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**NOTICE OF APPLICATION
SAN DIEGO GAS & ELECTRIC COMPANY'S
REQUEST TO CHANGE RATES FOR THE
2023 COST OF CAPITAL PROCEEDING
APPLICATION FILING A.22-04-012**

WHY AM I RECEIVING THIS NOTICE?

On April 20, 2022, San Diego Gas & Electric Company (SDG&E®) filed its Cost of Capital Application with the California Public Utilities Commission (CPUC) requesting a new rate of return for 2023-2025.

If the CPUC approves this application, the overall authorized rate of return will decrease from 7.55% to 7.48%, and SDG&E will reflect the change in electric and gas rates beginning January 1, 2023. This will impact your monthly bill.

WHY IS SDG&E REQUESTING THIS RATE CHANGE?

SDG&E is required to file its Cost of Capital Application every three years. In this proceeding, SDG&E requests that the CPUC determine the appropriate rate of return necessary to attract capital at reasonable rates and compensate the utility for business, regulatory, and financial risks. Rate of return is the weighted average cost of debt, preferred stock, and common equity. SDG&E's request is a decrease compared to its current rate of return. This decrease to SDG&E's rate of return results in a change to your rates: a decrease to electric rates and an increase to gas rates.

**HOW COULD THIS AFFECT MY MONTHLY
ELECTRIC AND GAS RATES?**

If SDG&E's request is approved by the CPUC, SDG&E's rates for electric and gas service will be revised. The average residential electric monthly bill using 400 kWh per month would decrease by approximately \$0.01 or 0.00% per month in 2023. The average residential gas monthly bill using 23 therms per month would increase by approximately \$0.01 or 0.02% per month in 2023.

(Continued inside)

The illustrative showing below does not necessarily reflect the changes that you may see on your bill. Changes in individual bills will also depend on how much electricity or gas each customer uses.

SUMMARY OF ILLUSTRATIVE ELECTRIC CLASS AVERAGE RATES

Customer Class	Current 1/1/2022 Total Rate (¢ / kWh)	Proposed Total Rate (¢ / kWh)	Decrease ¢ / kWh	Decrease % / kWh
Residential	34.523	34.519	(0.004)	-0.01%
Small Commercial	32.243	32.239	(0.004)	-0.01%
Medium & Large C&I	29.113	29.112	(0.001)	0.00%
Agricultural	23.165	23.163	(0.002)	-0.01%
Lighting	29.009	29.005	(0.004)	-0.01%
System Total	31.059	31.056	(0.003)	-0.01%

SUMMARY OF ILLUSTRATIVE GAS CLASS AVERAGE RATES

Customer Class	Present Rates (¢/therm)	Proposed Rates for 2023 (¢/therm)	¢/therm Increase (¢/therm)	% Increase Rates
Residential (Core)	147.1	147.2	0.04	0.03%
Average Residential Bill \$/month	\$46.76	\$46.77	\$0.01	0.02%
Commercial/Industrial (Core)	61.1	61.1	0.01	0.02%
Commercial/Industrial (Noncore Distribution Level Service)	16.3	16.3	0.00	0.01%
Electric Generation (Noncore Distribution Level Service)	17.8	17.9	0.15	0.84%
Transmission Level Service	3.01	3.01	0.00	0.09%
Backbone Transmission Service	36.8	36.8	0.00	0.00%
System Total	55.9	55.9	0.03	0.1%

HOW DOES THE REST OF THIS PROCESS WORK?

This application will be assigned to a 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.

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 PublicAdvocatesOffice@cpuc.ca.gov, or visit PublicAdvocates.cpuc.ca.gov.

WHERE CAN I GET MORE INFORMATION?

Contact SDG&E

- Email: lbrowy@sdge.com
- Mail: Lisa Browy
8330 Century Park Court, CP31E
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/A2204012 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.

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

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 **Application A.22-04-012** in any communications you have with the CPUC regarding this matter.

