

participate. The CPUC has its own court reporters who will record the comments of those formal parties or record participating in the EHs. The Division of Ratepayer Advocates (DRA) is an independent arm of the CPUC, created by the Legislature to represent the interests of all utility customers throughout the state to obtain the lowest possible rates for service consistent with reliable and safe service levels. DRA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. After considering all proposals and evidence presented during the formal hearing process, the assigned ALJ will issue a proposed draft decision. When the CPUC issues a final decision on the application, it may adopt, amend or modify all or part of the ALJ's proposed decision as written. The CPUC's decision may be different than SDG&E's formal request.

If you would like additional information or would like to attend these hearings, you can contact the Public Advisor's Office. You may also send your comments to the 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. Any correspondence received will become part of the formal file in this application. Please reference Application No. A.11-03-002 in any correspondence.



SAN DIEGO GAS & ELECTRIC COMPANY

NOTIFICATION OF APPLICATION FILING OF DEMAND RESPONSE PROGRAMS APPLICATION NO. A.11-03-002

On March 1, 2011, San Diego Gas & Electric Company (SDG&E®) filed a proposed application with the California Public Utilities Commission (CPUC) for a request for authorization of Demand Response programs (DR) to be implemented over a three-year program cycle of 2012-2014. 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 filing seeks approval to design and implement a portfolio of DR programs. SDG&E is requesting approval to expend up to \$69.2 million over the three (3) year period to fund its proposed DR programs; \$29.2 million (2012), \$20.9 million (2013) and \$19.1 million (2014). While the CPUC may approve the amount requested by SDG&E in this application, or a different amount, the 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, 2012.

The current and proposed electric rates of SDG&E's proposal in years 2012, 2013 and 2014 are noted in the tables below.

(Continued inside)

**SAN DIEGO GAS & ELECTRIC®
DEMAND RESPONSE PROGRAMS - ELECTRIC
ILLUSTRATIVE ELECTRIC RATE IMPACT**

2012

Customer Class	1/01/2011 ¢/kWh	2012 ¢/kWh	Change ¢	%
(a)	(b)	(c)	(d)	(e)
Residential	19.058	19.139	0.081	0.4%
Small Commercial	17.859	17.942	0.083	0.5%
Medium and Large C&I*	14.092	14.157	0.065	0.5%
Agricultural	17.234	17.309	0.075	0.4%
Street Lighting	15.528	15.601	0.073	0.5%
System Total	16.319	16.392	0.073	0.4%

*C&I stands for Commercial and Industrial

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DEMAND RESPONSE PROGRAMS - ELECTRIC
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2013

Customer Class	1/01/2011 ¢/kWh	2013 ¢/kWh	Change ¢	%
(a)	(b)	(c)	(d)	(e)
Residential	19.058	19.093	0.035	0.2%
Small Commercial	17.859	17.895	0.036	0.2%
Medium and Large C&I*	14.092	14.120	0.028	0.2%
Agricultural	17.234	17.266	0.032	0.2%
Street Lighting	15.528	15.560	0.032	0.2%
System Total	16.319	16.351	0.032	0.2%

*C&I stands for Commercial and Industrial

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2014

Customer Class	1/01/2011 ¢/kWh	2014 ¢/kWh	Change ¢	%
(a)	(b)	(c)	(d)	(e)
Residential	19.058	19.083	0.025	0.1%
Small Commercial	17.859	17.885	0.026	0.1%
Medium and Large C&I*	14.092	14.112	0.020	0.1%
Agricultural	17.234	17.257	0.023	0.1%
Street Lighting	15.528	15.551	0.023	0.1%
System Total	16.319	16.342	0.023	0.1%

*C&I stands for Commercial and Industrial

The monthly winter bill for a typical residential customer living in the inland climate zone using 500 kWh will change from \$82.05 at present rates to \$ 82.25 in 2012, \$82.14 in 2013 and \$82.11 in 2014, respectively. This represents an increase of 0.08% resulting from the three-year program period.

FOR FURTHER INFORMATION

You may request additional information or obtain a copy of the application and related exhibits by writing to:
J. Yamagata, 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	104 N. Johnson Ave. El Cajon, CA 92020	2604 S. El Camino Real Carlsbad, CA 92008
2405 Plaza Blvd. National City, CA 91950	336 Euclid Ave. San Diego, CA 92114	
440 Beech St. San Diego, CA 92101	644 W. Mission Ave. Escondido, CA 92025	

Copies of this application are on the SDG&E website at www.sdge.com/regulatory/cpuc.shtml.

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

CPUC PROCESS

The CPUC may hold Evidentiary Hearings (EHs) whereby parties of record provide testimony and are subject to cross-examination before a CPUC Administrative Law Judge (ALJ). These hearings are open to the public, but only those who are formal parties of record can