

FOR FURTHER INFORMATION

You may obtain a copy of the application and related exhibits by writing to:

Wendy Keilani, Regulatory Affairs Department, San Diego Gas & Electric Company, 8330 Century Park Ct., CP32D, San Diego, CA 92123. A copy of this application may also be inspected at Sempra Energy headquarters, located at 101 Ash St., San Diego, CA 92101, or at the following SDG&E business offices:

436 H St. Chula Vista, CA 91910-4308	30763 Old Highway 80 Pine Valley, CA 91962-4401	662 Camino De Los Mares San Clemente, CA 92673-2827
2405 Plaza Blvd. National City, CA 91950-5101	104 N. Johnson Ave. El Cajon, CA 92020	3910 Vista Way Suite 105 Oceanside, CA 92054
336 Euclid Ave. Suite 502 San Diego, CA 92113-3645	320 W. Mission Ave. Escondido, CA 92025	

SDG&E's application and attachments may also be inspected at the CPUC office located at 320 West Fourth St., Suite 500, Los Angeles.

The application is available electronically on SDG&E's Web site at http://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.



SAN DIEGO GAS & ELECTRIC COMPANY NOTICE OF APPLICATION TO INCREASE ELECTRIC RATES APPLICATION NO. 06-04-018

On April 14, 2006, San Diego Gas & Electric Company (SDG&E) filed an application with the California Public Utilities Commission (CPUC) to request recovery of Steam Generator Replacement Project (SGRP) costs and other costs related to the San Onofre Nuclear Generating Station (SONGS) Units 2 and 3.¹ In this application SDG&E requested an increase to its revenue requirement to cover its share of capital-related costs for the SGRP beginning in January 2011, as well as expedited recovery through depreciation of 20% of its share of the estimated costs of removal and disposal of the existing steam generators, beginning in January 2007 (or when the application is approved) and continuing through 2011. It also includes an increase in the Rate of Return (ROR) on SDG&E's capital investment at SONGS beginning in January 2007. SDG&E's current annual SONGS-related revenue requirement is \$89.3 million. SDG&E is requesting an increase to \$90.8 million annually in 2007 or when the application is approved, to \$121.8 million in 2011, to \$138.6 million in 2012 and a decrease to \$127.1 million in 2013. The bill impacts in each of these years are based on incremental amounts of \$1.5 million, \$32.5 million, \$49.3 million and \$37.8 million, respectively.

EFFECT ON ELECTRIC RATES AND BILLS

If the CPUC approves SDG&E's request, a typical non-CARE, inland residential customer's summer electric bill using 500 kilowatt-hours of electricity will increase from \$69.69 per month to \$69.70 per month, or 1 cent, on January 1, 2007; to \$69.93 per month, or 24 cents, on January 1, 2011; to \$70.05 per month, or 36 cents, on January 1, 2012; and to \$69.97 per month, or 28 cents, on January 1, 2013. The impact on each customer and customer class could vary depending on the CPUC's final decision. The following tables show 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.

¹SDG&E owns a 20% interest in SONGS Units 1, 2 and 3

Proposed Electric Rate Increase – January 2007

Customer Class	(Effective 2/1/06) Current Total Rate (¢/kWh)	(Effective 1/1/07) Proposed Total Rate (¢/kWh)	Change (¢/kWh)	Change %
Residential	15.376	15.385	0.009	0.1%
Small Commercial	15.757	15.766	0.010	0.1%
Med. & Large C&I	11.819	11.828	0.009	0.1%
Agricultural	14.290	14.299	0.009	0.1%
Lighting	14.203	14.209	0.007	0.0%
System Total	13.531	13.540	0.009	0.1%

Proposed Electric Rate Increase – January 2011

Customer Class	(Effective 2/1/06) Current Total Rate (¢/kWh)	(Effective 1/1/11) Proposed Total Rate (¢/kWh)	Change (¢/kWh)	Change %
Residential	15.376	15.573	0.197	1.3%
Small Commercial	15.757	15.963	0.207	1.3%
Med. & Large C&I	11.819	12.017	0.198	1.7%
Agricultural	14.290	14.484	0.194	1.4%
Lighting	14.203	14.339	0.137	1.0%
System Total	13.531	13.729	0.199	1.5%

Proposed Electric Rate Increase – January 2012

Customer Class	(Effective 2/1/06) Current Total Rate (¢/kWh)	(Effective 1/1/12) Proposed Total Rate (¢/kWh)	Change (¢/kWh)	Change %
Residential	15.376	15.675	0.300	1.9%
Small Commercial	15.757	16.070	0.313	2.0%
Med. & Large C&I	11.819	12.120	0.301	2.5%
Agricultural	14.290	14.584	0.294	2.1%
Lighting	14.203	14.410	0.207	1.5%
System Total	13.531	13.832	0.301	2.2%

Proposed Electric Rate Increase – January 2013

Customer Class	(Effective 2/1/06) Current Total Rate (¢/kWh)	(Effective 1/1/13) Proposed Total Rate (¢/kWh)	Change (¢/kWh)	Change %
Residential	15.376	15.605	0.229	1.5%
Small Commercial	15.757	15.997	0.240	1.5%
Med. & Large C&I	11.819	12.049	0.231	2.0%
Agricultural	14.290	14.515	0.225	1.6%
Lighting	14.203	14.361	0.159	1.1%
System Total	13.531	13.761	0.231	1.7%

THE CPUC WILL HOLD EVIDENTIARY HEARINGS

Before acting on our application, the CPUC will hold evidentiary 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). After considering all evidence presented, the CPUC will issue a decision. The CPUC may approve a SONGS revenue requirement that differs from that requested by SDG&E.

EVIDENTIARY HEARINGS ARE OPEN TO THE PUBLIC

If you wish to participate in the evidentiary hearings and need advice on how to do so, if you would like to receive information on the location and schedule of the evidentiary hearings or if you would like to submit written comments, 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
e-mail: public.advisor.la@cpuc.ca.gov

Mention that you are writing about Application No. 06-04-018. The Public Advisor will give your letter to the Commissioners, DRA staff and the Administrative Law Judge assigned to the case. Your letter will become part of the formal correspondence file. If you have a question or need further information, please state in your letter that you would like a response. Otherwise, no reply will be sent.