



CPUC Fact Sheet – San Diego Gas & Electric Company General Rate Case

PUBLIC PARTICIPATION HEARING

San Diego Gas & Electric Company (SDG&E)

Application (A.) 22-05-016

Updated as of 12/27/22



What is this SDG&E Rate Application About?

The California Public Utilities Commission (CPUC) requires San Diego Gas & Electric Company (SDG&E) to file an application, referred to as the General Rate Case (GRC) to present its forecasted costs, services and projects, and request approval of the utility’s revenue requirements. The CPUC does an in-depth review of such application to decide on the rates SDG&E is authorized to charge its customers and whether any changes are needed in SDG&E’s future operations.

In its current application A.22-05-016, SDG&E is requesting that the CPUC approve rate increases for its gas and electric customers for the calendar years 2024 through 2027. The CPUC expects to issue a proposed decision in the 1st quarter of 2024 addressing SDG&E’s GRC application.

What Will SDG&E’s Requested Rate Increase Mean to You?

SDG&E is requesting¹ that the CPUC authorize SDG&E to recover \$2.996 billion in 2024 from its customers.

The below table shows the approximate monthly SDG&E electric and gas bill impacts for a typical residential customer, not enrolled in the California Alternate Rates for Energy (CARE) program². This results in an estimated bill impact of 5.3% for SDG&E electric residential customers and 17.5% for gas residential customers compared to the estimated 2023 bills.

Proposed 2024 Monthly SDG&E Residential Bill Impact				
Customer and Typical Monthly Usage ³	Estimated Forecasted 2023 Bill	Proposed Increase	Estimated Proposed 2024 Bill	% Increase relative to 2023
<u>Electric Residential Customer</u> Typical coastal summer usage	\$159.86	\$8.45	\$168.31	5.3%
<u>Gas Residential Customer</u> 24 therms per month	\$52.32	\$9.16	\$61.48	17.5%

In addition, SDG&E is requesting additional revenue increases of \$364.3 million in 2025, \$338.8 million in 2026, and \$307.5 million in 2027, a cumulative additional revenue requirement increase of 33.7%.⁴

What Type of Costs Does SDG&E Request to Recover?

SDG&E’s total electric and gas operating expense request amounts to \$2.3 billion. SDG&E’s request will result in an overall return of \$668 million in 2024 which represents a 7.55% rate of return.⁵

¹ SDG&E’s August, October, and November 2022 revised testimony

² Under the CARE program, low-income participants receive a 20% discount on their bills.

³ Residential gas customers are billed by SDG&E based on their usage, measured in therms, but a monthly minimum amount is charged.

⁴ These figures do not yet reflect a potential reduction in revenue requirement from SDG&E’s Wildfire Mitigation costs.

⁵ SDG&E’s “return” recovers its cost of capital. i.e. its cost of debt and its return to shareholders. In its testimony, SDG&E asserted that its proposed revenue requirement results in a rate of return of 7.55% which was approved by CPUC in Decision 19-12-056. On December 15, 2022, the Commission adopted a new rate of return for SDG&E of 7.18% in Decision 22-12-031.

GRC applications allow the utilities to request recovery of costs such as operation and maintenance (O&M) expenses, administrative and general (A&G) expenses, depreciation expense, taxes, return, and capital spending amounts. Major requested operating expenses are shown below.⁶

- Electric and Gas Distribution: \$189.4 million
- Wildfire Mitigation and Vegetation Management: \$169.0 million
- Gas System and Transmission: \$18.8 million
- Electric Generation and Procurement: \$50.2 million
- Customer Services: \$102.2 million
- Information Technology and Cybersecurity: \$126.8 million
- Administrative and General and Support Services: \$814.8 million
- Depreciation expense: \$760 million
- Taxes: \$346 million
- Less Reassignments of expense to capital: (\$242.4 million)⁷
- Less Federal Energy Regulatory Commission Transmission: (\$116.8 million)

SDG&E's electric and gas capital spending request amounts to \$5.5 billion between 2022 and 2024.⁸

How Can My Voice Be Heard?

The CPUC Public Advisor's Office (<https://www.cpuc.ca.gov/pao/>) has the information on how the public can participate in CPUC proceedings. Specifically:

- Customers can remotely attend and speak from their homes by phone or computer at any of the upcoming remote Public Participation Hearings (PPHs) the CPUC will hold in 2022. These hearings will be transcribed by a court reporter and placed into the formal record for this proceeding. During the hearing, you can make comments and raise concerns to the CPUC's Administrative Law Judge overseeing this application. A list of dates, times, and how to participate is at: <https://www.cpuc.ca.gov/pph/>. Comments can be made in both English and Spanish.
- Customers can submit electronic public comments specific to this proceeding and review all other public comments submitted by using the "Add Public Comment" button on the Public Comment tab of the docket card for A.22-05-016 at <https://apps.cpuc.ca.gov/c/A2205016>.
- To view SDG&E's application and all formal filings, including the proposed decision when issued, go to <https://apps.cpuc.ca.gov/p/A2205016> and select the "Documents" tab at the top of the page.
- Customers can mail a letter to the CPUC Public Advisor and include this proceeding number, A.22-05-016, to public.advisor@cpuc.ca.gov or CPUC, Public Advisor, 505 Van Ness Ave., San Francisco, CA 94102.
- The Public Advisor's Office may be reached by phone at 866-849-8390.
- Customers can access the CPUC's home page for further information on consumer programs and services and to explore information on key issues and topics of interest to the public at <https://www.cpuc.ca.gov>

⁶ Please see SDG&E's August 2022 Testimony in Exhibit SDG&E-44-R for more detail about the expenses and revenue requirement that SDG&E is requesting in this GRC. Other than depreciation expense and taxes, the amounts shown are in 2021 dollars. Depreciation expense and taxes are in 2024 dollars.

⁷ "Reassignments" refer to expense amounts that are reassigned to capital construction efforts.

⁸ This amount does not yet reflect a reduction in capital spending described in SDG&E's October 2022 Wildfire Mitigation testimony.