

SAN DIEGO GAS & ELECTRIC COMPANY
NOTICE OF FILING OF ANNUAL EARNINGS
ASSESSMENT PROCEEDING
APPLICATION NO. A.03-05-004

On May 1, 2003, San Diego Gas & Electric Company (SDG&E) filed an application with the California Public Utilities Commission (CPUC) requesting approval of approximately \$112,000 in shareholder incentives related to the performance of Low-Income Energy Efficiency (LIEE) programs in 2001 and 2002. SDG&E is also requesting approval to recover approximately \$782,000 in 2002 Demand Reduction Program (DRP) expenditures. These programs are CPUC-authorized activities helping customers to use energy more efficiently or to reduce system demand through voluntary reduction of electric usage. Approval of the shareholder award and DRP expenditures will not result in a rate increase.

The shareholder incentive award is based upon CPUC-approved formulas that determine shareholder awards upon the performance of SDG&E's LIEE programs in promoting energy savings. SDG&E is requesting that any award amount and DRP expenditure amount approved by the Commission be recovered from existing regulatory accounts commencing January 1, 2004. This would not result in a change to gas or electric rates. Therefore, if the requested award and recovery of expenditures is approved by the Commission, there would be no impact on customers' monthly bills.

THE CPUC MAY HOLD EVIDENTIARY HEARINGS

The CPUC may hold evidentiary hearings on this application. At the hearings, SDG&E, the CPUC's independent Office of Ratepayer Advocates (ORA) and other interested parties give testimony. Parties may offer proposals to the CPUC that differ from those SDG&E presents.

After considering all evidence presented, the CPUC will issue a decision on this application. The actual award approved by the CPUC may be different from that originally 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 Street, Suite 500, Los Angeles, CA 90013
E-mail: public.advisor.la@cpuc.ca.gov

Mention that you are writing about Application No. A.03-05-004. The Public Advisor will give your letter to the Commissioners, ORA 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.

FOR FURTHER INFORMATION

For further information, or to request a copy of the application and attachments, you may write to:

Joy C. Yamagata, Regulatory Manager for San Diego Gas & Electric Company, 8330 Century Park Court, San Diego, CA 92123-1550.

A copy of this application may also be inspected at the Sempra Energy headquarters located at 101 Ash Street, San Diego, CA 92101, or at the following SDG&E business offices:

436 H Street
Chula Vista, CA 91910

662 Camino De Los Mares
San Clemente, CA 92672

104 North Johnson Avenue
El Cajon, CA 92020

336 Euclid Avenue #502
San Diego, CA 92114

320 W. Mission Avenue
Escondido, CA 92025

4340 Genesee Avenue #103
San Diego, CA 92117

2405 E. Plaza Boulevard
National City, CA 91950

3910 Vista Way #105
Oceanside, CA 92054

30673 Old Highway 80
Pine Valley, CA 91962

101 Ash St.
San Diego, CA 92101

The application may also be inspected at the CPUC offices located as follows:

In San Diego at:

In Los Angeles at:

In San Francisco at:

1350 Front Street
Room 4006
San Diego, CA 92101

320 West 4th Street
Suite 500
Los Angeles, CA 90013

505 Van Ness Avenue
San Francisco, CA 94102

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