

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Reform the  
Commission's Energy Efficiency Risk/Reward  
Incentive Mechanism

Rulemaking 12-01-005  
(Filed January 12, 2012)

**NOTICE OF EX PARTE COMMUNICATION OF  
SAN DIEGO GAS & ELECTRIC COMPANY (U902M) AND  
SOUTHERN CALIFORNIA GAS COMPANY (U904G)**

Billy Blattner  
*Manager of Regulatory Relations for:*  
**SAN DIEGO GAS & ELECTRIC COMPANY  
SOUTHERN CALIFORNIA GAS COMPANY**  
601 Van Ness Avenue, Suite 2060  
San Francisco, CA 94102  
Telephone: (415) 202-9983  
Facsimile: (415) 346-3630  
[WBlattner@semprautilities.com](mailto:WBlattner@semprautilities.com)

Dated: December 18, 2012

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In accordance with Rule 8.3 of the Commission's Rules of Practice and Procedure, San Diego Gas & Electric Company ("SDG&E") and Southern California Gas Company ("SoCalGas")(together, "the Joint Utilities") hereby give notice of the following *Ex Parte* communications in the above proceeding.

On Thursday, December 12, 2012 at 1:30 p.m. in the Commission offices in San Francisco, Billy Blattner, Manager of Regulatory Relations for SDG&E and SoCalGas, met with Matthew Tisdale, Advisor to Commissioner Florio. The meeting was initiated by SoCalGas and SDG&E to discuss the pending 2010-12 energy efficiency incentives proposed decision ("PD") and alternate decision ("alternate") in the above proceeding. Communications were oral and lasted approximately 30 minutes.

Mr. Blattner expressed support for the Ferron alternate, but requested changes to the decision. He stated that the utilities had a reasonable expectation that incentives would be adopted for the current program cycle. He explained that SDG&E and SoCalGas support incentives that reward achievement of energy savings goals, but can accept incentives based on a management fee on a non-precedential basis for the program cycle that ends this month.

Mr. Blattner requested that the alternate be modified to eliminate the arbitrary and subjective scoring mechanism. He explained that the scoring mechanism, which was first introduced in a ruling on September 25 of this year, was not supported by any party responding to the ruling, cannot be objectively measured or recreated, is based on conformance with an administrative process not adopted until July 2011, punishes dissent and stifles innovation. He stated that SDG&E and SoCalGas are committed to working with the Energy Division to improve the ex ante process, but that the scoring mechanism is not the proper basis for awarding performance incentives.

To request a copy of this notice, please contact:

Cindy Zammit  
601 Van Ness Avenue, Suite 2060  
San Francisco, CA 94102  
Telephone: (415) 202-9986  
Facsimile: (415) 346-3630  
Email: [czammit@semprautilities.com](mailto:czammit@semprautilities.com)

Dated this 18<sup>th</sup> day of December, 2012, at San Francisco, California.

Respectfully submitted,

By: /s/ Billy Blattner  
Billy Blattner

*Manager of Regulatory Relations for*  
**SAN DIEGO GAS & ELECTRIC COMPANY  
AND SOUTHERN CALIFORNIA GAS COMPANY**  
601 Van Ness Avenue, Suite 2060  
San Francisco, CA 94102-6316  
Phone: (415) 202-9983  
Fax: (415) 346-3630  
E-Mail: [WBlattner@SempraUtilities.com](mailto:WBlattner@SempraUtilities.com)