

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**NOTICE OF ENERGY RESOURCE RECOVERY**  
**ACCOUNT APPLICATION**  
**APPLICATION NO. A.04-10-007**

On October 1, 2004, San Diego Gas & Electric Company (SDG&E) filed a request with the California Public Utilities Commission (CPUC) for approval of its forecasted electric procurement revenue requirement for 2005. Referred to as SDG&E's Energy Resource Recovery Account (ERRA) Application (A.04-10-007), the request also seeks approval of an amount that, when reached, would "trigger" a modification of the electric procurement rate (Schedule EECC or energy charges).

SDG&E is not proposing an electric rate change. However, the 2005 revenue requirement forecast the CPUC adopts for SDG&E could be a component of a future request by SDG&E for a rate change.

Utility charges on your bill are for transmission and distribution services and energy charges. Only a part of the energy charges are at issue in this application.

SDG&E is requesting approval of a forecast 2005 revenue requirement of \$301,106,000. This revenue requirement covers costs of acquiring power for retail customers, including, costs to purchase power under contracts with various power suppliers, the California Independent System Operator charges, and collateral requirements associated with electric procurement.

*(Continued inside)*

For illustrative purposes only, and not for the purpose of predicting changes in rates, the hypothetical increase in SDG&E's existing class average rates caused solely by the difference between the 2004 ERRA revenue requirement and the 2005 forecasted revenue requirement (\$18,492,000) is as follows:

**San Diego Gas & Electric Company - Electric Department  
Class Average Rates Increased by Difference Between  
2004 Authorized ERRA Revenue Requirement and the  
2005 Forecasted ERRA Revenue Requirement**

	Existing Class Average Rates  (c/kwh)	Class Average Rates with Increased ERRA Rev. Req't.  (c/kwh)	Total Rate Change  (c/kwh)	Percentage Rate Change  (%)
Residential <sup>1</sup>	14.953	15.063	0.110	0.74%
Small Commercial	17.424	17.534	0.110	0.63%
Med. & Large C&I	11.813	11.923	0.110	0.93%
Agriculture	15.589	15.699	0.110	0.71%
Lighting	18.254	18.364	0.110	0.60%
System Total	13.761	13.871	0.110	0.80%

<sup>1</sup> 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 WELCOMES YOUR COMMENTS  
AND PARTICIPATION**

Before acting on our application, the CPUC may hold evidentiary 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). After considering all evidence presented, the CPUC will issue a decision. The CPUC may approve forecast ERRA revenue requirements that differ from

those we request. It is unknown at this time whether the adopted forecast revenue requirements will result in any rate changes and, if so, the magnitude of those changes.

The evidentiary hearings are open to the public, but only those wishing to present evidence or cross-examine witnesses may directly participate in the hearing process. 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](mailto:public.advisor.la@cpuc.ca.gov).

As part of its decision-making process, the CPUC is also interested in your comments. You may submit written comments to: CPUC, Public Advisor's Office, 320 West Fourth Street, Suite 500, Los Angeles, CA 90013, or e-mail to [public.advisor.la@cpuc.ca.gov](mailto:public.advisor.la@cpuc.ca.gov). Please mention that you are writing about SDG&E Application (A.04-10-007). Your comments will be circulated to the five Commissioners, the assigned administrative law judge, and the appropriate Commission staff assigned to this proceeding. In addition, your comments will become part of the formal correspondence file available to the full Commission as they decide this application.

The Public Advisor's Office was established to assist members of the public who want to participate in Commission proceedings. If you would like more information on participating, please contact the Public Advisor at the address shown above. 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.

*(Continued on back)*

## FOR FURTHER INFORMATION

Specific questions concerning this application may be directed to Kevin O'Beirne, Regulatory Project Manager for SDG&E, 8330 Century Park Court, San Diego, CA 92123. SDG&E will provide a copy of the application, including the public 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

4340 Genesee Avenue  
Suite 103  
San Diego, CA 92105-5399

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

SDG&E's application and attachments may also be inspected at the CPUC office located in San Diego at 1350 Front St., San Diego, CA 29101.

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



A  Sempra Energy utility™