

SAN DIEGO GAS & ELECTRIC COMPANY
NOTICE OF PROPOSED CHANGE IN ELECTRIC RATES
TO RECOVER COSTS OF AN AGREEMENT WITH THE
LAWRENCE LIVERMORE NATIONAL LABORATORY
FOR 21ST CENTURY ENERGY SYSTEMS
APPLICATION NO. A.11-07-008

On July, 18, 2011, San Diego Gas & Electric Company (SDG&E®) filed a joint application filing with Pacific Gas and Electric Company and Southern California Edison Company (SCE) (collectively, "Utilities") with the California Public Utilities Commission (CPUC). The joint application filing is seeking authority from the CPUC to recover the costs associated with a strategic applied research and development agreement between the Utilities and Lawrence Livermore National Laboratory. The agreement is known as the "California Energy Systems for the 21st Century Project" (Project).

The mission of the Project is to apply computationally based problem solving resources to the emerging energy challenges of the 21st century energy systems for the benefit of the Utilities' customers. The Project will consist of a consortium of the Lawrence Livermore National Laboratory and the joint utilities. The consortium will employ a joint team of technical experts who will combine data integration with the nation's most advanced modeling, simulation, and analytical tools to provide problem-solving and planning to achieve California's post-2020 energy and environmental goals applicable to the Utilities and their customers.

The joint utilities' application requests authorization for the Utilities to increase their electric and gas rates, where applicable, and charges to collect up to a maximum of \$15 million over five years. SDG&E seeks to recover its share (\$15 million) of the associated revenue requirements in electric rates over the five year period. Therefore SDG&E will increase its electric revenue requirements annually by approximately \$3 million in 2012 and this amount will remain in rates through the end of 2016.



Compared to revenue at present rates as of July 1, 2011, this application could result in a revenue increase of approximately \$3 million, or 0.1% beginning in 2012 and continuing through the end of 2016. **If total rates were to change as requested, an average residential summer, inland customer using 500 kilowatt-hours (kWh) per month would see an increase of \$0.03 per month, from \$80.99 to \$81.02.** The following table shows an estimate of proposed rate changes by customer group:

If this application is approved, the proposed change in rates for each customer class is as follows:

	4/01/11 Class Average Rates	Class Average Rates Reflecting Proposed Revenue Changes	Total Rate Change	Percentage Rate Change
	¢/kWh	¢/kWh	¢/kWh	%
Residential	18.336	18.352	0.016	0.09%
Small Commercial	17.609	17.626	0.017	0.10%
Medium and Large C&I*	13.913	13.926	0.013	0.09%
Agricultural	17.161	17.176	0.015	0.09%
Lighting	15.379	15.394	0.015	0.10%
System Total	15.931	15.946	0.015	0.09%

*C&I stands for Commercial and Industrial

FOR FURTHER INFORMATION

You may request additional information or obtain a copy of the application and related exhibits by writing to: Hannon J. Rasool, San Diego Gas & Electric Company, 8330 Century Park Court, CP32D, San Diego, CA 92123. SDG&E's application and related exhibits may also be inspected at the CPUC office located at 505 Van Ness Ave., San Francisco, CA 94102. Additionally, a copy of the application and related exhibits 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	644 W. Mission Ave. Escondido, CA 92025
2405 Plaza Blvd. National City, CA 91950	336 Euclid Ave. San Diego, CA 92114	2604 S. El Camino Real Carlsbad, CA 92008
440 Beech St. San Diego, CA 92101		

The application and related exhibits are also available electronically on SDG&E's website at www.sdge.com/regulatory/cpuc.shtml.

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

EVIDENTIARY HEARINGS

Evidentiary Hearings (EHs) may be held whereby parties of record will present their testimony and are subject to cross-examination before an Administrative Law Judge (ALJ). These EHs 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 during the formal hearing process, the assigned ALJ will issue a proposed decision. Because the CPUC's approvals may differ from those SDG&E requests, actual rates may differ from what is described in this notice.

CPUC PROCESS

If you wish to provide public comments regarding this application filing you can write to the CPUC's Public Advisor's Office (PAO), 505 Van Ness Ave., San Francisco, CA 94102 or by email at public.advisor.la@cpuc.ca.gov. When writing to the PAO, please refer to A.11-07-008 in your correspondence. All public comments received by the Public Advisor's Office will be forwarded to the Commissioners and the assigned ALJ for review, and become part of the formal correspondence file for public comment. In your letter, state that your comments are regarding Application No. A.11-07-008. If you wish to attend the EHs to listen only and you are in need of special accommodations, please contact the PAO 3-5 days in advance of the EHs.