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**NOTICE OF APPLICATION
SAN DIEGO GAS & ELECTRIC COMPANY'S REQUEST TO
INCREASE RATES AND REVENUE FOR THE
COST OF CAPITAL PROCEEDING
APPLICATION FILING A.25-03-013**

Why am I receiving this notice?

On March 20, 2025, San Diego Gas and Electric Company (SDG&E®) filed its 2026 Cost of Capital Application with the California Public Utilities Commission (CPUC) requesting a new rate of return for 2026-2028.

If the CPUC approves this request, the overall authorized rate of return will increase from 7.45% to 8.21%, which will result in an estimated \$96.45 million revenue increase. SDG&E will recover these costs in electric and gas rates beginning January 1, 2026. This will impact your monthly bill.

Why is SDG&E requesting this rate increase?

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.

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 2/1/2025¹ (¢/kWh)	Proposed 2026 Elec. Delivery Class Average Rates (¢/kWh)	Total Rate Increase (¢/kWh)	Total Rate Increase (%)
Residential	20.111	20.590	0.479	2.38%
Small Comm.	23.253	23.712	0.459	1.97%
Med & Lg C&I	16.371	16.635	0.264	1.61%
Agricultural	14.265	14.537	0.272	1.91%
Lighting	24.725	25.265	0.540	2.18%
System Total	18.511	18.874	0.363	1.96%

¹ Rates effective 2/1/2025 per Advice Letter (AL) 4588-E.

If you receive your electric generation from an Energy Service Provider (ESP) that is not SDG&E, you are considered an “unbundled” customer and the rates in the electric delivery table above would apply to you. 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 \$2.04 or 2.3% per month in 2026.¹

Proposed Total Electric Rate Increase

Customer Class	Current Total Class Average Rates Effective 2/1/2025¹ (¢/kWh)	Proposed 2026 Total Class Average Rates (¢/kWh)	Total Rate Increase (¢/kWh)	Total Rate Increase (%)
Residential	35.888	36.403	0.515	1.44%
Small Comm.	36.731	37.220	0.489	1.33%
Med & Lg C&I	32.527	32.827	0.300	0.92%
Agricultural	25.689	25.986	0.297	1.16%
Lighting	35.066	35.630	0.564	1.61%
System Total	34.026	34.424	0.398	1.17%

¹ Rates effective 2/1/2025 per Advice Letter (AL) 4588-E.

If you receive your electric generation from SDG&E, you are considered a “bundled” customer and the rates in the total electric table above would apply to you. 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 \$2.04 or 1.3% per month in 2026.²

How could this impact my gas rates?

If SDG&E’s rate request is approved by the CPUC, the average residential monthly bill using 24 therms per month would increase by approximately \$1.69 or 2.5% per month in 2026.

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.

Proposed Gas Rate Change

Customer Class	Current 2/1/2025 Total Rate (¢/th)	Proposed Total Rate (¢/th)	Increase (¢/th)	Increase (%)
Residential	213.724	220.756	7.033	3.3%
Core Commercial / Industrial	94.345	96.387	2.042	2.2%
Non-Core Commercial / Industrial (distribution level service)	40.679	41.443	0.764	1.9%
Electric Generation	12.732	12.993	0.261	2.0%
Transmission Level Service Commercial / Industrial	7.362	7.538	0.176	2.4%
System Total	98.755	101.677	2.922	3.0%

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.

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 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. Please visit **apps.cpuc.ca.gov/c/A2503013** 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:

Email: Public.Advisor@cpuc.ca.gov

Phone: **1-866-849-8390** (toll-free) or **1-415-703-2074**

Mail: CPUC Public Advisor's Office

505 Van Ness Avenue

San Francisco, CA 94102

Please reference **Application A.25-03-013** 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, you may contact them through the methods below.

Contact SDG&E

Email: wfuller@sdge.com

Mail: Will Fuller, 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>