

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

Application of San Diego Gas & Electric Company (U902M) for Authority to: (i) Adjust its Authorized Return on Common Equity, (ii) Adjust its Authorized Embedded Costs of Debt and Preferred Stock, (iii) Adjust its Authorized Capital Structure; (iv) Decrease its Overall Rate of Return, (iv) Modify its Adopted Cost of Capital Mechanism Structure, and (v) Revise its Electric Distribution and Gas Rates Accordingly, and for Related Substantive and Procedural Relief.

A.12-04-\_\_\_\_  
(Filed April 20, 2012)

**NOTICE OF AVAILABILITY COST OF CAPITAL APPLICATION  
OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M)**

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April 20, 2012

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OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M)**

Pursuant to Rule 1.9(d) of the Rules of Practice and Procedure of the California Public Utilities Commission (the “Commission”), San Diego Gas & Electric Company (“SDG&E”) hereby provides notice that it has electronically filed with the Commission’s docket office its **COST OF CAPITAL APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY** (the “Application”)

The Application requests Commission authorization of an overall rate of return (“ROR”) of 8.2% for SDG&E for test year 2013. This is based upon a proposed return on common equity (“ROE”) of 11.0%, a proposed cost of long-term debt of 5.09% and a proposed cost of preferred stock of 6.35%. It also reflects a proposed capital structure for SDG&E’s Commission-jurisdictional ratebase of 45.25% long-term debt, 2.75% preferred stock and 52% common equity. Finally, SDG&E proposes that its current cost of capital mechanism (“CCM”) be modified to include an “off-ramp” provision.

The Application is available on SDG&E's Internet website at the following link:

<http://sdge.com/proceedings>.

Respectfully submitted this 20<sup>th</sup> day of April, 2012.

*/s/ Aimee M. Smith* \_\_\_\_\_

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