

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Expedited Application of SAN DIEGO GAS &
ELECTRIC COMPANY (U 902-E) under the Energy
Resource Recovery Account Trigger Mechanism

Application 10-04-033

**SAN DIEGO GAS & ELECTRIC COMPANY'S (U 902-E) RULE 3.2 PROOF OF
COMPLIANCE**

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Attorney for: SAN DIEGO GAS &
ELECTRIC COMPANY

June 17, 2010

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Pursuant to Rule 3.2 of the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission"), San Diego Gas & Electric Company ("SDG&E") hereby submits Attachment A as proof of compliance with Rule 3.2(d).

Specifically, pursuant to Rule 3.2 (d) and D.02-10-062¹, SDG&E served its customers with a bill insert notice of its Energy Resource Recovery Account Trigger Application ("ERRA Trigger Application"), describing, among other things, its potential rate impact. According to Rule 3.2 (d), the bill insert notice was served within 45 days after the filing of the ERRA Trigger Application. Also pursuant to Rule 3.2 (d), this proof of compliance is being filed within 10 days of the final mailing of the bill inserts, which occurred on June 8, 2010.

Respectfully submitted,

By: /s/ John A. Pacheco

John A. Pacheco

Attorney for:

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¹ See D.02-10-062 at p. 66.

ATTACHMENT A

6/9/10
A 10-04-033

DECLARATION

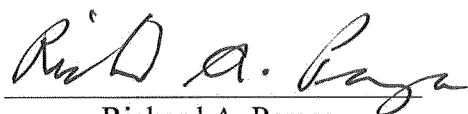
I, Richard A. Peraza, am a citizen of the United States residing in San Bernardino County, California, and am over the age of 18.

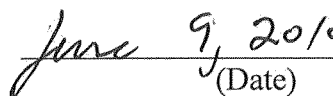
I am now, and at all times referred to below, have been employed by the San Diego Gas & Electric Company as Communications Advisor in Los Angeles, California.

With regard to San Diego Gas & Electric Company's Application No. A.10-04-033 before the California Public Utilities Commission, I was instructed to, and did supervise, the insertion and mailing of the Notices, attached hereto, to all known customers of the San Diego Gas & Electric Company.

The insertion and mailing of the Notice to Customers of Proposed Changes commenced on Monday, May 10, 2010, with May Billing Cycle No. 4, and was completed on Tuesday, June 8, 2010, with June Billing Cycle No. 3.

I declare under penalty of perjury that the foregoing is true and correct.


Richard A. Peraza


(Date)

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.10-04-033. 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.

**SAN DIEGO GAS & ELECTRIC COMPANY
NOTIFICATION OF APPLICATION
TO DECREASE ELECTRIC RATES
APPLICATION NO. 10-04-033**

On April 30, 2010, San Diego Gas & Electric Company (SDG&E®) filed its Expedited Energy Resource Recovery Account (ERRA) Trigger Application (Expedited ERRA Trigger Application) with the California Public Utilities Commission (CPUC) asking for approval to decrease certain rates. The ERRA was established by the CPUC to record the utility's fuel and purchased power revenues against recorded costs, excluding costs and revenues related to the California Department of Water Resources. Assembly Bill (AB) 57 mandated a trigger threshold for the balance in the ERRA of 5% of the electric utility's recorded generation revenues for the prior calendar year. Under the provisions of the trigger mechanism, SDG&E is required to file an expedited application to address the ERRA balance when it reaches an under-collection or over-collection of 4%, and is projected to exceed the 5% trigger.

Specifically, the Expedited ERRA Trigger Application seeks approval to return a \$100 million over-collection in the ERRA under the adopted trigger mechanism, partially offset by a \$26 million under-collection in the Non-Fuel Generation Balancing Account (NGBA), which records the difference between actual non-fuel generation costs, including SONGS and natural gas-fired generation, and recorded commodity revenues. Accordingly, SDG&E is proposing a rate decrease of \$74 million to be amortized over 12 months from September 1, 2010 to August 31, 2011.



EFFECT ON ELECTRIC RATES AND BILLS

If the CPUC approves SDG&E's request, a typical non-CARE inland climate zone residential customer's summer electric bill using 500 kilowatt-hours of electricity will decrease from \$78.57 per month to \$77.75 per month, or \$0.82. Changes in individual bills will depend on how much energy each customer uses.

San Diego Gas & Electric Company Electric Department Illustrative Electric Rate Impact

	Currently Effective Class Average Rates (¢/kWh)	Class Average Rates Including ERRA Decrease (¢/kWh)	Total Rate Change (¢/kWh)	Percentage Rate Change %
Residential	17.937	17.530	(0.407)	-2.27%
Sm. Commercial	17.924	17.485	(0.439)	-2.45%
Med. & Large C&I	14.485	14.052	(0.433)	-2.99%
Agricultural	17.431	17.012	(0.419)	-2.40%
Lighting	15.717	15.415	(0.302)	-1.92%
System Total	16.106	15.685	(0.421)	-2.61%

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. The CPUC may approve a rate decrease that differs from that proposed by SDG&E. The actual rates may result in changes greater or less than those described in this notice.

FOR FURTHER INFORMATION

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

2404 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.

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.ia@cpuc.ca.gov. When writing to the PAO, please refer to A.10-04-033 in your correspondence. All public comments received by

(Continued on back)

CERTIFICATE OF SERVICE

I hereby certify that, pursuant to the Commission's Rules of Practice and Procedure, I have this day served a true and correct copy of the foregoing **SAN DIEGO GAS & ELECTRIC COMPANY'S (U 902-E) RULE 3.2 PROOF OF COMPLIANCE** to each party of named in the official service list for proceedings A.10-04-033, A.09-10-003 (last year's SDG&E ERRRA forecast proceeding) and R.08-02-007 (2008 OIR to Integrate and Refine Procurement Policies Underlying Long-Term Procurement Plans) by electronic mail. I also served each party named in the temporary service list for this proceeding at A.10-04-033. Those parties without an email address were served by placing copies in properly addressed and sealed envelopes and depositing such envelopes in the United States Mail with first-class postage prepaid. Copies were also sent via Federal Express to the Assigned Commissioners and Administrative Law Judges in the A.09-10-003 and R.08-02-007 proceedings and to the Assigned Commissioner and Administrative Law Judge for this proceeding at A.10-04-033.

Executed this 17th day of June 2010, at San Diego, California.

/s/ Lisa Fucci-Ortiz
Lisa Fucci-Ortiz