

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**NOTICE OF APPLICATION FOR**  
**ADVANCED METERING INFRASTRUCTURE**  
**RECOVERY OF EXPENSES IN 2005, 2006 AND 2007**  
**APPLICATION NO. A.05-03-015**

On March 15, San Diego Gas & Electric Company (SDG&E) filed an Application with the California Public Utilities Commission describing its pre-deployment plan and its program proposal to implement an Advanced Metering Infrastructure in the San Diego service territory, requesting expedited approval of its pre-deployment plan and recovery of pre-deployment expenses. Subsequently SDG&E filed, on March 30, 2005, an amended application requesting approval of its cost recovery mechanism for pre-deployment expenses incurred in 2005, 2006 and 2007. SDG&E was required to file this application per a November 23, 2004 Commission ruling. The ruling further directs SDG&E to file an analysis of the costs and benefits of Advanced Metering Infrastructure (AMI) and propose two plans of deployment that maximize the benefits from AMI, one for full deployment to all customers and a partial deployment plan that targets only a specific group of customers.

AMI involves the installation of new electric meters that not only measure the total amount of electricity used, but the time periods in which the usage occurred. In most cases, these new meters will be able to wirelessly transmit customer electric and gas usage data to SDG&E and all but eliminate monthly manual meter reads. In addition to the installation of new meters and supporting communications infrastructure, SDG&E's Application includes limited installation of optional load control devices such as thermostats with two-way communications capabilities between customers and SDG&E and load control devices for high-usage residential customers that enable automatic reduction of electricity usage during certain time periods.

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SDG&E's "preferred" deployment of AMI involves the installation of new metering equipment to all SDG&E customers because it provides the most societal and ratepayer benefits. SDG&E's analysis demonstrates that over the long run, ratepayers will incur fewer costs with SDG&E's AMI proposal. However, initial deployment of AMI requires investing in infrastructure before benefits are fully realized. This means that AMI will create rate increases for all customer classes. The following table indicates the potential customer rate impacts:

**San Diego Gas & Electric  
Advanced Meter Infrastructure (AMI)  
Full Deployment - Illustrative Gas Rate Impacts for 2006**

Line No.	Customer Class	2/1/05 Rates	Illustrative 1/1/06	Total Rate Change	
		(AL 1503-G) Current Total Rate (¢/therm)	AMI Rates Proposed Total Rate (¢/therm)	(¢/therm)	(%)
1	Residential	109.408	109.955	0.547	0.50%
2	Core C&I	88.000	88.101	0.101	0.11%
3	Natural Gas Vehicles	97.924	97.927	0.004	0.00%
4	Noncore C&I	68.573	68.573	0.000	0.00%
5	Electric Generation	62.781	62.781	0.000	0.00%
6	System Total	76.024	76.156	0.133	0.17%

Notes:

(1) Noncore and EG customers generally purchase their own gas supplies. Procurement prices for these customers reflect an estimate of procurement costs incurred by these customers.

(2) 2006 rates reflect changes associated only with SDG&E's proposed AMI program.

**San Diego Gas & Electric  
Advanced Meter Infrastructure (AMI)  
Full Deployment - Illustrative Electric Rate Impacts for 2006**

Line No.	Customer Class	2/1/05 Rates	Illustrative 1/1/06	Total Rate Change	
		(AL 1649-E) Current Total Rates (¢/kWh)	AMI Rates Proposed Total Rates (¢/kWh)	(¢/kWh)	(%)
1	Residential	14.902	14.970	0.068	0.45%
2	Small Commercial	16.884	16.952	0.067	0.40%
3	Med. & Large C&I	11.633	11.636	0.003	0.03%
4	Agriculture	15.229	15.274	0.045	0.29%
5	Lighting	16.137	16.137	0.000	0.00%
6	System Total	13.537	13.571	0.034	0.25%

Notes:

(1) 2006 rates reflect changes associated only with SDG&E's proposed AMI program.

## **THE CPUC MAY HOLD EVIDENTIARY HEARINGS**

Before acting on our application, the CPUC may hold hearings to examine evidence and hear testimony presented by SDG&E and any other interested parties, including the CPUC's Office of Ratepayer Advocates (ORA). If hearings are held, parties may offer proposals to the CPUC that differ from those we present. After considering all evidence presented, the CPUC will issue a decision.

### **HEARINGS ARE OPEN TO THE PUBLIC YOU ARE WELCOME TO COMMENT AND TO PARTICIPATE IN THE HEARINGS**

If you wish to participate in the evidentiary hearings and need advice on how to do so, or if you would like information on the location and schedule of the hearings, 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, or by e-mail to [public.advisor.la@cpuc.ca.gov](mailto:public.advisor.la@cpuc.ca.gov).

If you cannot attend the evidentiary hearings, you may submit written comments to the CPUC at the above address. Make sure to include the application number (A.05-03-015) The Public Advisor will give your letter to the Commissioners, ORA staff and the Administrative Law Judge assigned to the case, and it will become part of the formal correspondence file. If you have a question or need further information about participating, please state in your letter that you would like a response. Otherwise, no reply will be sent.

### **FOR FURTHER INFORMATION**

Questions concerning this application may be directed to Chris Bing, Regulatory Project Administrator for SDG&E, 8330 Century Park Court, San Diego, CA 92123. SDG&E will provide a copy of the Application, including testimony,

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upon request. A copy of the application and any amendments also may be inspected at the Sempra Energy headquarters, located at 101 Ash Street, San Diego, CA 92101 or at the SDG&E business offices listed below:

436 H Street  
Chula Vista, CA 91910-4308

2nd and Ash Street  
San Diego, CA 92101

2405 Plaza Boulevard  
National City, CA 91950-5101

320 West Mission Avenue  
Escondido, CA 92025

336 Euclid Avenue  
Suite 502  
San Diego, CA 92113-3645

662 Camino De Los Mares  
San Clemente, CA 92673-2827

30763 Old Highway 80  
Pine Valley, CA 91962-4401

3910 Vista Way  
Suite 105  
Oceanside, CA 92054

104 North Johnson Avenue  
El Cajon, CA 92020

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

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

