

SAN DIEGO GAS & ELECTRIC COMPANY
NOTIFICATION OF EL CAJON PEAKER
COST RECOVERY APPLICATION NO. A.11-01-004

On January 5, 2011, San Diego Gas & Electric Company (SDG&E®) filed a request with the California Public Utilities Commission (CPUC) for approval of cost recovery for SDG&E to own and operate the El Cajon 52 MW peaking facility (the "Peaker").

This Peaker will allow SDG&E to continue to provide a reliable supply of electricity to its bundled customers. The application seeks approval of a revenue requirement that would take effect on January 1, 2012, at the expiration of the current contract for this Peaker with the California Department of Water Resources.

Utility charges on your bill are for energy and transmission and distribution services. Only a part of the energy charges are at issue in this application. On an annual basis, SDG&E's cost recovery plan for the Peaker would result in costs of approximately \$4 million, excluding the cost of fuel for the Peaker.

SDG&E estimates that the requested \$4 million increase for the first year in electric revenues associated with the Peaker would be allocated in a manner shown in the table below.

ILLUSTRATIVE IMPACT ON ELECTRIC RATES AND BILLS

If the CPUC approves SDG&E's request, a typical non-CARE residential customer living in the inland climate zone and using 500 kilowatt-hours per month could see a monthly winter bill increase of 0.1%, or \$0.05. A typical monthly electric bill could increase from \$79.69 to



\$79.74. The percentages shown do not necessarily reflect the changes that you may see on your bill. Changes in individual bills will also depend on how much electricity each customer uses.

**SAN DIEGO GAS & ELECTRIC COMPANY –
ELECTRIC DEPARTMENT
ILLUSTRATIVE ELECTRIC RATE IMPACT**

	9/01/10 Class Average Rates (¢/kWh)	Class Average Rates Reflecting Proposed Revenue Changes (¢/kWh)	Total Rate Change (¢/kWh)	Percentage Rate Change %
Residential	17.998	18.021	0.023	0.13%
Small Commercial	18.044	18.069	0.025	0.14%
Medium and Large C&I	14.537	14.561	0.024	0.17%
Agricultural	17.561	17.584	0.023	0.13%
Lighting	15.643	15.660	0.017	0.11%
System Total	16.170	16.194	0.024	0.15%

FOR FURTHER INFORMATION

You may request additional information or obtain a copy of the application and related exhibits by writing to: Wendy Keilani, 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

2405 E. Plaza Blvd.
National City, CA 91950

440 Beech St.
San Diego, CA 92101

104 N. Johnson Ave.
El Cajon, CA 92020

336 Euclid Ave.
San Diego, CA 92114

644 W. Mission Ave.
Escondido, CA 92025

2604 S. El Camino Real
Carlsbad, CA 92008

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

Copies of this bill insert will be available for viewing and printing on the SDG&E Web site 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 comment 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 e-mail at public.advisor.la@cpuc.ca.gov. When writing to the PAO, please refer to A.11-01-004 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.11-01-004. If you wish to attend the EHs to listen only and you are in need of special accommodations, please contact the PAO within 3–5 days in advance of the EHs.