

SAN DIEGO GAS & ELECTRIC COMPANY

NOTICE OF FILING OF LOW-INCOME PROGRAM

APPLICATION NO. A.06-06-032

On June 30, 2006, San Diego Gas & Electric Company (SDG&E) filed its request for approval of proposed funding of Program Year 2007-2008 for the Low-Income Energy Efficiency (LIEE) Program and administrative costs associated with the California Alternate Rates for Energy (CARE) Program. These programs are directed at assisting qualified low-income customers with their energy bills and helping customers use energy more efficiently.

The proposed funding of \$13.665 million per year for LIEE is higher than the currently authorized budget for Program Year 2006 of \$13.368 million. The increased budget will be used to provide funding for required LIEE carbon monoxide testing. SDG&E is not proposing to increase gas or electric rates at this time because current revenues should be sufficient to cover the anticipated budget increases. Should conditions change, however, requiring SDG&E to increase rates as a result of this filing, SDG&E expects the rate increase would be minimal and would be reflected as part of SDG&E's annual Public Purpose Program rate update filed via advice letter in October for rates effective January 1 of the following year.

The proposed funding of \$2.754 million per year for CARE is higher than the currently authorized budget for Program Year 2006 of \$2.347 million. The higher budget will be used to increase program participation through customer outreach, and implement program system enhancements. Though the proposed annual CARE budget is increasing, the impact is small. SDG&E is not proposing to increase gas or electric rates at this time as a result of this application because current revenues should be sufficient to cover the anticipated budget increases. If conditions change, however, requiring SDG&E to increase rates as a result of this filing, SDG&E expects the increase would be minimal and would be reflected as part of SDG&E's annual Public Purpose Program update filed via advice letter in October for rates effective January 1 of the following year.

THE CPUC MAY HOLD EVIDENTIARY HEARINGS

Before acting on our application, the California Public Utilities Commission (CPUC) may 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). 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.

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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 numbers 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 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 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
440 Beech St.
San Diego, CA 92101

104 N. Johnson Ave.
El Cajon, CA 92020
320 W. Mission Ave.
Escondido, CA 92025
3910 Vista Way, Ste. 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.



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