

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**NOTICE OF PROPOSED INCREASE IN ELECTRIC RATES**  
**APPLICATION NO. 09-08-019**

On August 31, 2009, San Diego Gas & Electric Company (SDG&E®) filed an application with the California Public Utilities Commission (CPUC) requesting authority to increase its base rates, effective June 1, 2010. SDG&E's application covers its costs for 2009 liability insurance coverage that exceeds the amount authorized by the CPUC in SDG&E's last General Rate Case (GRC). SDG&E also proposes a formula for adjusting its base rates annually after 2009 (until its next GRC) to reflect continuing incremental liability insurance in excess of the amount authorized in SDG&E's last GRC. SDG&E's application includes a detailed explanation of the incremental cost being requested and a description of why this increase is necessary and reasonable under the revenue adjustment mechanism authorized by the CPUC in SDG&E's last GRC. SDG&E believes its request is necessary as the liability insurance cost increase is outside the control of utility management and liability insurance is a necessary part of providing safe and reliable service to customers.

**EFFECT ON ELECTRIC RATES AND BILLS**

If the CPUC approves SDG&E's request, a typical non-CARE coastal residential customer's summer electric bill using 500 kilowatt-hours of electricity will increase from \$84.75 per month to \$85.43 per month, or \$0.68. The impact on each customer and customer class could vary depending on the CPUC's final decision. SDG&E estimates that the requested \$29 million increase in electric revenues associated with the application would be allocated in a manner shown in the table that follows.

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**San Diego Gas & Electric Company  
Electric Department  
Proposed Change In Class Average Rates**

	5/01/09 Class Average Rates  (¢/kWh)	Class Average Rates Reflecting Proposed Revenue Changes  (¢/kWh)	Total Rate Change  (¢/kWh)	Percentage Rate Change  %
Residential *	18.147	18.352	0.205	1.13%
Small Commercial	18.484	18.642	0.158	0.85%
Med. & Large C&I	15.414	15.498	0.084	0.54%
Agriculture	17.933	18.090	0.157	0.88%
Lighting	15.868	15.976	0.108	0.68%
System Total	16.686	16.823	0.137	0.82%

\* 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, with the exception that rates for usage up to 130% of baseline shall be increased to recover costs associated with the California Solar Initiative.

**THE CPUC MAY HOLD EVIDENTIARY HEARINGS**

The CPUC may hold Evidentiary Hearings (EHs) whereby parties of record present their proposals in testimony and are subject to cross-examination before an Administrative Law Judge (ALJ). The EHs are open to the public, but only those who are formal parties of record can present evidence or cross-examine witnesses during the EHs. Members of the public are welcome to attend the EHs, but they are only allowed to listen. After considering all evidence presented during this process, the ALJ will issue a draft decision. The CPUC may approve the draft decision; it may adopt all or part of the draft; or the assigned Commissioner may issue an alternate decision. The final decision adopted may be different from what SDG&E proposes in the application filing.

## **FOR FURTHER INFORMATION**

You may request additional information or obtain a copy of the application and related exhibits by writing to: Ronald van der Leeden, Director-Rates, Revenues & Tariffs, 8330 Century Park Court, San Diego, CA 92123. SDG&E will provide a copy of the application, including the public testimony, upon request. SDG&E's application and attachments may be inspected at the CPUC's Central Files Office, 505 Van Ness Ave., San Francisco, CA 94102. A copy of the application and any amendments may be inspected at the SDG&E business offices listed below:

436 H St.  
Chula Vista, CA 91910

336 Euclid Ave., Suite 502  
San Diego, CA 92102

104 North Johnson Ave.  
El Cajon, CA 92020

440 Beech St.  
San Diego, CA 92101

320 W. Mission Ave.  
Escondido, CA 92025

2604 El Camino Real, Ste B  
Carlsbad, CA 92008

2405 Plaza Blvd.  
National City, CA 91950

## **CPUC PROCESS**

If you would like additional information on the CPUC process, or would like to attend these hearings and need assistance, you can contact the Public Advisor's Office (PAO). You may also send your comments to the PAO at the address: Public Advisors Office, 320 West Fourth St., Ste. 500, Los Angeles, CA 90013, or send an e-mail to: [public.advisor.la@cpuc.ca.gov](mailto:public.advisor.la@cpuc.ca.gov). Any letters received from you will be circulated to each Commissioner and ALJ and will become part of the formal correspondence file in this application. In your letter, state that your comments are regarding Application No.09-08-019.

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**Copies of this application are available at the SDG&E Web site at: [www.sdge.com/regulatory/cpuc.shtml](http://www.sdge.com/regulatory/cpuc.shtml).**

**Copies of this insert will be available for viewing and printing at the SDG&E Web site at [www.sdge.com/billinserts/regulatory.shtml](http://www.sdge.com/billinserts/regulatory.shtml).**

