

SAN DIEGO GAS & ELECTRIC COMPANY
NOTICE OF PROPOSED INCREASE
IN GAS AND ELECTRIC RATES
APPLICATION NO. A.07-05-007

On May 8, 2007, San Diego Gas & Electric Company (SDG&E®) filed an Application with the California Public Utilities Commission (CPUC) seeking approval of its proposed authorized capital structure for 2008, to adjust its authorized return on equity, and to revise its electric and gas rates accordingly.

EFFECT ON ELECTRIC RATES AND BILLS

If the CPUC approves SDG&E's request, a typical residential customer living in the inland climate zone using 500 kWh will see a monthly winter bill increase beginning January 1, 2008 of \$0.19, or 0.3%. A customer living in the coastal zone using the same amount of electricity would see a bill increase of \$0.29, or 0.4%. The percentage change shown does not necessarily reflect the changes that you may see on your bill. Changes to individual customer bills will depend on individual customer usage and the season.

The following table shows the electric revenue and rate changes SDG&E is requesting in this application. The actual rates approved by the CPUC may be higher or lower than those requested by SDG&E.

(Continued inside)

Proposed Electric Rate Increase

Customer Class	Proposed Revenue Increase (\$000)	Percentage Revenue Increase	Proposed Average Rate Increase (cents/kWh)	Percentage Rate Increase
Residential	\$8,629	0.7%	0.118	0.7%
Small Commercial	\$1,941	0.6%	0.094	0.6%
Med. & Large Commercial/Industrial	\$5,434	0.5%	0.058	0.5%
Agricultural	\$82	0.6%	0.095	0.6%
Lighting	\$68	0.4%	0.064	0.4%
System Total	\$16,154	0.6%	0.084	0.6%

EFFECT ON GAS RATES AND BILLS

The impact on each customer will vary depending on individual usage and the Commission's final decision in this proceeding. If the CPUC approves SDG&E's proposals without change, the monthly bill of an SDG&E residential customer using 40 therms a month will be \$0.21, or 0.4% higher than at present rates, beginning January 1, 2008.

Proposed Gas Transportation Rate Increase

Customer Class	Proposed Revenue Increase (\$000)	Percentage Revenue Increase	Proposed Average Rate Increase (cents/therm)	Percentage Rate Increase
Residential Core	\$1,978	1.1%	0.6	1.1%
Natural Gas Vehicle	\$18	0.5%	0.4	0.5%
Commercial/Industrial (Core) ¹	\$385	1.0%	0.3	1.0%
(Noncore) ²	\$71	0.7%	0.1	0.7%
Electric Generation (Cogen/Power Plants)	\$64	0.2%	0.01	0.2%
System Total	\$2,517	0.9%	0.2	0.9%

¹ Core customers primarily use smaller quantities of gas, and include residential and small commercial and industrial gas users.

² Non-core customers are the larger commercial and industrial gas users who typically have alternate fuel capacity.

THE CPUC WILL HOLD EVIDENTIARY HEARINGS

Before acting on our application, the CPUC will hold hearings to examine evidence and hear testimony presented by SDG&E and any other interested parties, including the CPUC's Division of Ratepayer Advocates (DRA). 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 Fourth St., Suite 500, Los Angeles, CA 90013 or e-mail public.advisor.la@cpuc.ca.gov.

If you cannot attend the evidentiary hearings, you may submit written comments regarding SDG&E's application to the CPUC's Public Advisor at the address shown above. Mention that you are writing about Application A.07-05-007. The Public Advisor will give your letter to the Commissioners, DRA staff and the Administrative Law Judge assigned to the application and it will become part of the formal correspondence file. If you have a question or need further information, please state in your letter that you would like a response. Otherwise, no reply will be sent.

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FOR FURTHER INFORMATION

Further information concerning this application may be obtained from Kathleen Cordova, Regulatory Case Manager for SDG&E, 8330 Century Park Court CP32D, San Diego, CA 92123. A copy of the application and attachments will be provided upon written request to SDG&E. The application is available electronically on SDG&E's Web site at www.sdge.com/regulatory/tariff/cpuc_openProceedings.shtml. 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.
Suite 502
San Diego, CA 92113-3645

104 North Johnson Ave.
El Cajon, CA 92020

440 Beech St.
San Diego, CA 92101

320 West Mission Ave.
Escondido, CA 92025

3485 Marron Rd.
Oceanside, CA 92036

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