

SAN DIEGO GAS & ELECTRIC COMPANY
NOTICE OF ENERGY RESOURCE RECOVERY
ACCOUNT APPLICATION
APPLICATION NO. A.06-06-005

On June 1, 2006, San Diego Gas & Electric Company (SDG&E) filed its Energy Resource Recovery Account (ERRA) Reasonableness Review Application (A.06-06-005) with the California Public Utilities Commission (Commission), pertaining to SDG&E's electric procurement contract administration, least cost dispatch and related activities for the 12-month record period of January 1, 2005 through December 31, 2005.

EFFECT ON ELECTRIC RATES AND BILLS

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 winter bill increase beginning in January 2008 of 0.1%, or \$0.05. A typical monthly electric bill will increase from \$70.91 to \$70.96. 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:

	Existing Class Average Rates	Class Average Rates Including ERRA Increase	Total Rate Change	Percentage Rate Change
	(¢/kWh)	(¢/kWh)	(¢/kWh)	(%)
Residential ¹	16.444	16.481	0.037	0.22%
Small Commercial	16.775	16.803	0.028	0.17%
Med. & Large C&I	12.694	12.709	0.015	0.12%
Agriculture	15.263	15.292	0.028	0.19%
Lighting	15.222	15.241	0.019	0.13%
System Total	14.497	14.522	0.024	0.17%

¹ 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

Before acting on our application, the Commission may hold hearings to examine evidence and hear testimony presented by SDG&E and any other interested parties, including the Commission's Division of Ratepayer Advocates (DRA). If hearings are held, parties may offer proposals to the Commission that differ from those we present. After considering all evidence presented, the Commission will issue a decision. The Commission 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.

(Continued)

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.06-06-005) on your correspondence. The Public Advisor will give your letter to the Commissioners, DRA 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 Kevin O'Beirne, Regulatory Case Manager for SDG&E, 8330 Century Park Court CP32D, 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 SDG&E business offices listed below:

436 H St.
Chula Vista, CA
91910-4308

2405 Plaza Blvd.
National City, CA
91950-5101

336 Euclid Ave.
Ste. 502
San Diego, CA
92113-3645

104 N. Johnson Ave.
El Cajon, CA 92020

440 Beech St.
San Diego, CA 92101

320 W. Mission Ave.
Escondido, CA 92025

3910 Vista Way, Ste. 105
Oceanside, CA 92054

SDG&E's application and attachments may also be inspected at the Commission office located in Los Angeles at 320 West 4th St., Suite 500, Los Angeles, CA 90013.

A copy of this application is available on the SDG&E Web site at http://www.sdge.com/regulatory/tariff/cpuc_openProceedings.shtml

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



A Sempra Energy utilitySM