

**SAN DIEGO GAS & ELECTRIC COMPANY
NOTIFICATION OF JOINT UTILITY APPLICATION
FOR REVIEW OF MRTU COSTS AND NOTICE OF
POTENTIAL IMPACT ON ELECTRIC RATES
APPLICATION NO. 12-01-014**

On January 31, 2012, San Diego Gas & Electric Company (SDG&E®), Pacific Gas and Electric Company (PG&E®), and Southern California Edison Company (SCE®) (collectively, the Joint Utilities) jointly filed an application for consolidated review of Market Redesign and Technology Upgrade (MRTU) costs (Joint Application) with the California Public Utilities Commission (CPUC). The Joint Application pertains to costs the Joint Utilities incurred to implement the California Independent System Operator's (CAISO) MRTU initiative to upgrade the efficiency of energy dispatch and improve the current wholesale electricity market system. In the Joint Application, SDG&E requests CPUC approval to recover the revenue requirement associated with the balance it accrued for the 12-month record period of January 1, 2010 through December 31, 2010 in the MRTU Memorandum Account (MRTUMA) authorized by the CPUC. Specifically, SDG&E is requesting cost recovery for the 2010 activity in the MRTUMA of approximately \$1.6 million. SDG&E received authorization to recover the balances generated in the MRTUMA prior to 2010 in Decision (D.) 11-10-029 approving its 2009 Energy Resource Recovery Account (ERRA) compliance review Application (A.) 10-06-001.

ILLUSTRATIVE IMPACT ON ELECTRIC RATES AND BILLS

If the CPUC approves SDG&E's request for recovery of the costs accrued during 2010 in the MRTUMA, a typical non-CARE residential customer living in the inland climate zone and using 500 kilowatt-hours per month could see a

(Continued inside)

monthly summer bill increase of 0.01%, or \$0.01. A typical monthly electric bill could increase from \$81.37 to \$81.38. 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**

Customer Class	1/1/12 Class Average Rates (¢/kWh)	Class Average Rates Reflecting Proposed Revenue Changes (¢/kWh)	Total Rate Change (¢/kWh)	Percentage Rate Change %
Residential	17.612	17.620	0.008	0.05%
Small Commercial	17.045	17.055	0.010	0.06%
Medium and Large C&I*	13.645	13.654	0.009	0.07%
Agricultural	16.563	16.572	0.009	0.05%
Lighting	14.653	14.659	0.006	0.04%
System Total	15.449	15.458	0.009	0.06%

*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: Jamie York, 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/proceedings.

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

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.12-01-014 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.12-01-014.

SDGE

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