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San Diego, CA 92102
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Escondido, CA 92025
3485 Marron Rd.
Oceanside, CA 92056

SAN DIEGO GAS & ELECTRIC COMPANY
NOTICE OF MIRAMAR PEAKER
COST RECOVERY
APPLICATION NO. A.08-06-017

On June 16, 2008, San Diego Gas & Electric Company (SDG&E®) filed a request with the California Public Utilities Commission (CPUC) for approval of cost recovery for SDG&E to own and operate the Miramar 46 MW peaking facility (the "Peaker").

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.

This Peaker will improve SDG&E's ability to provide a reliable supply of electricity to its bundled customers. The application seeks approval of a revenue requirement that would take effect at the time the Peaker is put into commercial operation, which is anticipated to be in the early summer of 2009.

Utility charges on your bill are for energy and transmission and distribution services. Only a part of the energy charges are at issue in this application. On an annual basis, SDG&E's cost recovery plan for the Peaker would result in costs of approximately \$10 million, excluding the cost of fuel for the Peaker.



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Planning for tomorrow.®

EFFECT ON ELECTRIC RATES AND BILLS

If the CPUC approves SDG&E's request, a typical non-CARE residential customer's summer electric bill using 500 kilowatt-hours of electricity will increase from \$70.51 per month to \$70.54 per month, or 3 cents, on July 1, 2009,

and from \$70.51 per month to \$70.57 per month, or 6 cents, on January 1, 2010. The impact on each customer and customer class could vary depending on the CPUC's final decision. SDG&E estimates that the requested \$10 million increase in electric revenues associated with the Peaker would be allocated in a manner shown in the table below.

Proposed Electric Rate Increase - July 2009

Customer Class	(Effective 6/1/08) Current Total Rate (¢/kWh)	(Effective 07/01/09) Proposed Total Rate (¢/kWh)	Change (¢/kWh)	Change %
Residential ¹⁾	15.491	15.514	0.023	0.2%
Small Commercial	15.885	15.910	0.025	0.2%
Med. & Large Commercial/Industrial	13.486	13.511	0.025	0.2%
Agricultural	15.565	15.589	0.024	0.2%
Lighting	14.631	14.648	0.017	0.1%
System Total	14.445	14.469	0.024	0.2%

Proposed Electric Rate Increase - January 2010

Customer Class	(Effective 6/1/08) Current Total Rate (¢/kWh)	(Effective 01/01/10) Proposed Total Rate (¢/kWh)	Change (¢/kWh)	Change %
Residential ¹⁾	15.491	15.546	0.055	0.4%
Small Commercial	15.885	15.945	0.060	0.4%
Med. & Large Commercial/Industrial	13.486	13.545	0.059	0.4%
Agricultural	15.565	15.622	0.057	0.4%
Lighting	14.631	14.672	0.041	0.3%
System Total	14.445	14.502	0.057	0.4%

¹⁾ Pursuant to California Assembly Bill IX, 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

The CPUC may hold evidentiary hearings at which the parties of record present their proposals in testimony and are subject to cross-examination before an Administrative Law Judge. These hearings are open to the public, but only those who are parties of record can present evidence or cross-examine witnesses during the evidentiary hearings. After considering all evidence presented, the Commission will issue a decision. The Commission may approve expenditures that differ from those we request. The actual rates may result in changes greater or less than those described in this notice.

If you would like to participate in the hearings and need assistance, or if you would like to send comments to the Commission, you may write to the Commission's Public Advisor's Office, 505 Van Ness Ave., San Francisco, CA 94102, or by e-mail to public.advisor.la@cpuc.ca.gov. Any letters received from you will be circulated to each Commissioner and will become part of the formal correspondence file in this application. In your letter, state that your comments are regarding Application No. A.08-06-017.

FOR FURTHER INFORMATION

You may request additional information or obtain a copy of the application and related exhibits by writing to: Wendy Keilani, 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. SDG&E's application and attachments may be inspected at the CPUC office located at 505 Van Ness Ave., San Francisco, CA 94102. A copy of the application and any amendments also may be inspected at the SDG&E business offices listed on the next page:

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