

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**

1	Load subject to Charges (kWh)	
2	Bundled	66,000,000,000
3	Non-exempt Direct Access (DA)	10,000,000,000
4	Large Municipal Departing Load (MDL)	2,000,000,000
5	Community Choice Aggregation (CCA)	1,000,000,000
6	Load excluded from DWR Power and New World charges	1,000,000,000
7	<b>Total Load</b>	<b>80,000,000,000</b>

10 Ongoing CTC rate--adopted in ERRa (\$/kWh) \$0.004

Adopted in ERRa

**1: Calculate 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 <b>Total</b>	<b>\$7,000,000,000</b>	<b>80,000,000,000</b>	

**2: Calculate Market Price Benchmark**

21	Weighted average market price (\$/kWh)	\$0.069
22	Capacity adder	\$0.007
23	Adjust for Line Losses	1.05
24	<b>Total Benchmark (\$/kWh)</b>	<b>\$0.080</b>

Adopted in ERRa  
 Adopted in ERRa  
 Adopted in ERRa  
 Adopted in ERRa

**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 <b>Total</b>					<b>\$600,000,000</b>

**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)
37 Non-exempt Direct Access	13%	(\$31,250,000)	\$93,750,000	\$0	\$62,500,000
38 Large Municipal 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

**5: Calculate indifference rate for each responsible group**

	(\$/kWh)
43 Non-exempt Direct Access	\$0.006
44 Large Municipal Departing Load	\$0.008
45 Community Choice Aggregation	\$0.008
46 Load excluded from DWR Power and New World charges	\$0.000

= Line 37 / Non-exempt DA Load  
 = Line 38 / Municipal Departing Load  
 = Line 39 / CCA Load  
 = Line 40 / Exempt Load

**6: Calculate Power Charge Indifference Amount (PCIA)**

	Non-exempt Direct Access	Large Municipal 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
53 Ongoing CTC rate (\$/kWh)	\$0.004	\$0.004	\$0.004	NA
54 PCIA (\$/kWh)	\$0.002	\$0.004	\$0.004	NA

= Results from Step 5 above  
 Line 10  
 = Line 52 - Line 53

**6: Results**

	Non-exempt Direct Access	Large Municipal 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
58 Ongoing CTC (\$/kWh)	\$0.004	\$0.004	\$0.004	\$0.004
59 PCIA (\$/kWh)	\$0.002	\$0.004	\$0.004	\$0.000
60 <b>Total CRS (\$/kWh)</b>	<b>\$0.011</b>	<b>\$0.013</b>	<b>\$0.013</b>	<b>\$0.009</b>

Adopted annually in DWR Rulemaking  
 Line 10  
 Line 54

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 receives same treatment as large MDL and CCA

**Inputs**

**Comment**

1	Load subject to Charges (kWh)	
2	Bundled	66,000,000,000
3	Non-exempt Direct Access (DA)	10,000,000,000
4	Large Municipal Departing Load (MDL)	2,000,000,000
5	Community Choice Aggregation (CCA)	1,000,000,000
6	Load excluded from DWR Power and New World charges	1,000,000,000
6	<b>Total Load</b>	<b>80,000,000,000</b>

10 Ongoing CTC rate--adopted in ERRA (\$/kWh) \$0.004

Adopted in ERRA

**1: Calculate 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			
15 C: New world generation	\$3,200,000,000	30,000,000,000	\$0.107
16 <b>Total</b>	<b>\$6,950,000,000</b>	<b>80,000,000,000</b>	

**2: Calculate Market Price Benchmark**

21	Weighted average market price (\$/kWh)	\$0.069
22	Capacity adder	\$0.007
23	Adjust for Line Losses	1.05
24	<b>Total Benchmark (\$/kWh)</b>	<b>\$0.080</b>

Adopted in ERRA  
 Adopted in ERRA  
 Adopted in ERRA  
 Adopted in ERRA

**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					
30 C: New world generation	\$0.107	\$0.080	\$0.027	30,000,000,000	\$800,000,000
31 <b>Total</b>					<b>\$550,000,000</b>

**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)
37 Non-exempt Direct Access	13%	\$0	\$0	\$0	\$0
38 Large Municipal 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

**5: Calculate indifference rate for each responsible group**

	(\$/kWh)
43 Non-exempt Direct Access	\$0.000
44 Large Municipal Departing Load	\$0.007
45 Community Choice Aggregation	\$0.007
46 Load excluded from DWR Power and New World charges	\$0.000

= Line 37 / Non-exempt DA Load  
 = Line 38 / Municipal Departing Load  
 = Line 39 / CCA Load  
 = Line 40 / Exempt Load

**6: Calculate Power Charge Indifference Amount (PCIA)**

	Non-exempt Direct Access	Large Municipal 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)	NA	\$0.007	\$0.007	NA
53 Ongoing CTC rate (\$/kWh)	NA	\$0.004	\$0.004	NA
54 PCIA (\$/kWh)	NA	\$0.003	\$0.003	NA

= Results from Step 5 above  
 Line 10  
 = Line 52 - Line 53

**6: Results**

	Non-exempt Direct Access	Large Municipal 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
58 Ongoing CTC (\$/kWh)	\$0.004	\$0.004	\$0.004	\$0.004
59 PCIA (\$/kWh)	\$0.000	\$0.003	\$0.003	\$0.000
60 <b>Total CRS (\$/kWh)</b>	<b>\$0.009</b>	<b>\$0.012</b>	<b>\$0.012</b>	<b>\$0.009</b>

Adopted annually in DWR Rulemaking  
 Line 10  
 Line 54

Appendix E

Cost Responsibility 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**

1	Load subject to Charges (kWh)	
2	Bundled	56,000,000,000
3	Non-exempt Direct Access (DA)	10,000,000,000
4	Large Municipal Departing Load (MDL)	2,000,000,000
5	Community Choice Aggregation (CCA)	1,000,000,000
6	Load excluded from DWR Power and New World charges	1,000,000,000
7	New Direct Access (DA)	10,000,000,000
7	<b>Total Load</b>	<b>80,000,000,000</b>

8  
9  
10 Ongoing CTC rate--(\$/kWh) \$0.004

Adopted in ERRR

**1: Calculate 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			
15 C: New world generation	\$3,200,000,000	30,000,000,000	\$0.107
16 <b>Total</b>	<b>\$6,950,000,000</b>	<b>80,000,000,000</b>	

**2: Calculate Market Price Benchmark**

21 Weighted average market price (\$/kWh)	\$0.069
22 Capacity adder	\$0.007
23 Adjust for Line Losses	1.05
24 <b>Total Benchmark (\$/kWh)</b>	<b>\$0.080</b>

Adopted in ERRR  
Adopted in ERRR  
Adopted in ERRR  
Adopted in ERRR

**3: Calculate Net Above Market Costs (AMC)**

	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					
30 C: New world generation	\$0.107	\$0.080	\$0.027	30,000,000,000	\$800,000,000
31 <b>Total</b>					<b>\$550,000,000</b>

**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)
37 Non-exempt Direct Access	13%	\$0	\$0	\$0	\$0
38 Large Municipal 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

**5: Calculate indifference rate for each responsible group**

	(\$/kWh)
44 Non-exempt Direct Access	\$0.000
45 Large Municipal Departing Load	\$0.007
46 Community Choice Aggregation	\$0.007
47 Load excluded from DWR Power and New World charges	\$0.000
48 New Direct Access	\$0.007

= Line 37 / Non-exempt DA Load  
= Line 38 / Municipal Departing Load  
= Line 39 / CCA Load  
= Line 40 / Exempt Load  
= Line 41 / New DA load

**6: Calculate Power Charge Indifference Amount (PCIA)**

	Non-exempt Direct Access	Large Municipal Departing Load	Community Choice Aggregation	Load excluded from DWR and New World charges	New Direct Access
51 [PCIA = Indifference Rate minus Ongoing CTC rate]					
52 Indifference Rate (\$/kWh)	NA	\$0.007	\$0.007	NA	\$0.007
53 Ongoing CTC rate (\$/kWh)	NA	\$0.004	\$0.004	NA	\$0.004
54 PCIA (\$/kWh)	NA	\$0.003	\$0.003	NA	\$0.003

= Results from Step 5 above  
Line 10  
= Line 52 - Line 53

**6: Results**

	Non-exempt Direct Access	Large Municipal Departing Load	Community Choice Aggregation	Load excluded from DWR and New World charges	New Direct Access
56 DWR Bond Charge (\$/kWh)	\$0.005	\$0.005	\$0.005	\$0.005	\$0.005
57 Ongoing CTC (\$/kWh)	\$0.004	\$0.004	\$0.004	\$0.004	\$0.004
58 PCIA (\$/kWh)	\$0.000	\$0.003	\$0.003	\$0.000	\$0.003
60 <b>Total CRS (\$/kWh)</b>	<b>\$0.009</b>	<b>\$0.012</b>	<b>\$0.012</b>	<b>\$0.009</b>	<b>\$0.012</b>

Adopted annually in DWR Rulemaking  
Line 10  
Line 54

(END OF APPENDIX E)