

SAN DIEGO GAS & ELECTRIC COMPANY

NOTICE OF PROPOSED ELECTRIC RATE INCREASE

APPLICATION NO. A.04-06-035

On June 28, 2004, San Diego Gas & Electric Company (SDG&E) filed its Catastrophic Event Memorandum Account Application (A.04-06-035) with the California Public Utilities Commission (CPUC or Commission), asking for approval to recover incremental costs associated with the firestorms of 2003. SDG&E has requested that these rate changes become effective on January 1, 2005.

EFFECT ON ELECTRIC RATES AND BILLS

If the Commission approves SDG&E's request, a typical residential customer using 500 kWh per month will see a monthly bill increase beginning in January 2005 of 0.15% or 11 cents. In other words, a typical monthly electric bill will increase from \$68.37 to \$68.48. This rate will be in effect approximately 12 months. The percentages shown do not necessarily reflect the changes that you may see in your bill. Changes in individual bills will depend on how much energy each customer uses.

The following chart shows the electric rate changes SDG&E is requesting for 2005.

Proposed Electric Rate Change

Customer Class	Proposed Revenue Change (\$000)	Total Percent Change (%)	Proposed Average Rate Change (cents/kwh)	Total Percent Change (%)
Residential ¹	7,356	0.78%	0.117	0.78%
Small Commercial	2,410	0.68%	0.117	0.68%
Medium & Large Commercial/Industrial	10,109	1.00%	0.117	1.00%
Agriculture	149	0.76%	0.117	0.76%
Lighting	100	0.66%	0.117	0.66%
System Total	20,124	0.86%	0.117	0.86%

THE CPUC MAY HOLD EVIDENTIARY HEARINGS

Before acting on our application, the CPUC may hold hearings to examine evidence and hear testimony presented by SDG&E and any other interested parties, including the CPUC's Office of Ratepayer Advocates (ORA). If hearings are held, parties may offer proposals to the CPUC that differ from those we present. After considering all evidence presented, the CPUC will issue a decision. The CPUC may approve rates that differ from those we request. The actual rates may result in changes greater or less than those described in this notice.

¹ Pursuant to CPUC Decision 04-02-057, residential customers whose consumption does not exceed 130% of baseline allowances are exempt from this increase. Customers whose consumption exceeds this amount may see increases larger than the residential class average.

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HEARINGS ARE OPEN TO THE PUBLIC

YOU ARE WELCOME TO COMMENT AND TO PARTICIPATE IN THE HEARINGS

If you wish to participate in the evidentiary hearings and need advice on how to do so, or if you would like information on the location and schedule of the hearings, please write to the CPUC's Public Advisor at the following address: Public Advisor, California Public Utilities Commission, 320 West 4th St., Suite 500, Los Angeles, CA 90013, or by e-mail to public.advisor.la@cpuc.ca.gov.

If you cannot attend the evidentiary hearings, you may submit written comments to the CPUC at the above address. Make sure to include the application number (A.04-06-035) on your correspondence. The Public Advisor will give your letter to the Commissioners, ORA staff and the Administrative Law Judge assigned to the case, and it will become part of the formal correspondence file. If you have a question or need further information about participating, please state in your letter that you would like a response. Otherwise, no reply will be sent.

FOR FURTHER INFORMATION

Questions concerning this application may be directed to Gina M. Dixon, Regulatory Case Administrator for SDG&E, Sempra Energy, 8330 Century Park Court, San Diego, CA 92123. SDG&E will provide a copy of the application, including attachments, upon request. A copy of the application and any amendments also may be inspected at the Sempra Energy headquarters, located at 101 Ash Street, San Diego, CA 92101 or at the SDG&E business offices listed below:

436 H Street
Chula Vista, CA 91910-4308

2405 Plaza Boulevard
National City, CA 91950-5101

336 Euclid Avenue
Suite 502
San Diego, CA 92113-3645

2nd and Ash Street
San Diego, CA 92101

4340 Genesee Avenue
Suite 103
San Diego, CA 92105-5399

30763 Old Highway 80
Pine Valley, CA 91962-4401

104 North Johnson Avenue
El Cajon, CA 92020

320 West Mission Avenue
Escondido, CA 92025

662 Camino De Los Mares
San Clemente, CA 92673-2827

3910 Vista Way
Suite 105
Oceanside, CA 92054

SDG&E's application and attachments may also be inspected at the CPUC office located in San Diego at 1350 Front St., San Diego, CA 29101.

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

