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**NOTICE OF APPLICATION
SAN DIEGO GAS & ELECTRIC COMPANY'S
REQUEST TO DECREASE RATES FOR THE
2025 ENERGY RESOURCE RECOVERY
ACCOUNT FORECAST AND 2025 SALES
FORECAST APPLICATION FILING
A.24-05-010**

WHY AM I RECEIVING THIS NOTICE?

On May 15, 2024, San Diego Gas and Electric Company (SDG&E®) filed its 2025 Energy Resource Recovery Account (ERRA) Forecast and 2025 Electric Sales Forecast application with the California Public Utilities Commission (CPUC) for approval. This is an annual application that outlines SDG&E's forecasted costs of purchasing electricity, expenses related to ensuring reliable electric service and anticipated electric sales in 2025. In the application SDG&E is requesting a total decrease in revenue of (\$287,969,738).

SDG&E does not make a profit on the cost of purchasing electricity. If the actual costs are different than forecasted, then SDG&E will return or collect the difference from customers.

If approved, SDG&E will adjust its sales forecast and recover forecasted costs through electric rates beginning January 1, 2025. This adjustment will impact your monthly bill.

WHY IS SDG&E REQUESTING THIS RATE DECREASE?

Each year, SDG&E is required to forecast how much electricity SDG&E customers are expected to use for the upcoming year as well as forecast the cost of purchasing electricity. Accurately forecasting these amounts helps ensure the accuracy of SDG&E's electric rates. While there are several components to this application, key drivers of the 2025 application include:

- SDG&E's overall forecasted costs of purchasing electricity and providing reliable services to all SDG&E customers is expected to decrease in 2025.
- SDG&E's 2025 electric sales are forecasted to change in 2025 relative to current effective sales. This includes the impact of customers receiving electricity from other providers in 2025.

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SDG&E will update its rate proposal later in the year to reflect updated market conditions. Market prices may be higher or lower than at the time this application is filed. This may result in higher or lower rates, and bill impacts, than those initially presented.

HOW COULD THIS AFFECT MY MONTHLY BUNDLED ELECTRIC RATES?¹

If you receive your electric generation from SDG&E, you are considered a “bundled” customer. If SDG&E’s application is approved by the CPUC, the average residential monthly bill for a typical bundled customer using 400 kWh per month would decrease by approximately \$20 or 13% per month in 2025. The actual impact will vary based on a number of factors, including usage and pricing plan.

PROPOSED BUNDLED ELECTRIC RATE DECREASE²

| Customer Class (Bundled Service) | Current Bundled Class Average Rates Effective 03/01/24 ³ (¢/kWh) | Proposed Bundled Class Average Rates (¢/kWh) | Total Average Rate Decrease (¢/kWh) | Percentage Average Rate Decrease (%) |
|-----------------------------------|---|--|-------------------------------------|--------------------------------------|
| Residential | 34.7 | 30.5 | (4.2) | -12% |
| Small Commercial | 34.8 | 32.1 | (2.7) | -8% |
| Medium and Large C&I ⁴ | 32.2 | 29.2 | (3.0) | -9% |
| Agricultural | 25.1 | 23.0 | (2.1) | -9% |
| Lighting | 32.8 | 30.8 | (2.0) | -6% |
| System Total | 33.1 | 29.8 | (3.3) | -10% |

HOW COULD THIS AFFECT MY UNBUNDLED ELECTRIC RATES?⁵

If you receive your electric generation from a Community Choice Aggregator (CCA) or Energy Service Provider (ESP) that is not SDG&E, you are considered an “unbundled” customer. If SDG&E’s application is

approved by the CPUC, a typical unbundled residential customer using 400 kWh per month could see an average monthly bill decrease of \$11, or 11% per month in 2025⁶ 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). Unbundled electric rates and bills exclude the cost of electricity procured on your behalf by your CCA or ESP. Please contact your CCA or ESP for additional information.

PROPOSED UNBUNDLED ELECTRIC RATE DECREASE⁷

| Customer Class (Unbundled Service) | Current Unbundled Class Average Rates Effective 03/01/24 (¢/kWh) ⁸ | Proposed Unbundled Class Average Rates (¢/kWh) | Average Rate Decrease (¢/kWh) | Percentage Average Rate Decrease (%) |
|------------------------------------|---|--|-------------------------------|--------------------------------------|
| Residential | 20.6 | 18.2 | (2.4) | -12% |
| Small Commercial | 22.5 | 21.4 | (1.2) | -5% |
| Medium and Large C&I ⁹ | 16.8 | 15.8 | (1.0) | -6% |
| Agricultural | 14.7 | 14.0 | (0.7) | -5% |
| Lighting | 23.4 | 22.8 | (0.6) | -3% |
| System Total | 18.8 | 17.3 | (1.4) | -8% |

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.

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¹ Bundled charges include SDG&E’s electric delivery and electric generation rates. Bundled PCIA rates are embedded within SDG&E’s electric generation rates.

² Includes SDG&E electric delivery and electric generation rates.

³ Rates effective March 1, 2024, per Advice Letter (AL) 4366-E.

⁴ C&I stands for Commercial and Industrial.

⁵ Unbundled charges include SDG&E’s electric delivery rates along with 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 rates and bill impacts.

⁶ Assumes a 2021 PCIA vintage.

⁷ Includes class average electric delivery and PCIA rates; excludes electric generation costs which are provided by an unbundled customer’s respective ESP.

⁸ Rates effective March 1, 2024, per Advice Letter (AL) 4366-E.

⁹ C&I stands for Commercial and Industrial

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

For questions regarding SDG&E's request contact:

Email: GBucsit@sdge.com

Mail: Geneveve Bucsit
A.24-05-010 SDG&E 2025 ERRR Forecast
8326 Century Park Ct
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/A2405010 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 SDG&E's ERRR Application A.24-05-010 in any communications you have with the CPUC regarding this matter.

