

FOR FURTHER INFORMATION

You may request additional information or obtain a copy of the application and related exhibits by writing to: Rasha Prince, San Diego Gas & Electric Company, 555 West Fifth St., 14th Floor, Los Angeles, CA 90013-1011. A copy of this application may be inspected at the following SDG&E business offices:

436 H St. Chula Vista, CA 91910	440 Beech St. San Diego, CA 92101
104 North Johnson Ave. El Cajon, CA 92020	336 Euclid Ave. Suite 502 San Diego, CA 92102
3485 Marron Rd. Oceanside, CA 92056	320 West Mission Ave. Escondido, CA 92025
2405 Plaza Blvd. National City, CA 91950	

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

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



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SAN DIEGO GAS & ELECTRIC COMPANY

NOTICE OF PROPOSED RATE INCREASES CLIMATE ACTION INITIATIVE APPLICATION NO. A.07-08-031

On August 31, 2007, San Diego Gas & Electric Company (SDG&E®) and Southern California Gas Company (SoCalGas®) filed a "Climate Action Initiative" Application (A.07-08-031) with the California Public Utilities Commission (Commission) in support of the State's goals for greenhouse gas (GHG) reduction set forth in the Global Warming Solutions Act of 2006 (AB 32). The SDG&E and SoCalGas Climate Action Initiative is designed to accelerate development and implementation of cost-effective, technologically feasible and verifiable GHG emission reduction measures. The Climate Action Initiative includes several proposed measures which are organized into four areas: (1) clean energy facilities; (2) clean transportation initiatives; (3) utility clean fleet, facilities and infrastructure programs; and, (4) customer programs and assistance.

EFFECT ON ELECTRIC AND GAS RATES AND BILLS

SDG&E proposes that 2009 be the first year that rates are increased to recover program costs proposed in this application. The rate changes below are for illustrative purposes only to show the average rate and typical bill impacts of this Climate Action Initiative filing and not for purposes of predicting 2009 rates. If the Commission approves SDG&E's request, a typical residential customer living in the inland climate zone and using 500 kWh per month will see a monthly bill increase in 2009 of 0.03%, or \$0.02. A typical monthly electric bill will increase from \$70.43 to \$70.45. For gas, a residential customer's average monthly bill of 40 therms per month of gas usage would increase by \$0.07 per month, from \$56.06 to \$56.13.

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.

**SAN DIEGO GAS & ELECTRIC COMPANY
ILLUSTRATIVE CHANGE IN CLASS AVERAGE ELECTRIC RATES
DUE TO PROPOSED CLIMATE ACTION INITIATIVE
EFFECTIVE JANUARY 1, 2009**

Customer Class	Existing Class Average Rates (¢/kWh)	Class Average Rates Reflecting Climate Action Initiative Changes (¢/kWh)	Total Rate Change (¢/kWh)	Percentage Rate Change %
Residential*	15.419	15.432	0.013	0.08%
Small Commercial	16.279	16.288	0.009	0.06%
Med. & Large C&I	12.630	12.636	0.006	0.05%
Agriculture	15.397	15.407	0.010	0.06%
Lighting	14.741	14.748	0.007	0.05%
System Total	13.978	13.986	0.008	0.06%

**ILLUSTRATIVE CHANGE IN CLASS AVERAGE GAS RATES
DUE TO PROPOSED CLIMATE ACTION INITIATIVE
EFFECTIVE JANUARY 1, 2009**

Customer Class	Existing Class Average Rates (¢/therm)	Class Average Rates Reflecting Climate Action Initiative Changes (¢/therm)	Total Rate Change (¢/therm)	Percentage Rate Change %
Residential	57.559	57.752	0.19	0.3%
Core C&I	30.386	30.458	0.07	0.2%
NGV	92.203	92.274	0.07	0.1%
Noncore C&I	11.073	11.104	0.03	0.3%
System Total	19.296	19.355	0.06	0.3%

* Pursuant to California Assembly Bill 1X, electric rates for residential usage up to 130% of baseline allowances will not exceed rate levels in effect February 1, 2001.

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 evidentiary hearings. After considering all evidence presented, the Commission will issue a decision. The Commission 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 would like to participate in the hearings and need assistance, or if you would like to send comments to the Commission, you may write to Commission's Public Advisor's Office, 320 West Fourth St., Suite 500, Los Angeles, CA 90013, or send an 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. 07-08-031. Please indicate if you would like a response to your letter. Otherwise, none will be sent.