

Subject: Important changes to your SDG&E® bill starting May 1

Please note this important information about rate changes that took effect on May 1, 2009. These changes may impact your energy bills during the upcoming summer months.

Recent Rate Changes

On May 1, SDG&E® implemented electric commodity and Competition Transition Charge (CTC) rate changes which resulted from the following factors:

- There was an increase in SDG&E's costs associated with our 20% ownership of the San Onofre Nuclear Generating Station.
- There was a slight increase in SDG&E's electric energy commodity costs. These costs are significantly lower, however, than what SDG&E submitted in our forecasted 2009 energy costs to the California Public Utilities Commission last October.
- There was a reduction in costs recovered through the CTC. CTC is a component of SDG&E's non-commodity rate schedules such as Schedules A and AL-TOU.
- There was a reduction in Department of Water Resources (DWR) costs allocated to SDG&E customers.
- There were no Critical Peak Pricing events last summer. As a result, SDG&E did not fully recover its electric commodity costs. Therefore, commodity rates for medium and large businesses are slightly higher to make up for the under-collected balance.

Overall, small business and other nonresidential customers will see slightly lower class average rates. However, Medium and Large business customers will see slightly higher class average rates primarily due to the CPP under-collection as noted above.

Summary of Class Average Electric Rate Changes

Customer Class	Total Class Average Bundled Rates (¢/kWh)		Changes (¢/kWh)	
	1/1/09	5/1/09	Rates	% Change
Small C/I	18.616 ¢	18.484 ¢	-0.132 ¢	-0.71 %
Med & Large C/I	15.344 ¢	15.414 ¢	0.070 ¢	0.46 %
Agriculture	18.079 ¢	17.933 ¢	-0.146 ¢	-0.81 %
Lighting	15.948 ¢	15.868 ¢	-0.080 ¢	-0.50 %

Customer Class	Total Class Average Rates for Direct Access Customers (¢/kWh)		Changes (¢/kWh)	
	1/1/09	5/1/09	Rates	% Change
Small C/I	8.468 ¢	8.453 ¢	-0.015 ¢	-0.20 %
Med & Large C/I	5.253 ¢	5.224 ¢	-0.029 ¢	-0.60 %
Agriculture	8.462 ¢	8.427 ¢	-0.035 ¢	-0.40 %
Lighting	8.969 ¢	8.969 ¢	0.000 ¢	0.00 %

Seasonal TOU Changes

SDG&E's electric commodity costs are typically higher in the summer months (May 1 through September 30). Therefore, electric rates charged to customers are also higher during these months. Starting May 1, SDG&E's summer rates, which are higher than winter rates, take effect and the On-Peak, Semi-Peak and Off-Peak time-of-use billing periods switch to the summer TOU periods as follows:

- On-Peak: 11am – 6pm, Weekdays
- Semi-Peak: 6am – 11am, Weekdays; 6pm – 10pm Weekdays

- Off-Peak: 10 pm – 6am, Weekdays; All Day Weekends and Holidays

Options for reducing your energy use

To help you prepare for the summer season, I'd like to remind you that SDG&E has several programs and services available to help you manage your energy use. Contact me today to find out more about:

- Energy audits available to help you find ways to reduce your overall energy usage that may lead to cash incentives for implementing recommended measures.
- Rebate and incentive programs that can help offset the expense of upgrading to more energy-efficient equipment in your building or facility. These upgrades can help you save on operating costs in the long run as well.
- The On-Bill Financing program which works in conjunction with certain SDG&E rebate and incentive programs. Eligible businesses can obtain 0% financing for qualifying energy-efficiency improvements.

The impacts to your specific energy bills will vary based on your individual energy use pattern. To help you manage your energy costs, I encourage you to contact me today.

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