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SAN DIEGO GAS & ELECTRIC COMPANY
NOTICE OF PROPOSED INCREASE
IN GAS AND ELECTRIC RATES
APPLICATION NO. 09-02-011

On March 6, 2009, San Diego Gas & Electric Company (SDG&E®) filed its Catastrophic Event Memorandum Account (CEMA) Application (A.09-02-011) with the CPUC, asking for approval to recover incremental costs associated with the fires of 2007. SDG&E has requested that these rate changes become effective on January 1, 2010. The CPUC granted authority to establish this account by Resolution E-3238, dated July 24, 1991. The purpose of CEMA is to recover the costs associated with the restoration of service and SDG&E facilities affected by a catastrophic event declared as a disaster or state of emergency by competent federal or state authorities.

EFFECT ON ELECTRIC RATES AND BILLS

If the CPUC approves SDG&E's request, a typical residential customer living in the inland climate zone and using 500 kWh would see a monthly bill increase beginning January 1, 2010 of 0.36%, or \$0.27. A customer living in the coastal zone using the same amount of electricity would see a bill increase of 0.54%, or \$0.43. A typical monthly winter

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electric bill would increase from \$74.71 to \$74.98 for an inland customer. This rate would remain in effect for approximately 12 months. The percentage change shown does not necessarily reflect the changes that you may see on your bill. Changes to individual customer bills depend on individual customer usage, the season and other factors.

The following table shows the electric revenue and rates changes SDG&E is requesting for 2010.

PROPOSED ELECTRIC RATE CHANGE

Customer Class	Proposed Distribution Revenue Change (\$000)	Percentage Distribution Revenue Change	Proposed Total Class Average Rate Change (cents/kWh)	Percentage Total Class Rate Change
Residential	\$13,927	2.5%	0.178	1.0 %
Small Commercial	\$2,950	2.4 %	0.137	0.7 %
Med. & Large Commercial/Industrial	\$7,963	2.4 %	0.073	0.5 %
Agricultural	\$123	2.4 %	0.136	0.8 %
Lighting	\$104	1.2 %	0.093	0.6 %
System Total	\$25,067	2.4 %	0.119	0.7 %

EFFECT ON GAS RATES AND BILLS

Due to the low level of the proposed gas revenue change, SDG&E proposes to transfer incremental gas revenues related to the 2007 fires to the Gas Fixed Cost Accounts to amortize with other approved amounts in rates beginning January 1, 2010.

THE CPUC MAY HOLD EVIDENTIARY HEARINGS

The CPUC may hold evidentiary hearings at which the parties of record present their proposals in testimony and

are subject to cross-examination before an Administrative Law Judge. These hearings are open to the public, but only those who are parties of record can present evidence or cross-examine witnesses during the evidentiary hearings. After considering all evidence presented, the CPUC will issue a decision. The CPUC may approve expenditures that differ from those we request. The actual rates may result in changes greater or less than those described in this notice.

If you wish to participate in the hearings and need assistance, or if you would like to send comments to the CPUC, you may write the CPUC's Public Advisor's Office, 505 Van Ness Ave., San Francisco, CA 94102 or by 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.09-02-011.

FOR FURTHER INFORMATION

You may request additional information or obtain a copy of the application and related exhibits by writing to: Andrew Steinberg, Regulatory Case Manager for SDG&E, 555 W. Fifth St. M.L. GT14D6, Los Angeles, CA 90013. SDG&E will provide a copy of the application, including testimony, upon request.

SDG&E's application and attachments may also be inspected at the CPUC office located at 505 Van Ness Ave., San Francisco, CA 94102. A copy of the application and any

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amendments also may be inspected at the SDG&E business offices listed:

436 H St.
Chula Vista, CA 91910

2405 Plaza Blvd.
National City, CA 91950

336 Euclid Ave.
Suite 502
San Diego, CA 92102

104 North Johnson Ave.
El Cajon, CA 92020

440 Beech St.
San Diego, CA 92101

320 West Mission Ave.
Escondido, CA 92025

2604 El Camino Real
Suite B
Carlsbad, CA 92008

The application is available electronically on SDG&E's Web site at www.sdge.com/regulatory/cpuc.shtml.

Copies of this insert will be available for viewing and printing on the SDG&E Web site at www.sdge.com/billinserts/regulatory.shtml.

