

**SAN DIEGO GAS & ELECTRIC COMPANY
NOTIFICATION OF APPLICATION FILING
OF DEMAND RESPONSE PROGRAMS
APPLICATION NO. A.12-12-016**

On December 21, 2012 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 (DR) 2013 – 2014 program augmentations and associated funding, in accordance with direction received from the Director of Energy Division. Rate changes authorized by the CPUC will be implemented in 2014 and 2015.

SDG&E is requesting approval of an additional \$100,000 in 2013 and 2014 collectively, to fund additional community-based organization outreach targeted at low income and hard-to-reach communities and \$1.4 million, for 2014, to fully restore the Capacity Bidding Program (CBP). In CBP, customers make a monthly commitment to provide load reductions when called upon during program event days which was authorized for the 2012-2014 program cycle.

The CPUC may approve the amount requested by SDG&E in this application, or may approve a different amount. However, 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, 2014.

The current and proposed electric rates of SDG&E's proposal in years 2014 and 2015 are noted in the tables continued on the next page:

(Continued inside)

**San Diego Gas & Electric Company
Demand Response Programs - Electric
Illustrative Electric Rate Impact
2014**

Customer Class	9/1/2012	2014	Change	
	¢/kWh	¢/kWh	¢	%
(a)	(b)	(c)	(d)	(e)
Residential	18.324	18.325	0.001	0.01%
Small Commercial	18.001	18.002	0.001	0.01%
Med & Large C&I*	14.305	14.306	0.001	0.01%
Agriculture	17.509	17.509	0.000	0.00%
Street Lighting	14.868	14.868	0.000	0.00%
System Total	16.154	16.155	0.001	0.01%

*C&I stands for Commercial & Industrial

**San Diego Gas & Electric Company
Demand Response Programs - Electric
Illustrative Electric Rate Impact
2015**

Customer Class	9/1/2012	2015	Change	
	¢/kWh	¢/kWh	¢	%
(a)	(b)	(c)	(d)	(e)
Residential	18.324	18.333	0.009	0.05%
Small Commercial	18.001	18.010	0.009	0.05%
Med & Large C&I*	14.305	14.312	0.007	0.05%
Agriculture	17.509	17.517	0.008	0.05%
Street Lighting	14.868	14.875	0.007	0.05%
System Total	16.154	16.162	0.008	0.05%

*C&I stands for Commercial & Industrial

The monthly winter bill for a typical residential customer living in the inland climate zone using 500 kWh will change from \$83.52 at present rates to \$83.53 in 2014 and \$83.54 in 2015 respectively.

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

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

Copies of this application are on the SDG&E website at <http://www.sdge.com/proceedings>. Copies of this insert will be available for viewing and printing on the SDG&E website at <http://www.sdge.com/regulatory-notice>.

The application is also available to review at the CPUC's Central Files Office at 505 Van Ness Avenue, 2nd Floor, San Francisco, CA, daily between 8:00 a.m. and noon.

(Continued on back)

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 participate. The CPUC has its own court reporters who will record the comments of those formal parties of 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, 505 Van Ness Avenue, San Francisco, CA 94102, or phone 866-849-8390 or send an e-mail to public.advisor@cpuc.ca.gov. Any written correspondence or emails received will become part of the formal file in this application. Please reference Application No. A.12-12-016 when writing or sending emails.

