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NOTICE OF SAN DIEGO GAS & ELECTRIC COMPANY'S MANDATED RATE CHANGE DUE TO PACIFIC GAS AND ELECTRIC COMPANY'S DCPP 2026 COST RECOVERY APPLICATION (A.25-03-015)

Initialisms you need to know
PG&E: Pacific Gas and Electric Company
SCE: Southern California Edison Company
SDG&E: San Diego Gas & Electric Company
CPUC: California Public Utilities Commission
DCPP: Diablo Canyon Power Plant

Why am I receiving this notice?
Senate Bill (SB) 846, signed into law in September 2022, provides a path for the owner of DCPP, Pacific Gas and Electric Company (PG&E), to extend DCPP operations beyond the current operating licenses, which were set to expire in 2024 and 2025. Since continued operation of DCPP is necessary to promote statewide grid reliability, the legislation authorizes PG&E to collect DCPP costs from the customers of other electric utilities in California, including customers of SDG&E. Under SB 846, SDG&E must collect the amounts owed by SDG&E customers, with no additional markup, and pass along those amounts to PG&E.

The amount PG&E charges to SDG&E customers for extended DCPP operations must be approved by the CPUC. On March 28, 2025, PG&E filed an application requesting CPUC approval of the forecasted cost of operating DCPP in 2026. PG&E is the only applicant seeking approval from the CPUC. SDG&E is required by law to collect the amount authorized by the CPUC in response to PG&E's request. Therefore, SDG&E provides this notice to its customers of the rate decrease that could result from PG&E's application.

The amount SDG&E customers must pay to PG&E for extended DCPP operations will vary from year to year depending on factors such as the forecasted operation costs for that year and the number of electric utility customers served in California. Every year that PG&E continues to operate DCPP, PG&E must file an application with the CPUC to request approval of DCPP costs for the upcoming year. The CPUC conditionally authorized new retirement dates of 2029 and 2030[1].

Why is this application necessary?
Continued operation of DCPP is necessary to promote statewide grid reliability. Maintaining DCPP's operation aids in reducing greenhouse gas emissions, which contributes to a cleaner and more sustainable future for Californians. PG&E proposes to collect $410 million for continued operation of DCPP over a one-year period beginning, January 1, 2026. Under SB 846, SDG&E customers must contribute $27 million of this amount, which is a $34 million decrease over current rates. Consequently, SDG&E customer rates will include the amounts owed to PG&E for extended operation of DCPP but will decrease compared to current rates.

How could this impact my electric rates?
The tables below illustrate the impact to SDG&E's electric delivery rate and SDG&E's total bundled rates (electric delivery plus electric commodity) as a result of the DCPP non-bypassable charge (DCPP NBC).

Proposed Electric Delivery Rate Decrease

Current Elec. Delivery Class Average Rates	Proposed Elec. Delivery Class Average Rates

[1] In Decision (D.) 23-12-036, issued in December 2023.

Customer Class	Effective 02/01/25 (¢/kWh)	1/1/26 DCPP NBC (¢/kWh)	Total Rate Decrease (¢/kWh)	Percentage Average Rate Decrease (%)
Residential	20.1	19.9	(0.2)	-1.0%
Small Comm.	23.3	23.1	(0.2)	-0.7%
Med & Lg C&I	16.4	16.2	(0.2)	-0.9%
Agriculture	14.3	14.2	(0.1)	-0.7%
Lighting	24.7	24.6	(0.2)	-0.6%
System Total	18.5	18.3	(0.2)	-0.9%

Proposed Total Bundled Electric Rate Decrease

	Current Total Class Average Rates	Proposed Total Class Average Rates		
Customer Class	**Effective 02/01/25 (¢/kWh)**	**1/1/26 DCPP NBC (¢/kWh)**	**Total Rate Decrease (¢/kWh)**	**Percentage Average Rate Decrease (%)**
Residential	35.9	35.7	(0.2)	-0.6%
Small Comm.	36.7	36.6	(0.2)	-0.4%
Med & Lg C&I	32.5	32.4	(0.2)	-0.5%
Agriculture	25.7	25.6	(0.1)	-0.4%
Lighting	35.1	34.9	(0.2)	-0.4%
System Total	34.0	33.9	(0.2)	-0.5%

If you receive your electric generation from an Energy Service Provide (ESP) or Community Choice Aggregator (CCA) rather than from SDG&E, you are considered an “unbundled” customer. If PG&E’s DCPP is approved, it will be collected from unbundled customers through SDG&E’s electric delivery rates, and passed along to PG&E. The annual average residential monthly bill for a typical SDG&E unbundled customer using 400 kWh per month would decrease by approximately $0.78 or 0.9% per month.[2]

If you receive your electric generation from SDG&E, you are considered a “bundled” customer. If PG&E’s request is approved, it will be collected from bundled customers through SDG&E’s bundled electric rates, and passed along to PG&E. The annual average residential monthly bill for a typical SDG&E bundled customer using 400 kWh per month would decrease by approximately $0.78 or 0.5% per month.[3]

How does the rest of this process work?
The CPUC will open a formal regulatory proceeding and assign an Administrative Law Judge to consider PG&E’s application. While PG&E, and not SDG&E, is the party requesting the rate decrease to cover DCPP costs, SDG&E may participate in the regulatory proceeding as a separate party in order to protect SDG&E customers’ interests. The Administrative Law Judge will issue a proposed decision that may adopt PG&E’s application, modify it or deny it. Any CPUC Commissioner may sponsor an alternate decision with a different

[2] Unbundled charges include SDG&E’s electric delivery rates plus Power Charge Indifference Adjustment (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 (PCIA vintage).
[3] Actual bundled impact will vary based on a number of factors, including usage and pricing plan.

outcome. The proposed decision, and any alternate decisions, will be discussed and voted upon by the CPUC Commissioners at a public CPUC Voting Meeting. If PG&E's application is approved, the costs of DCPP will be included in SDG&E, PG&E, and customers of other utilities in California.

Contact CPUC

Parties to the proceeding may review PG&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 about the Public Advocates Office, please call **1-415-703-1584**, email: **PublicAdvocatesOffice@cpuc.ca.gov** or visit **PublicAdvocates.cpuc.ca.gov**.

Please visit **apps.cpuc.ca.gov/c/A2503015** 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
Mail: CPUC
Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102
Call: **1-866-849-8390** (toll-free) or **1-415-703-2074**

Please reference **DCPP 2026 Cost Recovery Application (A.25-03-015)** in any communications you have with the CPUC regarding this matter.

Where can I get more information?

CONTACT SDG&E: If you have questions about this notice, please contact SDG&E at 1-800-411-7343. For TTY, call 877-889-7343.

Or please contact the SDG&E representative below:

Email: tmkirch2@sdge.com
Mail: Tyler Kirchhoff
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 PG&E:

If you would like a copy of the filing and exhibits, please write to the address below:

Pacific Gas and Electric Company
DCPP 2025 Cost Recovery Application (A.25-03-015)
P.O. Box 1018
Oakland, CA 94604-1018