

SAN DIEGO GAS & ELECTRIC COMPANY
NOTICE OF FILING OF LOW-INCOME,
ENERGY-EFFICIENCY, AND DEMAND RESPONSE PROGRAMS
APPLICATION Nos. A.05-06-013, A.05-06-016, & A.05-06-017

This notice is to advise our customers of the filing of three applications, the timing of which is determined by the California Public Utilities Commission (CPUC). San Diego Gas & Electric Company (SDG&E) filed applications with the CPUC requesting approval of proposed Low-Income, Energy-Efficiency and Demand Response programs and budgets. These programs are directed at assisting qualified low-income customers with their energy bills, helping customers use energy more efficiently and reducing system demand through voluntary reduction of electric usage. Each application will be described separately in this notice.

APPLICATION A.05-06-013, LOW-INCOME PROGRAMS

SDG&E filed this application with the CPUC requesting approval of proposed funding of Program Year (PY) 2006-2007 for the Low-Income Energy-Efficiency (LIEE) Program and administrative costs associated with the California Alternate Rates for Energy Program (CARE). The proposed funding of \$13.368 million per year for LIEE is higher than the currently authorized

budget for Program Year 2005 of \$12.277 million. In order to address the increased energy savings goals established by the CPUC in Decision (D.) 04-09-060, the increased budget will be used primarily to provide funding for additional refrigerator replacement activity in the LIEE program. Though the proposed annual budget is increasing, SDG&E does not propose to increase electric rates as a result of this application, because current revenues are sufficient to cover the anticipated budget increases. Gas rates will decrease as a result of allocating a higher percentage of the total program budget to electric programs. With respect to CARE, the administrative costs have been reduced resulting in a net decrease of \$1.0 million, and a slight rate reduction. The proposed percentage of the decrease in electric revenue is less than 1%. Gas rate impacts reflecting decreases that exceed 1% for 2006 and 2007 are shown in the tables below. These tables show the gas rate impacts compared to present rates for only the proposed public purpose programs (PPP) surcharge portion of the total bill.

SAN DIEGO GAS & ELECTRIC
LOW-INCOME PROGRAMS - GAS

PPP SURCHARGE CLASS AVERAGE RATE CHANGES 2006

Customer Class	CARE Customers			Non-CARE Customers		
	2005	2006	% Change	2005	2006	% Change
(a)	c/th (b)	c/th (c)	% (d)	c/th (e)	c/th (f)	% (g)
Core						
Residential	3.031	2.821	-6.9%	4.349	4.099	-5.7%
Commercial						
/Industrial	0.850	0.791	-6.9%	2.168	2.070	-4.5%
Natural Gas						
Vehicle	N/A	N/A	N/A	1.920	1.838	-4.2%
Noncore						
Commercial/Industrial	N/A	N/A	N/A	2.334	2.224	-4.7%

SAN DIEGO GAS & ELECTRIC
LOW-INCOME PROGRAMS - GAS

PPP SURCHARGE CLASS AVERAGE RATE CHANGES 2007

Customer Class	CARE Customers			Non-CARE Customers		
	2005	2007	% Change	2005	2007	% Change
(a)	c/th (b)	c/th (c)	% (d)	c/th (e)	c/th (f)	% (g)
Core						
Residential	3.031	2.819	-7.0%	4.349	4.097	-5.8%
Commercial						
/Industrial	0.850	0.791	-7.0%	2.168	2.069	-4.6%
Natural Gas						
Vehicle	N/A	N/A	N/A	1.920	1.838	-4.3%
Noncore						
Commercial/Industrial	N/A	N/A	N/A	2.334	2.224	-4.7%

The average monthly Residential bill of 40 therms will change from \$40.78 at present rates to \$40.68 in both 2006 and 2007. This represents a 0.3% decrease over the two-year program period.

APPLICATION A.05-06-016, ENERGY-EFFICIENCY PROGRAMS

This application requests approval of SDG&E's proposed 2006-2008 energy-efficiency programs and budgets, in addition to SDG&E's cost allocation proposal for recovering the cost of energy-efficiency programs in electric and gas rates. The proposed energy-efficiency program portfolio is designed to provide energy-efficiency programs and services to all SDG&E customers,

help customers reduce their gas and electric usage, and achieve the utility's energy savings and demand reduction goals established in D.04-09-060. SDG&E seeks approval of funding in the amounts of \$81.1 million, \$91.4 million, and \$105.6 million for 2006, 2007 and 2008, respectively.

Electric rate impacts of SDG&E's proposal in years 2006, 2007 and 2008 are shown in the table below.

SAN DIEGO GAS & ELECTRIC COMPANY - ENERGY EFFICIENCY - ELECTRIC

PROPOSED CLASS AVERAGE TOTAL RATES

Customer Class	Present Total Rate (¢/kWh)	2006 Proposed Total Rate (¢/kWh)	2007 Proposed Total Rate (¢/kWh)	2008 Proposed Total Rate (¢/kWh)	Change (2008 from Current) (¢/kWh)	Change (2008 from Current) (%)
Residential	14.956	15.015	15.129	15.209	0.253	1.7%
Small Commercial	16.929	17.010	17.181	17.302	0.374	2.2%
Medium & Large Commercial/Industrial	11.657	11.624	11.733	11.811	0.154	1.3%
Agriculture	15.273	15.343	15.514	15.635	0.361	2.4%
Lighting	16.169	16.059	16.167	16.243	0.074	0.5%
System Average	13.575	13.595	13.712	13.796	0.221	1.6%

The monthly winter bill for a typical residential customer living in the inland climate zone using 500 kWh will change from \$69.07 at present rates to \$69.17 in 2006, \$69.34 in 2007, and \$69.47 in 2008. This represents a 0.6% increase over the three-year program period.

If the Commission approves the 2006-2008 energy-efficiency program budgets, SDG&E will adjust gas rates to reflect authorization of increased costs.

Gas rates will increase by \$0.18 million in 2006, by \$0.90 million in 2007 and, by \$1.90 million in 2008, as compared to present rates, to fully fund the 2006-2008 authorized energy-efficiency programs. The tables below show the 2006 through 2008 gas rate impacts compared to present rates for only the proposed PPP surcharge portion of the total bill.

SAN DIEGO GAS & ELECTRIC ENERGY EFFICIENCY - GAS

PPP SURCHARGE CLASS AVERAGE RATE CHANGES 2006

Customer Class	CARE Customers			Non-CARE Customers		
	2005	2006	% Change	2005	2006	% Change
(a)	¢/th (b)	¢/th (c)	% (d)	¢/th (e)	¢/th (f)	% (g)
Core						
Residential	3.031	2.200	-27.4%	4.349	3.519	-19.1%
Commercial/Industrial	0.850	2.507	194.9%	2.168	3.825	76.4%
Natural Gas Vehicle	N/A	N/A	N/A	1.920	1.663	-13.4%
Noncore						
Commercial/Industrial	N/A	N/A	N/A	2.334	4.281	83.4%

SAN DIEGO GAS & ELECTRIC ENERGY EFFICIENCY - GAS

PPP SURCHARGE CLASS AVERAGE RATE CHANGES 2007

Customer Class	CARE Customers			Non-CARE Customers		
	2005	2007	% Change	2005	2007	% Change
(a)	¢/th (b)	¢/th (c)	% (d)	¢/th (e)	¢/th (f)	% (g)
Core						
Residential	3.031	2.260	-25.4%	4.349	3.578	-17.7%
Commercial/Industrial	0.850	2.763	225.0%	2.168	4.081	88.2%
Natural Gas Vehicle	N/A	N/A	N/A	1.920	1.663	-13.4%
Noncore						
Commercial/Industrial	N/A	N/A	N/A	2.334	4.583	96.3%

SAN DIEGO GAS & ELECTRIC

ENERGY EFFICIENCY – GAS

PPP SURCHARGE CLASS AVERAGE RATE CHANGES 2008

Customer Class	CARE Customers			Non-CARE Customers		
	2005	2008	% Change	2005	2008	% Change
(a)	¢/th (b)	¢/th (c)	% (d)	¢/th (e)	¢/th (f)	% (g)
Core						
Residential	3.031	2.341	-22.8%	4.349	3.660	-15.9%
Commercial						
/Industrial	0.850	3.114	266.3%	2.168	4.433	104.4%
Natural Gas						
Vehicle	N/A	N/A	N/A	1.920	1.663	-13.4%
Noncore						
Commercial/						
Industrial	N/A	N/A	N/A	2.334	4.998	114.1%

The average monthly Residential bill of 40 therms will change from \$40.78 at present rates to \$40.45 in 2006, \$40.47 in 2007, and \$40.50 in 2008. This represents a decrease of 0.7% over the three-year program period.

SDG&E requests that the proposed gas and electric rate and revenue requirements become effective on January 1, 2006, or as soon thereafter as possible.

APPLICATION A.05-06-017, DEMAND RESPONSE PROGRAMS

SDG&E filed this application with the CPUC requesting authorization of voluntary demand response programs to be implemented over a three-year program cycle of 2006-2008. The demand response programs encourage customers to reduce electricity consumption when demand on SDG&E's system is at its highest. By reducing usage during these times, customers improve the reliability of the electric system, and also reduce the amount of more costly wholesale power that SDG&E must procure on behalf of its customers.

SDG&E is requesting approval of \$21.108 million in 2006; \$18.645 million in 2007; and, \$15.876 million for 2008, to fund its demand response programs. SDG&E is also requesting that the funding amounts approved by the Commission be recorded to existing regulatory accounts and recovered annually in electric distribution rates commencing January 1, 2007.

Electric rate impacts of SDG&E's proposal in years 2007, 2008 and 2009 are shown in the table below.

SAN DIEGO GAS & ELECTRIC COMPANY – DEMAND RESPONSE PROGRAMS – ELECTRIC

ILLUSTRATIVE ELECTRIC DISTRIBUTION RATE IMPACT

Customer Class	Present Rate (¢/kWh)	2007 Proposed Rate (¢/kWh)	2008 Proposed Rate (¢/kWh)	2009 Proposed Rate (¢/kWh)	Change (2008 from Current) (¢/kWh)	Change (2008 from Current) (%)
Residential	5.499	5.546	5.550	5.527	0.028	0.5%
Small Commercial	4.753	4.791	4.794	4.775	0.022	0.5%
Medium & Large						
Commercial/Industrial	2.375	2.395	2.396	2.387	0.012	0.5%
Agriculture	4.811	4.849	4.852	4.833	0.022	0.5%
Lighting	6.451	6.478	6.480	6.466	0.016	0.2%
System Average	3.767	3.798	3.801	3.785	0.018	0.5%

The monthly winter bill for a typical residential customer living in the inland climate zone using 500 kWh will change from \$69.07 at present rates to

\$69.14 in 2007, \$69.15 in 2008, and \$69.12 in 2009. This represents a 0.1% increase resulting from the three-year program period.

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 a program different from that sought in these Applications.

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 Street., 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 numbers 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 J. Yamagata, Regulatory Manager for SDG&E, 8330 Century Park Court, San Diego, CA 92123. SDG&E will provide a copy of the application, including testimony, 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

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

Copies of this application are available on the SDG&E Web site at www.sdge.com/regulatory/tariff/cpuc_openProceedings.shtml

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

