Appendix E

Cost Responsibility Surcharge Calculations
Example 1

Assumptions

Calculated for 2009 rates, effective 1/1/2009
New world generation cost was incurred, in part, to serve DL and CCA load shown
Load excluded from DWR Power and New World charges does not receive Total Portfolio adjustment
Former DA load that is eligible to return to DA and does so receives same treatment as large MDL and CCA

Inputs

			Comment
	Load subject to Charges (kWh)		
1	Bundled	66,000,000,000	
2	Non-exempt Direct Access (DA)	10,000,000,000	
3	Large Muncipal Departing Load (MDL)	2,000,000,000	
4	Community Choice Aggegation (CCA)	1,000,000,000	
5	Load excluded from DWR Power and New World charges	1,000,000,000	
6	Total Load	80,000,000,000	
7			
8			
9			
10	Ongoing CTC rate--adopted in ERRA ($/kWh)	$0.004	Adopted in ERRA
11			

	1: Calclulate Total Portfolio Costs	cost	kWh	Implied Price ($/kWh)
13	A: Old world generation	$3,750,000,000	50,000,000,000	$0.075
14	B: DWR Power Charge	$2,750,000,000	25,000,000,000	$0.110
15	C: New world generation	$500,000,000	5,000,000,000	$0.100
16	Total	$7,000,000,000	80,000,000,000	
17				
18				

	2: Calculate Market Price Benchmark		
20			
21	Weighted average market price ($/kWh)	$0.069	Adopted in ERRA
22	Capacity adder	$0.007	Adopted in ERRA
23	Adjust for Line Losses	1.05	Adopted in ERRA
24	Total Benchmark ($/kWh)	$0.080	Adopted in ERRA
25			

	3: Calculate Net Above Market Costs	Portfolio Price ($/kWh)	Benchmark ($/kWh)	Difference ($/kWh)	Load	Net AMC
28	A: Old world generation	$0.075	$0.080	($0.005)	50,000,000,000	($250,000,000)
29	B: DWR Power Charge	$0.110	$0.080	$0.030	25,000,000,000	$750,000,000
30	C: New world generation	$0.100	$0.080	$0.020	5,000,000,000	$100,000,000
31	Total					$600,000,000
32						
33						
34						

	4: Calculate indifference amount for each responsible group	Share of Total Load	A: Old world generation (= Load % x Old World AMC)	B: DWR costs (= Load % x DWR AMC)	C: New world generation (= Load % x New World AMC)	D: TOTAL Indifference Amount (= A + B + C)
36						
37	Non-exempt Direct Access	13%	($31,250,000)	$93,750,000	$0	$62,500,000
38	Large Muncipal Departing Load	3%	($6,250,000)	$18,750,000	$2,500,000	$15,000,000
39	Community Choice Aggregation	1%	($3,125,000)	$9,375,000	$1,250,000	$7,500,000
40	Load excluded from DWR Power and New World charges	1%	$0	$0	$0	$0
41						

	5: Calculate indifference rate for each responsible group	($/kWh)	
43	Non-exempt Direct Access	$0.006	= Line 37 / Non-exempt DA Load
44	Large Muncipal Departing Load	$0.008	= Line 38 / Municipal Departing Load
45	Community Choice Aggregation	$0.008	= Line 39 / CCA Load
46	Load excluded from DWR Power and New World charges	$0.000	= Line 40 / Exempt Load
47			
48			
49			

	6: Calculate Power Charge Indifference Amount (PCIA)	Non-exempt Direct Access	Large Muncipal Departing Load	Community Choice Aggregation	Load excluded from DWR and New World charges	
51	*[PCIA = Indifference Rate minus Ongoing CTC rate]*					
52	Indifference Rate ($/kWh)	$0.006	$0.008	$0.008	NA	= Results from Step 5 above
53	Ongoing CTC rate ($/kWh)	$0.004	$0.004	$0.004	NA	Line 10
54	PCIA ($/kWh)	$0.002	$0.004	$0.004	NA	= Line 52 - Line 53
55						

	6: Results	Non-exempt Direct Access	Large Muncipal Departing Load	Community Choice Aggregation	Load excluded from DWR and New World charges	
57	DWR Bond Charge ($/kWh)	$0.005	$0.005	$0.005	$0.005	Adopted annually in DWR Rulemaking
58	Ongoing CTC ($/kWh)	$0.004	$0.004	$0.004	$0.004	Line 10
59	PCIA ($/kWh)	$0.002	$0.004	$0.004	$0.000	Line 54
60	**Total CRS ($/kWh)**	**$0.011**	**$0.013**	**$0.013**	**$0.009**	

Appendix E

Cost Responsibility Surcharge Calculations
Example 2

Assumptions

Calculated for 2009 rates, effective 1/1/2009
New world generation cost was incurred, in part, to serve DL and CCA load shown
Load excluded from DWR Power and New World charges does not receive Total Portfolio adjustment
DWR Power costs gone, so New World purchases increased to make up difference
Former DA load that is eligible to return to DA and does so recieves same treatment as large MDL and CCA

Inputs

			Comment
	Load subject to Charges (kWh)		
1	Bundled	66,000,000,000	
2	Non-exempt Direct Access (DA)	10,000,000,000	
3	Large Muncipal Departing Load (MDL)	2,000,000,000	
4	Community Choice Aggegation (CCA)	1,000,000,000	
5	Load excluded from DWR Power and New World charges	1,000,000,000	
6	Total Load	80,000,000,000	
7			
8			
9			
10	Ongoing CTC rate--adopted in ERRA ($/kWh)	$0.004	Adopted in ERRA
11			

	1: Calclulate Total Portfolio Costs	cost	kWh	Implied Price ($/kWh)
12				
13	A: Old world generation	$3,750,000,000	50,000,000,000	$0.075
14	B: DWR Power Charge			
15	C: New world generation	$3,200,000,000	30,000,000,000	$0.107
16	Total	$6,950,000,000	80,000,000,000	
17				
18				

2: Calculate Market Price Benchmark

19			
20			
21	Weighted average market price ($/kWh)	$0.069	Adopted in ERRA
22	Capacity adder	$0.007	Adopted in ERRA
23	Adjust for Line Losses	1.05	Adopted in ERRA
24	Total Benchmark ($/kWh)	$0.080	Adopted in ERRA
25			

3: Calculate Net Above Market Costs

		Portfolio Price ($/kWh)	Benchmark ($/kWh)	Difference ($/kWh)	Load	Net AMC
26						
27						
28	A: Old world generation	$0.075	$0.080	($0.005)	50,000,000,000	($250,000,000)
29	B: DWR Power Charge					
30	C: New world generation	$0.107	$0.080	$0.027	30,000,000,000	$800,000,000
31	Total					$550,000,000
32						
33						
34						

4: Calculate indifference amount for each responsible group

		Share of Total Load	A: Old world generation (= Load % x Old World AMC)	B: DWR costs (= Load % x DWR AMC)	C: New world generation (= Load % x New World AMC)	D: TOTAL Indifference Amount (= A + B + C)
35						
36						
37	Non-exempt Direct Access	13%	$0	$0	$0	$0
38	Large Muncipal Departing Load	3%	($6,250,000)	$0	$20,000,000	$13,750,000
39	Community Choice Aggregation	1%	($3,125,000)	$0	$10,000,000	$6,875,000
40	Load excluded from DWR Power and New World charges	1%	$0	$0	$0	$0
41						

5: Calculate indifference rate for each responsible group

		($/kWh)	
42			
43	Non-exempt Direct Access	$0.000	= Line 37 / Non-exempt DA Load
44	Large Muncipal Departing Load	$0.007	= Line 38 / Municipal Departing Load
45	Community Choice Aggregation	$0.007	= Line 39 / CCA Load
46	Load excluded from DWR Power and New World charges	$0.000	= Line 40 / Exempt Load
47			
48			
49			

6: Calculate Power Charge Indifference Amount (PCIA)

		Non-exempt Direct Access	Large Muncipal Departing Load	Community Choice Aggregation	Load excluded from DWR and New World charges	
50						
51	*[PCIA = Indifference Rate minus Ongoing CTC rate]*					
52	Indifference Rate ($/kWh)	NA	$0.007	$0.007	NA	= Results from Step 5 above
53	Ongoing CTC rate ($/kWh)	NA	$0.004	$0.004	NA	Line 10
54	PCIA ($/kWh)	NA	$0.003	$0.003	NA	= Line 52 - Line 53
55						

	6: Results	Non-exempt Direct Access	Large Muncipal Departing Load	Community Choice Aggregation	Load excluded from DWR and New World charges	
56						
57	DWR Bond Charge ($/kWh)	$0.005	$0.005	$0.005	$0.005	Adopted annually in DWR Rulemaking
58	Ongoing CTC ($/kWh)	$0.004	$0.004	$0.004	$0.004	Line 10
59	PCIA ($/kWh)	$0.000	$0.003	$0.003	$0.000	Line 54
60	**Total CRS ($/kWh)**	**$0.009**	**$0.012**	**$0.012**	**$0.009**	

Appendix E

Cost Respnsibility Surcharge Calculations
Example 3

Assumptions

Calculated for 2009 rates, effective 1/1/2009
DWR Power costs gone, so New World purchases increased to make up difference
New world generation cost was incurred, in part, to serve new DA, DL and CCA load shown
Load excluded from DWR Power and New World charges does not receive Total Portfolio adjustment

Inputs

			Comment
	Load subject to Charges (kWh)		
1	Bundled	56,000,000,000	
2	Non-exempt Direct Access (DA)	10,000,000,000	
3	Large Muncipal Departing Load (MDL)	2,000,000,000	
4	Community Choice Aggegation (CCA)	1,000,000,000	
5	Load excluded from DWR Power and New World charges	1,000,000,000	
6	New Direct Access (DA)	10,000,000,000	
7	Total Load	80,000,000,000	
8			
9			
10	Ongoing CTC rate--($/kWh)	$0.004	Adopted in ERRA
11			

	1: Calclulate Total Portfolio Costs	cost	kWh	Implied Price ($/kWh)
12				
13	A: Old world generation	$3,750,000,000	50,000,000,000	$0.075
14	B: DWR Power Charge			
15	C: New world generation	$3,200,000,000	30,000,000,000	$0.107
16	Total	$6,950,000,000	80,000,000,000	
17				
18				

	2: Calculate Market Price Benchmark		
19			
20			
21	Weighted average market price ($/kWh)	$0.069	Adopted in ERRA
22	Capacity adder	$0.007	Adopted in ERRA
23	Adjust for Line Losses	1.05	Adopted in ERRA
24	Total Benchmark ($/kWh)	$0.080	Adopted in ERRA
25			

	3: Calculate Net Above Market Costs (AMC)	Portfolio Price ($/kWh)	Benchmark ($/kWh)	Difference ($/kWh)	Load	Net AMC
26						
27						
28	A: Old world generation	$0.075	$0.080	($0.005)	50,000,000,000	($250,000,000)
29	B: DWR Power Charge					
30	C: New world generation	$0.107	$0.080	$0.027	30,000,000,000	$800,000,000
31	Total					$550,000,000
32						
33						
34						

	4: Calculate indifference amount for each responsible group	Share of Total Load	A: Old world generation (= Load % x Old World AMC)	B: DWR costs (= Load % x DWR AMC)	C: New world generation (= Load % x New World AMC)	D: TOTAL Indifference Amount (= A + B + C)
35						
36						
37	Non-exempt Direct Access	13%	$0	$0	$0	$0
38	Large Muncipal Departing Load	3%	($6,250,000)	$0	$20,000,000	$13,750,000
39	Community Choice Aggregation	1%	($3,125,000)	$0	$10,000,000	$6,875,000
40	Load excluded from DWR Power and New World charges	1%	$0	$0	$0	$0
41	New Direct Access (DA)	13%	($31,250,000)	$0	$100,000,000	$68,750,000
42						

	5: Calculate indifference rate for each responsible group	($/kWh)	
43			
44	Non-exempt Direct Access	$0.000	= Line 37 / Non-exempt DA Load
45	Large Muncipal Departing Load	$0.007	= Line 38 / Municipal Departing Load
46	Community Choice Aggregation	$0.007	= Line 39 / CCA Load
47	Load excluded from DWR Power and New World charges	$0.000	= Line 40 / Exempt Load
48	New Direct Access	$0.007	= Line 41 / New DA load
49			

	6: Calculate Power Charge Indifference Amount (PCIA)	Non-exempt Direct Access	Large Muncipal Departing Load	Community Choice Aggregation	Load excluded from DWR and New World charges	New Direct Access	
50							
51	*[PCIA = Indifference Rate minus Ongoing CTC rate]*						
52	Indifference Rate ($/kWh)	NA	$0.007	$0.007	NA	$0.007	= Results from Step 5 above
53	Ongoing CTC rate ($/kWh)	NA	$0.004	$0.004	NA	$0.004	Line 10
54	PCIA ($/kWh)	NA	$0.003	$0.003	NA	$0.003	= Line 52 - Line 53
55							

	6: Results	Non-exempt Direct Access	Large Muncipal Departing Load	Community Choice Aggregation	Load excluded from DWR and New World charges	New Direct Access	
56							
57	DWR Bond Charge ($/kWh)	$0.005	$0.005	$0.005	$0.005	$0.005	Adopted annually in DWR Rulemaking
58	Ongoing CTC ($/kWh)	$0.004	$0.004	$0.004	$0.004	$0.004	Line 10
59	PCIA ($/kWh)	$0.000	$0.003	$0.003	$0.000	$0.003	Line 54
60	**Total CRS ($/kWh)**	**$0.009**	**$0.012**	**$0.012**	**$0.009**	**$0.012**	

(END OF APPENDIX E)