

five Commissioners and will become part of the formal correspondence file in this application. In your letter, state that you are writing in regard to Application No. 06-12-009. Please indicate if you would like a response to your letter, otherwise none will be sent.

You may inspect a copy of the application at the address listed below or obtain a copy of the application by writing to:

Ron van der Leeden  
Regulatory Affairs Department  
San Diego Gas & Electric Company  
555 W. Fifth St., 14th Floor, GT14D6  
Los Angeles, CA 90013-1011

You may also view a copy of the application at the company Web site: [www.sdge.com/regulatory/tariff/cpuc\\_openProceedings.shtml](http://www.sdge.com/regulatory/tariff/cpuc_openProceedings.shtml), or at the following SDG&E business offices:

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

3910 Vista Way,  
Suite 105  
Oceanside, CA 92054

Finally, you may also view a copy of the application at the following address: California Public Utilities Commission, 505 Van Ness Ave., San Francisco, CA 94102.

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).



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## SAN DIEGO GAS & ELECTRIC COMPANY NOTICE OF PROPOSED INCREASE IN GAS AND ELECTRIC RATES APPLICATION NO. 06-12-009

In December 2006, San Diego Gas & Electric Company filed a General Rate Case (GRC) application with the California Public Utilities Commission (Commission) requesting authority to increase its base rates, effective January 1, 2008. This application covers costs of providing electric distribution and generation, and gas distribution and transportation costs, as well as certain other costs as set forth below. The GRC application includes a detailed forecast of these costs for 2008. San Diego Gas & Electric also proposes a formula for adjusting its base rates in 2009 through 2013 to reflect the cost of equipment and the impacts of inflation during that time period. San Diego Gas & Electric believes its request is necessary to continue to deliver safe and reliable service to all of its customers.

### WHAT THIS MEANS TO YOU Electric Rates

If the Commission approves this request for an electric rate increase, a typical residential customer living in the inland climate zone and using 500 kWh per month will see a monthly summer bill increase beginning in January 2008 of \$1.67, or 2.4%. A typical monthly electric bill will increase from \$70.69 to \$72.56. 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 rate changes requested in 2008. The proposed rates for electricity were determined by dividing the proposed electric revenues by San Diego Gas & Electric Company's forecast for annual sales of electricity in 2008.

(Continued inside)

## Proposed Electric Increase

| Customer Class                       | Proposed Revenue Increase |             | Proposed Rate Increase |             |
|--------------------------------------|---------------------------|-------------|------------------------|-------------|
|                                      | (\$000)                   | Percent     | (Cents/kWh)            | Percent     |
| Residential                          | \$109.364                 | 8.4%        | 1.43¢                  | 8.4%        |
| Small Commercial                     | \$23.864                  | 6.5%        | 1.14¢                  | 6.5%        |
| Medium & Large Commercial/Industrial | \$57.810                  | 5.0%        | 0.56¢                  | 4.2%        |
| Agriculture                          | \$1.179                   | 8.5%        | 1.35¢                  | 8.4%        |
| Lighting                             | \$0.249                   | 1.4%        | 0.23¢                  | 1.4%        |
| <b>System Total</b>                  | <b>\$192.466</b>          | <b>6.7%</b> | <b>0.95¢</b>           | <b>6.3%</b> |

\* Revenue and rate changes are for electric distribution and generation, and also including the impact of expenses associated with SDG&E's share of the San Onofre Nuclear Generating Station.

## Gas Rates

If the Commission approves this request for a gas rate increase, a typical residential bill for a customer using 40 therms per month will see an average monthly bill increase beginning in January 2008 of \$3.86, or 7.2%. A typical average monthly gas bill will increase from \$53.69 to \$57.55. 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 gas rate changes requested in 2008. The proposed rates for gas were determined by dividing the proposed gas revenues by the last forecast of annual gas sales adopted by the Commission.

## Proposed Gas Increase

| Customer Class                    | Proposed Revenue Increase |              | Proposed Rate Increase |              |
|-----------------------------------|---------------------------|--------------|------------------------|--------------|
|                                   | (\$000)                   | Percent      | (Cents/Therm)          | Percent      |
| Residential                       | \$32,720                  | 18.3%        | 10.030¢                | 18.3%        |
| NGV                               | \$295                     | 8.1%         | 7.321¢                 | 8.1%         |
| Core Commercial and Industrial    | \$6,926                   | 17.4%        | 5.336¢                 | 17.4%        |
| Noncore Commercial and Industrial | \$1,305                   | 13.1%        | 1.514¢                 | 13.1%        |
| Electric Generation               | \$2,993                   | 7.0%         | 0.333¢                 | 7.0%         |
| Public Purpose Programs           | \$0                       | 0.0%         | 0.000¢                 | 0.0%         |
| <b>System Total</b>               | <b>\$44,239</b>           | <b>16.1%</b> | <b>3.063¢</b>          | <b>16.1%</b> |

\* Revenue and rate changes are for gas distribution and transportation and exclude the cost of purchasing natural gas.

<sup>1</sup> Core Customers primarily use smaller amounts of gas, and include residential and small commercial and industrial gas users.

<sup>2</sup> Non-Core Customers are larger commercial and industrial gas users.

## WHAT YOU CAN DO

Before acting on this GRC application, the Commission is expected to hold formal evidentiary hearings. They will be open to the public and will analyze the need for the requested increases. At these hearings, the Commission will receive testimony from San Diego Gas & Electric, the Commission's Division of Ratepayer Advocates, and other interested parties who may offer proposals. After considering all proposals, the Commission will issue a decision.

If you would like to send comments or to participate in this proceeding, write to the Commission's Public Advisor's Office at 320 West Fourth St., Suite 500, Los Angeles, CA 90013 or by e-mail to [Public.advisor.la@cpuc.ca.gov](mailto:Public.advisor.la@cpuc.ca.gov). If public participation hearings are held to gather additional comments from customers, notice of the dates, times and locations will be provided to you by separate notice. Any letters received from you will be circulated to the

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