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March 1, 2010

Michael Shames
Executive Director
Utility Consumers' Action Network
3100 Fifth Avenue, Suite B
San Diego, CA 92103

Re: Eminent Domain Guide

Dear Mr. Shames:

As you may be aware, I represent San Diego Gas & Electric ("SDG&E") with respect to its efforts to acquire property interests for the construction and operation of the Sunrise Powerlink Project. Recently the Eminent Domain Guide which is on the UCAN website was brought to my attention. While it was authored by others (who are receiving copies of this letter), I note there are various substantive errors, identified below, which you may want to consider correcting.

Initially, I note that in the first paragraph there is reference to SDG&E contacting many property owners (readers) regarding "taking" their land. To someone unfamiliar with eminent domain, the implication is a complete or fee taking. In reality, very little of the property necessary for the project will be acquired in fee; the vast majority of the property owners will only be subject to acquisition of easement interests in a portion of their property.

Under the heading "Does SDG&E Have the Right to Take My Land," the statement is made that the "State has delegated" eminent domain rights to SDG&E to construct the Sunrise Powerlink project. In fact, the legislature has granted SDG&E and other public utilities the right to acquire property interests to construct various projects. There has not been a "delegation" for the specific and limited purpose of constructing the Sunrise Powerlink – SDG&E has the legal authority under the broad statutory grant of eminent domain to public utilities.

At the top of page 2, in the section captioned "What Am I entitled to if My Land is Taken for Public Use?", there is again the broad and largely incorrect statement about the "taking of your land." More importantly, there is the clear implication that SDG&E appraisers retained by SDG&E to prepare Fair Market Value appraisals are not independent. The appraisers are members of the Appraisal Institute and bear the hard-earned designation of MAI. All appraisers must abide by state law and standards of appraisal organizations. They reach independent

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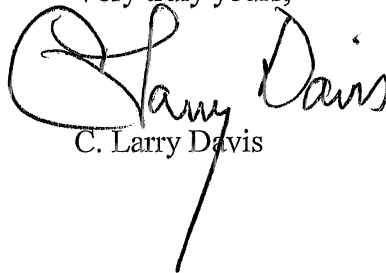
conclusions as to value. The appraisers are no less independent than an appraiser who may be retained by property owners.

Finally, under the caption "What Can I expect if My Land is Subject to Eminent Domain for the Sunrise Powerlink?" there are several significant errors. There seems to be a lack of understanding of the differences between a public entity and a public utility.

- In paragraph number 2 there is a capitalized statement that SDG&E is obligated to pay up to \$5,000 for an appraisal. However, the law applies specifically to public entities and not to public utilities.
- Paragraphs 4, 5 and 6 are simply wrong about the need for SDG&E to give notice of a public hearing, hold a public hearing, and adopt a Resolution of Necessity before seeking to acquire property interests under the laws of Eminent Domain. Those statements apply to public entities, not to public utilities. The issue has been addressed by case law.

Since the guide is being represented as the status of eminent domain law, SDG&E suggests that corrections be made so as not to mislead readers.

Very truly yours,



C. Larry Davis

CLD/sma

cc: Robert Miller
Steven P. McDonald