Para más información en cómo este cambio impactará su factura, llame al 1-800-311-7343

NOTICE OF APPLICATION SAN DIEGO GAS & ELECTRIC COMPANY'S REQUEST TO INCREASE RATES ASSOCIATED WITH TRACK 3 A.22-05-016

Why am I receiving this notice?

On April 30, 2025, San Diego Gas and Electric® (SDG&E®) submitted a request, to the California Public Utilities Commission (CPUC), to recover wildfire mitigation costs in both its natural gas and electric rates. The request seeks recovery of a total of \$699.0 million

Why is SDG&E requesting this rate change?

In response to the catastrophic wildfires in California in 2017 and 2018, the California Legislature required all electric utilities to enhance wildfire mitigation through approved Wildfire Mitigation Plans. As part of its approved 2023 Wildfire Mitigation Plan, SDG&E made efforts to harden the electrical system, perform increased inspections and repairs, and promote Public Safety Power Shutoff (PSPS) resiliency for communities. These Wildfire Mitigation Plan costs were recorded in a CPUC authorized memorandum account. SDG&E is now requesting to recover those costs in electric and gas rates.¹

¹ SDG&E's wildfire mitigation investments pursuant to its 2023-2025 Wildfire Mitigation Plan have served to reduce ignition risks, improve situational awareness, and mitigate the impacts of Public Safety Power Shutoffs (PSPS).

How could this affect my electric rates?

The tables below illustrate the impact of SDG&E's proposals to SDG&E's electric delivery rate and SDG&E's total bundled rates (electric delivery plus electric commodity).

If you receive your electric generation from an Energy Service Provider (ESP) that is not SDG&E, you are considered an "unbundled" customer. If SDG&E's rate request is approved by the CPUC, the average residential monthly bill for a typical unbundled customer using 400 kWh per month would increase by approximately \$2.93 or 3.4% per month in 2027.²

If you receive your electric generation from SDG&E, you are considered a "bundled" customer. If SDG&E's rate request is approved by the CPUC, the average residential monthly bill for a typical bundled customer using 400 kWh per month would increase by approximately \$2.93 or 1.9% per month.³

² Unbundled charges include SDG&E's electric delivery rates plus PCIA rates. Electric generation rates for unbundled customers are set by a customer's respective ESP such as a Community Choice Aggregator or Direct Access provider and are not reflected in unbundled bill impacts. Actual unbundled bill impacts will vary based on a number of factors, including usage, pricing plan, and when a customer became an unbundled customer (Power Charge Indifference Adjustment (PCIA) vintage).

³ Actual bundled impact will vary based on a number of factors, including usage and pricing plan.

	Proposed Electric Delivery Rate Increase					
Customer Class	Current Elec. Delivery Class Average Rates Effective 02/01/25 ¹ (¢/kWh)	Proposed 2027 Elec. Delivery Class Average Rates (¢/kWh)	Total Rate Increase (¢/kWh)	Total Rate Increase (%)		
Residential	20.1	20.8	0.7	3.6%		
Small Comm.	23.3	24.0	0.7	3.2%		
Med & Lg C&I	16.4	17.0	0.7	4.0%		
Agriculture	14.3	14.8	0.5	3.7%		
Lighting	24.7	25.4	0.7	2.9%		
System Total	18.5	19.2	0.7	3.7%		

¹Rates effective 2/1/25 per Advice Letter (AL) 4588-E.

Proposed Total Electric Rate Increase

Customer Class	Current Total Class Average Rates Effective 02/01/25 ¹ (¢/kWh)	Proposed 2027 Total Class Average Rates (¢/kWh)	Total Rate Increase (¢/kWh)	Percentage Average Rate Increase (%)
Residential	35.9	36.6	0.7	2.0%
Small Comm.	36.7	37.5	0.7	2.0%
Med & Lg C&I	32.5	33.2	0.7	2.0%
Agriculture	25.7	26.2	0.5	2.0%
Lighting	35.1	35.8	0.7	2.0%
System Total	34.0	34.7	0.7	2.0%

¹Rates effective 2/1/25 per Advice Letter (AL) 4588-E.

How could this affect my monthly gas rates?

If SDG&E's rate request is approved by the CPUC, the typical residential monthly bill using 24 therm per month would increase by approximately \$2.51 or 3.8% per month in 2027, compared to estimated 2025. Individual customer bills may vary.

Proposed Gas Rate Increase

Customer Class	Current Average Rates Effective 03/10/25 ¹ (¢/th)	Proposed 2027 Average Rates (¢/th)	Total Average Rate Increase (¢/th)	Percentage Average Rate Increase (%)
Residential (Core)	213.7	224.2	10.4	4.9%
Commercial/Industrial				
(Core)	94.3	97.2	2.9	3.1%
Commercial/ Industrial (Noncore)	31.2	31.9	0.7	2.1%
Electric Generation Distribution Level Tier 1	44.6	44.7	0.2	0.4%
Electric Generation Distribution Level Tier 2	33.3	33.4	0.0	0.1%
Transmission Level Service	7.1	7.1	0.0	0.1%
System Total	98.8	102.9	4.1	4.2%

¹ Rates effective 3/10/25 per Advice Letter (AL) 3408-G.

How does the rest of this process work?

The assigned CPUC Administrative Law Judge who will consider proposals and evidence presented during the formal hearing process. The Administrative Law Judge will issue a proposed decision that may adopt SDG&E's application, modify it, or deny it. Any CPUC Commissioner may sponsor an alternate decision with a different outcome. The proposed decision, and any alternate decisions, will be discussed and voted upon by the CPUC Commissioners at a public CPUC Voting Meeting.

Contact CPUC

Parties to the proceeding may review SDG&E 's application, including the Public Advocates Office. The Public Advocates Office is an independent consumer advocate within the CPUC that represents customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. For more information, please call **1-415-703-1584**, email <u>PublicAdvocatesOffice@cpuc.ca.gov</u>, or visit **PublicAdvocates.cpuc.ca.gov**.

Please visit **apps.cpuc.ca.gov/c/A2205016** to submit a comment about this proceeding on the CPUC Docket Card. Here you can also view documents and other public comments related to this proceeding.

If you have questions about CPUC processes, you may contact the CPUC's Public Advisor's Office at:

Phone: **1-866-849-8390** (toll-free) or **1-415-703-2074** Email: Public.Advisor@cpuc.ca.gov Mail: CPUC Public Advisor's Office 505 Van Ness Avenue San Francisco, CA 94102

Please reference **SDG&E's GRC** 2023 Wildfire Cost Application A.22-05-016 in any communications you have with the CPUC regarding this matter.

Where can I get more information?

If you have questions about SDG&E's request, they may be contacted using the methods below.

Contact SDG&E

Email: kbarlow@sdge.com Mail: Kaitlin Barlow 8330 Century Park Court, CP31E, San Diego, CA 92123

A copy of the Application and any related documents may also be reviewed at <u>http://www.sdge.com/proceedings</u>