

NOTICE OF APPLICATION

SAN DIEGO GAS & ELECTRIC COMPANY'S REQUEST TO INCREASE RATES ASSOCIATED WITH TRACK 2 A.22-05-016

WHY AM I RECEIVING THIS NOTICE?

On October 27, 2023, San Diego Gas and Electric® (SDG&E®) submitted testimony seeking to recover wildfire mitigation costs it incurred from 2019-2022, and ongoing. The request seeks recovery of a total of \$1.47 billion.

WHY IS SDG&E REQUESTING THIS RATE INCREASE?

In response to the catastrophic fires in California in 2017 and 2018, the California Legislature required all electric utilities to increase wildfire mitigation activities pursuant to approved Wildfire Mitigation Plans and updates. Since 2019, SDG&E has made significant investments in wildfire mitigation work to harden its system to protect against ignitions, increase situational awareness, enhance emergency operations, and mitigate the impacts of Public Safety Power Shutoffs. These investments are meant to reduce the risk of catastrophic wildfire in SDG&E's communities and protect public safety.

As authorized by the California Public Utilities Commission (CPUC), SDG&E has recorded the costs associated with its Wildfire

Mitigation Plan and is now requesting that the CPUC review the reasonableness of its wildfire mitigation investments from 2019-2022 and authorize recovery of the costs of those programs in rates.

To mitigate the rate and bill impacts of these wildfire mitigation costs, SDG&E is proposing two steps to support affordability. First, SDG&E is proposing the CPUC authorize interim rate recovery of a portion of SDG&E's incurred wildfire mitigation costs, beginning in January 2024 and subject to refund upon a final reasonableness determination by the CPUC. Second, if the CPUC approves SDG&E's request, SDG&E will file a new application to extend timeframe for the recovery of authorized costs to ten years, through the issuance of a recovery bond. SDG&E estimates that authorization of a ten-year recovery bond would reduce the annual customer rate impacts compared to traditional utility ratemaking.

HOW COULD THIS IMPACT 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).

PROPOSED ELECTRIC DELIVERY RATE INCREASE

Customer Class	Current Elec. Delivery Class Average Rates Effective 01/01/23 ¹ (¢/kWh)	Proposed 2024 Elec. Delivery Class Average Rates (¢/kWh)	Total Rate Increase (¢/kWh)	Total Rate Increase (%)
Residential	20.710	22.232	1.522	7.35%
Small Comm.	22.807	24.265	1.458	6.39%
Med & Lg C&I	17.165	18.003	0.838	4.88%
Agriculture	14.064	14.927	0.863	6.14%
Lighting	21.784	23.499	1.715	7.87%
System Total	18.999	20.150	1.151	6.06%

¹Rates effective 1/1/23 per Advice Letter (AL) 4129-E.

PROPOSED TOTAL ELECTRIC RATE INCREASE

Customer Class	Current Total Class Average Rates Effective 01/01/23 ¹ (¢/kWh)	Proposed 2024 Total Class Average Rates (¢/kWh)	Total Rate Increase (¢/kWh)	Percentage Average Rate Increase (%)
Residential	40.375	41.897	1.522	3.77%
Small Comm.	40.224	41.682	1.458	3.62%
Med & Lg C&I	37.553	38.391	0.838	2.23%
Agriculture	28.614	29.477	0.863	3.02%
Lighting	34.644	36.359	1.715	4.95%
System Total	38.471	39.622	1.151	2.99%

¹Rates effective 1/1/23 per Advice Letter (AL) 4129-E.

If you receive your electric generation from an Energy Service Provide (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 \$6.10 or 6.0% per month in 2024.¹

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 \$6.10 or 3.53% per month.²

¹ 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).

² Actual bundled impact will vary based on a number of factors, including usage and pricing plan.

HOW COULD THIS IMPACT MY MONTHLY GAS RATES?

If SDG&E's rate request is approved by the CPUC, the average residential monthly bill using 24 therm per month would decrease by approximately \$0.77 or 1.3% per month in 2025.

PROPOSED GAS RATE CHANGE

Customer Class	Current Average Rates Effective 08/01/23 ¹ (¢/th)	Proposed 2025 Average Rates (¢/th)	Total Average Rate Change (¢/th)	Percentage Average Rate Change (%)
Residential (Core)	165.1	168.3	3.2	2.0%
Commercial/Industrial (Core)	68.0	68.9	0.9	1.3%
Commercial/ Industrial (Noncore)	29.0	29.3	0.3	0.9%
Electric Generation Distribution Level Tier 1	31.4	31.5	0.1	0.2%
Electric Generation Distribution Level Tier 2	22.2	22.2	0.0	0.1%
Transmission Level Service	14.4	14.4	0.0	0.0%
System Total	63.4	64.5	1.1	1.7%

¹Rates effective 8/1/23 per Advice Letter (AL) 3218-G.

HOW DOES THE REST OF THIS PROCESS WORK?

The assigned CPUC Administrative Law Judge 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.

Parties to the proceeding are currently reviewing 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 PublicAdvocatesOffice@cpuc.ca.gov, or visit PublicAdvocates.cpuc.ca.gov.

Your participation by providing your thoughts on SDG&E 's request can help the CPUC make an informed decision.

WHERE CAN I GET MORE INFORMATION?

Contact SDG&E

Email: wfuller@sdge.com

Mail: Will Fuller

Regulatory Case Manager for SDG&E

8330 Century Park Court, San Diego, CA 92123

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

Contact CPUC

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 2019-2022 Wildfire Cost Application A.22-05-016 in any communications you have with the CPUC regarding this matter.

