

SAN DIEGO GAS & ELECTRIC COMPANY

NOTICE OF APPLICATION TO INCREASE ELECTRIC RATES

APPLICATION NO. 02-03-039

On March 21, 2002, San Diego Gas & Electric Company (SDG&E) and Southern California Edison Company (SCE) filed a Joint Application with the California Public Utilities Commission (CPUC) to set contribution levels for the companies' nuclear decommissioning trust funds and other related issues in connection with San Onofre Nuclear Generating Station (SONGS) Unit Nos. 1, 2 and 3.¹ On June 17, 2002, SDG&E amended the application to request a rate increase to cover its share of total projected increased decommissioning costs for SONGS 2 & 3 of \$386 million. The current annual contribution to SDG&E's trust funds is \$4.928 million. SDG&E is requesting an increase to \$11.516 million annually.

EFFECT ON ELECTRIC RATES AND BILLS

If the CPUC approves SDG&E's request, a typical non-CARE residential customer's summer electric bill using 500 kilowatt-hours of electricity will increase from \$74.71 per month to \$74.90 per month, or 19 cents. The impact on each customer and customer class could vary depending on the CPUC's final decision. The following table shows the rate changes SDG&E is requesting in this application. The actual rates approved by the CPUC may be higher or lower than those requested by SDG&E.

PROPOSED ELECTRIC RATE INCREASE

	Current Total Rate (cents/kWh)	Proposed Total Rate (cents/kWh)	Change (cents/kWh)	Change (%)
Residential	15.049	15.086	0.037	0.25%
Small Commercial	16.460	16.497	0.037	0.23%
Med. & Lg. C&I	12.418	12.455	0.037	0.30%
Agriculture	15.480	15.517	0.037	0.24%
Lighting	15.943	15.980	0.037	0.24%
System	13.883	13.920	0.037	0.27%

THE CPUC WILL HOLD EVIDENTIARY HEARINGS

The CPUC has scheduled evidentiary hearings on this application. The tentative dates are September 18-27, 2002. At the hearings, SDG&E, the CPUC's independent Office of Ratepayer Advocates (ORA) and other interested parties give testimony. Parties may offer proposals to the CPUC that differ from those SDG&E presents.

After considering all evidence presented, the CPUC will issue a decision on this application. The actual award approved by the CPUC may be different from that originally requested by SDG&E.

¹ SCE owns an 80% interest in SONGS 1 and a 75.05% interest in SONGS 2 & 3. SDG&E owns a 20% interest in SONGS 1, 2 and 3. The City of Anaheim and the City of Riverside own the remaining 3.16% and 1.79% interests in SONGS 2&3, respectively.

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EVIDENTIARY HEARINGS ARE OPEN TO THE PUBLIC

If you wish to participate in the evidentiary hearings and need advice on how to do so, if you would like to receive information on the location and schedule of the evidentiary hearings, or if you would like to submit written comments, please write to the CPUC's Public Advisor at the following address:

Public Advisor, California Public Utilities Commission
320 West 4th Street, Suite 500, Los Angeles, CA 90013
e-mail: public.advisor.la@cpuc.ca.gov

Mention that you are writing about Application No. 02-03-039. The Public Advisor will give your letter to the Commissioners, ORA staff, and the Administrative Law Judge assigned to the case. Your letter will become part of the formal correspondence file. If you have a question or need further information, please state in your letter that you would like a response. Otherwise, no reply will be sent.

FOR FURTHER INFORMATION

You may obtain a copy of the application and related exhibits by writing to: Petrina Burnham, Regulatory Affairs Department, San Diego Gas & Electric Company, 8315 Century Park Court, San Diego, CA 92123. A copy of this application may also be inspected at Sempra Energy headquarters located at 101 Ash Street, San Diego, CA 92101, or at the following SDG&E business offices:

436 H Street
Chula Vista, CA 91910

5971 University Avenue #310
San Diego, CA 92115

2405 Plaza Boulevard
National City, CA 91950

4340 Genesee Avenue #103
San Diego, CA 92117

1720 Euclid Avenue
San Diego, CA 92105

320 W. Mission Avenue
Escondido, CA 92025

2nd and Ash Street
San Diego, CA 92101

662 Camino De Los Mares
San Clemente, CA 92673

104 North Johnson Avenue
El Cajon, CA 92020

3910 Vista Way
Suite 105
Oceanside, CA 92054

30673 Old Highway 80
Pine Valley, CA 91962

The application may also be inspected at the CPUC offices located in San Diego at 1350 Front Street, Room 4006, San Diego, CA 92101.

Copies of this insert will be available for viewing and printing on the SDG&E web site at www.sdge.com/tariff/inserts.

