

SAN DIEGO GAS & ELECTRIC COMPANY NOTIFICATION OF APPLICATION FOR ERRA REVIEW AND NOTICE OF POTENTIAL IMPACT ON ELECTRIC RATES APPLICATION NO. A.10-06-001

On June 1, 2010, San Diego Gas & Electric Company (SDG&E®) filed an application for Energy Resource Recovery Account (ERRA) compliance review (ERRA Application) with the California Public Utilities Commission (CPUC). The application pertains to SDG&E's electric procurement contract administration and related activities and costs for the 12-month record period of January 1, 2009 through December 31, 2009. In addition to presenting SDG&E's recorded costs for review, SDG&E's ERRA Application requests CPUC approval to recover the revenue requirement associated with the balances accrued in five memorandum accounts authorized by the CPUC including the: (1) Market Redesign and Technology Upgrade Memorandum Account (MRTUMA); (2) Procurement Transaction Auditing Memorandum Account (PTAMA); (3) Independent Evaluator Memorandum Account (IEMA); (4) Generation Divestiture Transaction Cost Memorandum Account (GDTCA); and the (5) Renewables Portfolio Standard Memorandum Account (RPSMA). Accordingly, SDG&E's ERRA Application requests cost recovery of \$4.32 million representing the combined total balance of all five of these accounts.

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 summer bill increase of 0.08%, or \$0.06.

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A typical monthly electric bill could increase from \$78.90 to \$78.96. 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**

	5/01/10 Class Average Rates (¢/kWh)	Class Average Rates Reflecting Proposed Revenue Changes (¢/kWh)	Total Rate Change (¢/kWh)	Percentage Rate Change %
Residential	17.689	17.713	0.024	0.14%
Small Commercial	17.665	17.691	0.026	0.15%
Med. & Large C&I	14.223	14.248	0.025	0.18%
Agricultural	17.174	17.198	0.024	0.14%
Lighting	15.529	15.547	0.018	0.12%
System Total	15.852	15.877	0.025	0.16%

FOR FURTHER INFORMATION

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

336 Euclid Ave.
San Diego, CA 92114

2405 E. Plaza Blvd.
National City, CA 91950

644 W. Mission Ave.
Escondido, CA 92025

440 Beech St.
San Diego, CA 92101

2604 S. El Camino Real
Carlsbad, CA 92008

104 N. Johnson Ave.
El Cajon, CA 92020

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.

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When writing to the PAO, please refer to A.10-06-001 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.10-06-001. 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.



Here for you, every day.SM