

**SAN DIEGO GAS & ELECTRIC COMPANY
NOTIFICATION OF APPLICATION TO INCREASE
ELECTRIC RATES
APPLICATION NO. A.09-04-009**

On April 3, 2009, San Diego Gas & Electric Company (SDG&E®) and Southern California Edison Company (SCE) filed a joint application with the California Public Utilities Commission (CPUC) to set contribution levels for each company's nuclear decommissioning trust fund and other related issues in connection with San Onofre Nuclear Generating Station (SONGS) Units 1, 2 and 3.¹

In this application SDG&E requested an increase to its revenue requirement to cover increased contributions to its nuclear decommissioning trust funds for SONGS 2 & 3 beginning in 2010. The current annual revenue requirement to cover contributions to SDG&E's trust funds is \$9.48 million. SDG&E is requesting that these contributions be increased to \$15.46 million annually. There will be no bill impact due to other offsetting costs and revenues. This means that you will not see a rate increase or decrease in your monthly bill for the nuclear decommissioning trust funds for SONGS 2 & 3. Beginning on May 1, 2010, the Nuclear Decommissioning revenue requirement will be increased; however, SDG&E expects that this increase will be offset by reductions in other costs of service collected from customers. If this increase were not to be offset by other costs, an illustrative example on the following pages shows what the bill impact would otherwise be.

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¹ SCE owns an 80% interest in SONGS 1 and a 78.21% interest in SONGS 2 & 3. SDG&E owns a 20% interest in SONGS 1, 2 and 3. The City of Riverside own the remaining 1.79% interest in SONGS 2&3.

ILLUSTRATIVE EFFECT ON ELECTRIC RATES AND BILLS

Based on its proposal, SDG&E does not expect bills to be impacted by this application even if the CPUC approves the increased level of contributions to the nuclear decommissioning trust funds. If, however, the annual contributions to the nuclear decommissioning trust funds and the associated rates were to be implemented without recognizing the offsetting cost and revenue factors SDG&E has brought to the CPUC's attention in the application, a typical non-CARE residential customer's summer (inland climate zone) electric bill using 500 kilowatt-hours of electricity would increase from \$73.04 per month to \$73.07 per month, or 3 cents, on January 1, 2011. The impact on each customer and customer class could vary depending on the CPUC's final decision. The following table shows the 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.

San Diego Gas & Electric Company - Electric Department Illustrative Electric Distribution Rate Impact

	4/01/09 Class Average Rates	Class Average Rates Reflecting Proposed Revenue Changes	Total Rate Change	Percentage Rate Change
	(¢/kWh)	(¢/kWh)	(¢/kWh)	%
Residential ²	18.233	18.261	0.028	0.15%
Small Commercial	18.616	18.644	0.028	0.15%
Medium & Large C&I	15.344	15.372	0.028	0.18%
Agricultural	18.079	18.108	0.029	0.16%
Lighting	15.948	15.980	0.032	0.20%
System Total	16.715	16.743	0.028	0.17%

² 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.

EVIDENTIARY HEARINGS

Evidentiary Hearings (EHs) may be held whereby parties of record will present their testimony and are subject to cross-examination before an Administrative Law Judge (ALJ). These EHs 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 during the formal hearing process, the assigned ALJ will issue a proposed decision. The CPUC may approve expenditures that differ from those SDG&E requests. The actual rates may result in changes greater or less than those described in this notice.

FOR FURTHER INFORMATION

You may request additional information or obtain a copy of the application and related exhibits by writing to: W. Keilani, San Diego Gas & Electric Company, 8330 Century Park Court, CP32D, San Diego, CA 92123. SDG&E's application and related exhibits may also be inspected at the CPUC office located at 505 Van Ness Ave., San Francisco, CA 94102. Additionally, a copy of the application and related exhibits may be inspected at the following SDG&E business offices:

436 H St.
Chula Vista, CA 91910

336 Euclid Ave.
Suite 502
San Diego, CA 92102

2405 Plaza Blvd.
National City, CA 91950

320 West Mission Ave.
Escondido, CA 92025

440 Beech St.
San Diego, CA 92101

2604 El Camino Real
Suite B

104 North Johnson Ave.
El Cajon, CA 92020

Carlsbad, CA 92008

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The application and related exhibits are also available electronically on SDG&E's Web site at www.sdge.com/regulatory/cpuc.shtml.

Copies of this bill insert will be available for viewing and printing on the SDG&E Web site at www.sdge.com/billinserts/regulatory.shtml.

CPUC PROCESS

If you wish to provide public comment regarding this application filing, you can write to the CPUC's Public Advisor's Office (PAO), 505 Van Ness Ave., San Francisco, CA 94102 or by e-mail at public.advisor.la@cpuc.ca.gov. When writing to the PAO, please refer to A.09-04-009 in your correspondence. All public comments received by the Public Advisor's Office will be forwarded to the Commissioners and the assigned ALJ for review, and become part of the formal correspondence file for public comment. In your letter, state that your comments are regarding Application No. A.09-04-009. If you wish to attend the EHs to listen only, and you are in need of special accommodations, please contact the PAO within 3 - 5 days in advance of the EHs.



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