (DRA) will review this application. DRA is an independent arm of the CPUC, created by the Legislature to represent the interests of all utility customers throughout the state and obtain the lowest possible rate for service consistent with reliable and safe service levels. DRA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. DRA's views do not necessarily reflect those of the CPUC. Other parties of record will also participate.

THE CPUC MAY HOLD EVIDENTIARY HEARINGS

The CPUC may hold Evidentiary Hearings (EHs) whereby parties of record present their proposals in testimony and are subject to cross-examination before an Administrative Law Judge (ALJ). The EHs are open to the public, but only those who are formal parties of record can present evidence or cross-examine witnesses during the EHs. Members of the public may attend these hearings, but they are only allowed to listen. After considering all evidence presented during this process, the ALJ will issue a draft decision. When the CPUC acts on this application, it may adopt all or part of SoCalGas' proposal. The CPUC may approve the draft decision; it may adopt all or part of the draft; or the assigned Commissioner may issue an alternate decision. The final decision adopted may be different from what SoCalGas proposed in the application filing.

If you would like additional information on the CPUC process, you may contact the Public Advisor's Office (PAO) at 1-866-849-8391 (toll free) or 213-576-7055. If you would like to attend these hearings and need assistance, you should contact the Public Advisor's Office (PAO) at 1-866-849-8390 (toll free) or 415-703-2074 at least three business days in advance of the meeting.

You may also send your comments to the PAO at the address: Public Advisor's Office, 320 West 4th St., Ste. 500, Los Angeles, CA 90013 or send an e-mail to: public.advisor.la@cpuc.ca.gov.

Any letters received from you will be circulated to each Commissioner and will become part of the formal correspondence file in this application. In your letter, state that your comments are regarding Application No. A.09-08-020.

