

SAN DIEGO GAS & ELECTRIC COMPANY

NOTICE OF PROPOSED RATE DECREASE

APPLICATION NO. A.05-06-044

On June 29, 2005, San Diego Gas & Electric Company (SDG&E) filed its Energy Resource Recovery Account (ERRA) "Trigger Application" (A.05-06-044) with the California Public Utilities Commission (CPUC or Commission), asking for approval to decrease certain rates for our customers. The recorded balance in SDG&E's ERRA on May 31, 2005 increased to a \$50.3 million over collection, therefore, SDG&E proposes a rate decrease in order to return the over collection to our customers amortized over 12 months from September 1, 2005 to August 31, 2006.

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 summer bill decrease beginning in September 2005 of 0.2%, or \$0.14. A typical monthly electric bill will decrease from \$68.78 to \$68.64. 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 rates changes SDG&E is requesting:

	Existing Class Average Rates (¢/kWh)	Class Average Rates Including ERRA Decrease (¢/kWh)	Total Rate Change (¢/kWh)	Percentage Rate Change (%)
Residential ¹	14.956	14.819	(0.138)	-0.92%
Small Commercial	16.929	16.470	(0.459)	-2.71%
Med. & Large C&I	11.657	11.198	(0.459)	-3.94%
Agriculture	15.273	14.814	(0.459)	-3.01%
Lighting	16.169	15.710	(0.459)	-2.84%
System Total	13.575	13.254	(0.321)	-2.37%

¹Pursuant 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 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.

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., Ste. 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.05-06-044) 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 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. The application is available electronically on SDG&E's Web site at http://www.sdge.com/regulatory/tariff/cpuc_openProceedings.shtml. A copy of the application and any amendments also may be inspected at the Sempra Energy headquarters, located at 101 Ash St., San Diego, CA 92101 or at the SDG&E business offices listed below:

436 H Street Chula Vista, CA 91910-4308	30763 Old Highway 80 Pine Valley, CA 91962-4401	662 Camino De Los Mares San Clemente, CA 92673-2827
2405 Plaza Blvd. National City, CA 91950-5101	104 N. Johnson Ave. El Cajon, CA 92020	3910 Vista Way, Ste. 105 Oceanside, CA 92054
336 Euclid Ave. Ste. 502 San Diego, CA 92113-3645	2nd and Ash Street San Diego, CA 92101	
	320 W. Mission Ave. Escondido, CA 92025	

SDG&E's application and attachments may also be inspected at the CPUC office located in Los Angeles at 320 West Fourth St., Ste. 500, Los Angeles.

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