

**AMENDED APPLICATION
SAN DIEGO GAS & ELECTRIC COMPANY
NOTIFICATION OF FILING OF DEMAND RESPONSE PROGRAM
APPLICATION NO. A.08-06-002**

**REPLACES ORIGINAL FILED APPLICATION 08-06-002
FILED JUNE 2, 2008 IN ITS ENTIRETY**

On September 19, 2008, San Diego Gas & Electric Company (SDG&E®) filed with the California Public Utilities Commission (CPUC) an amended request for authorization of demand response (DR) programs to be implemented over a three-year program cycle of 2009-2011. DR programs encourage customers to reduce electricity use during peak or critical times. By doing this, customers can help manage their energy costs and help improve the reliability of the electric system. Reducing peak electric loads also helps keep costs down by limiting the need to purchase electricity when prices spike.

The amended filing seeks approval to design and implement a portfolio of DR programs, including a CPUC-required DR pilot program under the California Independent System Operator's proposed Market Redesign and Technology Update – Participating Load Pilot. This DR pilot will have the potential to improve local reliability of the electric system and place downward pressure on peak energy usage and costs.

SDG&E is requesting approval to expend up to \$60.615 million over the three (3) year period to fund its proposed DR programs; \$19.591 million (2009), \$20.068 million (2010) and \$20.956 million (2011). SDG&E's revised funding request includes its original request of \$48.535 million plus an additional \$12.080 million from previously authorized 2006-2008 DR program budgets to fund its proposed pilot. While the CPUC may approve the amount requested by SDG&E in this application, or a different amount, the

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impact on rates will reflect SDG&E's actual expenditures. SDG&E is also requesting that the funding amounts approved by the CPUC be recorded to existing regulatory accounts and recovered annually in electric distribution rates commencing January 1, 2010.

Electric rate impacts of SDG&E's proposal in years 2010, 2011 and 2012 as compared to present rates are shown in the tables below.

**SAN DIEGO GAS & ELECTRIC®
DEMAND RESPONSE PROGRAMS – ELECTRIC
ILLUSTRATIVE ELECTRIC DISTRIBUTION RATE IMPACT
2010**

| Customer Class | 2008 | 2010 | Change | |
|---------------------------------------|-------|-------|--------|-------|
| | ¢/kWh | ¢/kWh | ¢ | % |
| (a) | (b) | (c) | (d) | (e) |
| Residential | 6.159 | 6.173 | 0.014 | 0.2% |
| Small Commercial | 5.119 | 5.130 | 0.011 | 0.2% |
| Med. & Large Commercial/Industrial | 2.871 | 2.877 | 0.006 | 0.2% |
| Agriculture | 5.078 | 5.089 | 0.011 | 0.2% |
| Street Lighting | 7.323 | 7.331 | 0.008 | 0.1% |
| System Total | 4.354 | 4.364 | 0.010 | 0.2% |

**SAN DIEGO GAS & ELECTRIC
DEMAND RESPONSE PROGRAMS – ELECTRIC
ILLUSTRATIVE ELECTRIC DISTRIBUTION RATE IMPACT
2011**

| Customer Class | 2008 | 2011 | Change | |
|---------------------------------------|-------|-------|--------|-------|
| | ¢/kWh | ¢/kWh | ¢ | % |
| (a) | (b) | (c) | (d) | (e) |
| Residential | 6.159 | 6.177 | 0.018 | 0.3% |
| Small Commercial | 5.119 | 5.133 | 0.014 | 0.3% |
| Med. & Large Commercial/Industrial | 2.871 | 2.878 | 0.007 | 0.3% |
| Agriculture | 5.078 | 5.091 | 0.013 | 0.3% |
| Street Lighting | 7.323 | 7.332 | 0.009 | 0.1% |
| System Total | 4.354 | 4.366 | 0.012 | 0.3% |

**SAN DIEGO GAS & ELECTRIC
DEMAND RESPONSE PROGRAMS – ELECTRIC
ILLUSTRATIVE ELECTRIC DISTRIBUTION RATE IMPACT
2012**

| Customer Class | 2008 | 2012 | Change | |
|---------------------------------------|-------|-------|--------|-------|
| | ¢/kWh | ¢/kWh | ¢ | % |
| (a) | (b) | (c) | (d) | (e) |
| Residential | 6.159 | 6.183 | 0.024 | 0.4% |
| Small Commercial | 5.119 | 5.138 | 0.019 | 0.4% |
| Med. & Large Commercial/Industrial | 2.871 | 2.881 | 0.010 | 0.3% |
| Agriculture | 5.078 | 5.096 | 0.018 | 0.4% |
| Street Lighting | 7.323 | 7.336 | 0.013 | 0.2% |
| System Total | 4.354 | 4.370 | 0.016 | 0.4% |

The monthly summer bill for a typical residential customer living in the inland climate zone using 500 kWh will change from \$72.11 at present rates to \$72.13 in 2010, \$72.13 in 2011 and \$72.14 in 2012, respectively. This represents an increase of 0.04% resulting from the three-year program period.

THE CPUC MAY HOLD EVIDENTIARY HEARINGS

The CPUC may hold evidentiary hearings whereby the parties of record present their proposals in testimony and are subject to cross-examination before an Administrative Law Judge (ALJ). These hearings 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, the CPUC will issue a decision. The CPUC may approve expenditures that differ from those we request. The actual rates may result in changes greater or less than those described in this notice.

If you would like additional information, or if you would like to send comments to the CPUC, you may write to the CPUC's Public Advisor's Office, 320 West Fourth St., Suite 500, Los Angeles, CA 90013 or send an e-mail to public.advisor.la@cpuc.ca.gov. All letters received from consumers are circulated to each Commissioner and assigned ALJ and will become part of the formal correspondence file in this application. In your letter, state that your comments are regarding Application No. A.08-06-002.

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FOR FURTHER INFORMATION

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

436 H St.
Chula Vista, CA 91910

2405 Plaza Blvd.
National City, CA 91950

440 Beech St.
San Diego, CA 92101

104 North Johnson Ave.
El Cajon, CA 92020

336 Euclid Ave.
Suite 502
San Diego, CA 92102

320 West Mission Ave.
Escondido, CA 92025

3485 Marron Rd.
Oceanside, CA 92056

The application is available electronically on SDG&E's Web site at www.sdge.com/regulatory/cpuc.shtml.

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



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