

Application No. A.14-04-\_\_\_\_\_

Exhibit No.: \_\_\_\_\_

Witness: Cynthia Fang

Application of SAN DIEGO GAS & ELECTRIC )  
COMPANY (U 902 E) For Approval of its )  
Electric Vehicle-Grid Integration Pilot Program. )  
\_\_\_\_\_ )

Application No. 14-04-\_\_\_\_\_

(Filed April 11, 2014)

**PREPARED DIRECT TESTIMONY OF**

**CYNTHIA FANG**

**CHAPTER 3**

**ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

**April 11, 2014**



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1 SDG&E's electric rates currently comprise the following components: (1) transmission,<sup>3</sup>  
2 (2) distribution,<sup>4</sup> (3) public purpose programs (PPP),<sup>5</sup> (4) nuclear decommissioning (ND),<sup>6</sup> (5)  
3 ongoing competition transition charges (CTC),<sup>7</sup> (6) reliability services (RS),<sup>8</sup> (7) total rate  
4 adjustment component (TRAC),<sup>9</sup> (8) Department of Water Resources bond charge (DWR-BC),<sup>10</sup>  
5 and (9) commodity.<sup>11</sup> SDG&E's VGI Pilot Rate proposal described in Section II of my  
6 testimony incorporates the following components:

- 7 • The VGI Pilot Rate's hourly "base" component recovers transmission, PPP, ND,  
8 CTC, RS, and DWR-BC cost charges.<sup>12</sup> This hourly base component is based on  
9 the class average rate for medium and large commercial and industrial (M/L C&I)  
10 customers.
- 11 • The VGI Pilot Rate's hourly commodity component incorporates the following:
  - 12 ○ the California Independent System Operator (CAISO) day-ahead hourly  
13 price;
  - 14 ○ a critical peak pricing signal (Commodity Critical Peak Pricing Hourly  
15 Adder or C-CPP Hourly Adder), applied to the top 150 system hours and  
16 provided to customers on a day-ahead basis; and

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<sup>3</sup> Transmission – charges for costs to deliver high-voltage electricity from power plants to distribution system.

<sup>4</sup> Distribution – charges for costs to distribute electricity to customer premises.

<sup>5</sup> PPP – charges to pay for state-mandated programs such as low-income and energy efficiency programs.

<sup>6</sup> ND – charges to pay for the retirement of nuclear power plants.

<sup>7</sup> CTC – charges to pay the above market costs for long-term power contracts.

<sup>8</sup> RS – charges for services provided by generating facilities to maintain system reliability.

<sup>9</sup> TRAC – charges/credits applied to handle the capping of residential tiered rate pursuant to Assembly Bill (AB) 1X and Senate Bill (SB) 695.

<sup>10</sup> DWR-BC – charges to pay bonds issued by DWR to cover of cost of purchasing power during the 2000/2001 electricity crisis.

<sup>11</sup> Commodity – charges for electricity which includes charges for energy provided.

<sup>12</sup> TRAC is applicable to residential customers and therefore not addressed here.

1                   o day-of pricing benefits in the event that CAISO day-of prices drop below a  
2                   threshold level relative to CAISO day-ahead prices.

- 3                   • The VGI Pilot Rate’s hourly distribution component incorporates a circuit-level  
4                   critical peak pricing signal (Distribution Critical Peak Pricing Hourly Adder or D-  
5                   CPP Hourly Adder), applied to the top 200 circuit hours and provided to  
6                   customers on a day-ahead basis.

7                   In addition, Section III of my testimony presents the rate and bill impacts associated with  
8                   the costs and revenue requirements presented in the testimony of SDG&E witness Mr. Jonathan  
9                   B. Atun (Chapter 4).

10                   **II. VGI PILOT PROGRAM RATE PROPOSAL**

11                   The VGI Pilot Rate is designed to support California policy and the VGI Pilot Program  
12                   objectives described in Mr. Krevat’s and Mr. Schimka’s testimonies, while remaining consistent  
13                   with and supportive of several progressive rate design principles the Commission has identified  
14                   as optimal, such as: encouraging reduction of both coincident and non-coincident peak demand;  
15                   basing rates on cost-causation principles; providing explicit and transparent incentives; and  
16                   encouraging economically efficient decision-making.<sup>13</sup> The VGI Pilot Rate is also supportive of  
17                   California smart grid policy goals, including the goal “to modernize the state’s electrical  
18                   transmission and distribution system to maintain safe, reliable, efficient, and secure electrical  
19                   service, with infrastructure that can meet future growth in demand.”<sup>14</sup>

20                   Rate design that provides accurate price signals is one in which costs are recovered from  
21                   customers on the same basis as they are incurred. A typical electric cost-based rate would have  
22                   the following structure:

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<sup>13</sup> RR OIR, p. 7.

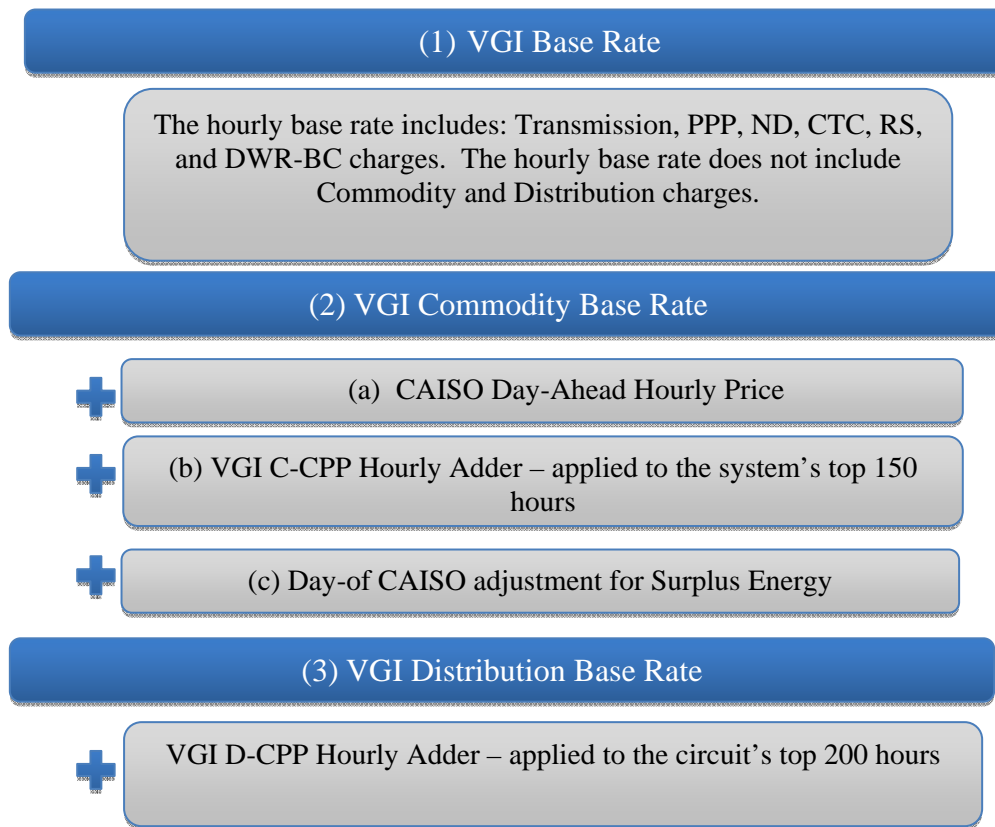
<sup>14</sup> P.U. Code § 8360.

- 1 • Customer Costs – SDG&E incurs these costs on a fixed basis for each  
2 interconnected customer whether or not the customer uses electricity and  
3 therefore should be recovered in a fixed or monthly charge (\$/month).
- 4 • System Capacity/Transmission Costs – SDG&E incurs these costs independent of  
5 energy usage, on the basis of meeting peak capacity needs of the system; therefore  
6 these costs should be recovered in a peak demand charge, that is, demand at time  
7 of system peak (\$/peak-kW).
- 8 • Distribution Demand Costs – SDG&E incurs these costs independent of energy  
9 usage, on the basis of local capacity needs to meet the combined maximum  
10 demand of customers served off of a circuit; therefore these costs should be  
11 recovered in a non-coincident demand (NCD) charge (\$/NCD – kW).
- 12 • Commodity Costs – SDG&E incurs these costs on a variable basis (based on  
13 energy usage), and the cost depends on the time of delivery; therefore these costs  
14 should be recovered in an energy charge (\$/kWh) that varies by time period.

15 The VGI Pilot Program presents a challenge on how to translate demand charge price signals in a  
16 commercial EV charging facility context, where multiple users contribute to the facility's peak  
17 load, in line with how capacity costs occur. As Mr. Schimka testifies, the VGI Pilot Program  
18 would establish multi-vehicle charging facilities at workplace and multi-unit dwelling (MuD)  
19 facilities, where demand for these charging facilities is expected to exceed 20 kW. This is  
20 consistent with SDG&E's rates for M/L C&I customers (demand greater than 20 kW), which  
21 thus forms the VGI Pilot Rate's base component.

1 The VGI Pilot Rate is intended to address this challenge in a manner consistent with  
 2 California rate policy.<sup>15</sup> Specifically, the focus of SDG&E’s proposed VGI Pilot Rate is: (1) to  
 3 examine alternative rate design; (2) to encourage reduction of both coincident and non-  
 4 coincident peak demand; (3) to provide a rate design that encourages cost-effective grid-  
 5 integrated charging solutions for EV customers; (4) to avoid cross-subsidies; (5) to base rates on  
 6 cost causation; and (6) to encourage economically efficient decision making. The VGI Pilot  
 7 Rate components, which address these principles, are identified in Diagram CF-1:

8 **Diagram CF-1: Proposed VGI Pilot Rate**



20 SDG&E’s Proposed VGI Pilot Rate will have the ability to encourage EV charging in a  
 21 way that would manage peak capacity concerns at the system and local level, as well as address

<sup>15</sup> See, e.g., RR OIR, p. 7; P.U. Code § 8360 (g) and (j).

1 and manage surplus energy supply situations, both in an hourly pricing structure. The VGI Pilot  
2 Rate would facilitate charging at the workplace and at MuD sites when economically efficient  
3 and during least-cost hours. The VGI Pilot Program would also allow SDG&E, the Commission,  
4 and stakeholders to examine whether the VGI Pilot Rate provides sufficient low-cost hours  
5 relative to SDG&E's existing residential EV rate, and potentially SDG&E's proposed super off-  
6 peak rate.<sup>16</sup>

7 The VGI Pilot Rate's three basic components (shown in Diagram CF-1) are discussed in  
8 further detail below. Attachment A provides illustrative examples of SDG&E's proposed VGI  
9 Pilot Rate.

#### 10 **A. VGI Base Rate**

11 As discussed above, the VGI Pilot Rate is based on rates for M/L C&I customers, the  
12 applicable class for non-residential service with demand greater than 20 kW. Excluding the  
13 commodity and distribution modifications previously mentioned, the VGI Base Rate will include  
14 Transmission, PPP, ND, CTC, RS, and DWR-BC charges based on the M/L C&I class average  
15 rate for these components.  
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<sup>16</sup> Proposed in SDG&E's pending Rate Design Window (RDW), A.14-01-027.



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**Table CF-1: VGI Base Rate**

	<i>M/L C&amp;I Class Average Rate<sup>17</sup> (cents/kWh)</i>	<i>VGI Base Rate (cents/kWh)</i>
<b>Distribution</b>	4.17	2.85
<b>Transmission</b>	1.80	1.80
<b>PPP</b>	0.84	0.84
<b>ND</b>	0.04	0.04
<b>CTC</b>	0.27	0.27
<b>RS</b>	0.03	0.03
<b>DWR-BC</b>	0.47	0.47
<b>Commodity</b>	9.63	6.44
<b>Total</b>	17.23	12.74

2 \*The sum of the individual rates in Table CF-1 may not tie to the corresponding total in the table due to rounding.

3 The use of class average energy rates is intended to provide an hourly price structure while  
4 limiting the scope of study related to SDG&E’s proposed VGI Pilot Rate in its initial  
5 implementation. The VGI Pilot Program will allow SDG&E to examine the appropriate rate  
6 design for the recovery of system and local capacity costs associated with commodity and  
7 distribution rate components through the test-and-learn approach described in the testimony of  
8 SDG&E witnesses Randy Schimka (Chapter 2) and J.C. Martin (Chapter 6).

9 **B. VGI Commodity Base Rate**

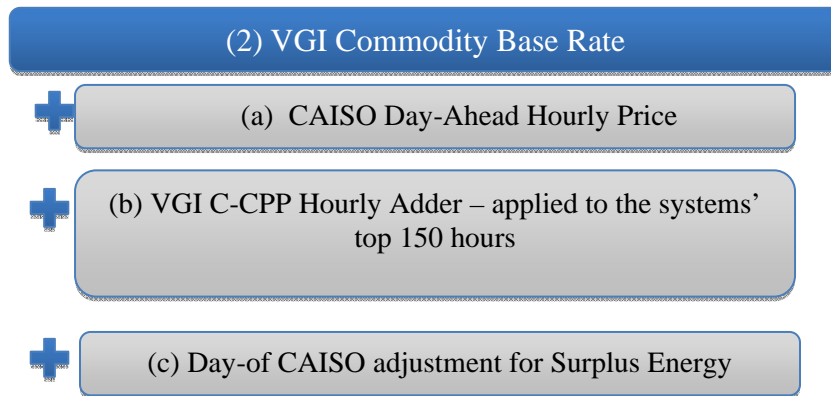
10 SDG&E’s VGI Pilot Rate commodity component is based on the M/L C&I class average  
11 commodity rate and will consist of the following:

- 12 • A VGI commodity base rate, which includes the CAISO day-ahead hourly price  
13 excluding the VGI C-CPP Hourly Adder.
- 14 • A VGI C-CPP Hourly Adder applied to the top 150 system peak hours on a day-  
15 ahead basis.
- 16 • A surplus energy credit applied on a day-of basis in the event that day-of prices  
17 are lower than day-ahead prices by one cent or greater.

<sup>17</sup> Based on currently effective rates, rates effective April 1, 2014 (Advice Letter 2587-E).

1 These commodity components are shown in Diagram CF-2 and Table CF-2:

2 **Diagram CF-2: VGI Commodity Rate**



8 With the inclusion of the CAISO hourly day-ahead price, the VGI base commodity rate  
9 will be reduced to reflect the removal of comparable variable costs embedded in current rates.<sup>18</sup>

10 In addition, SDG&E will incorporate commodity price signals based on CAISO surplus energy  
11 events. Unexpected events, such as high wind on a sunny spring day, can result in unanticipated  
12 negative commodity prices on the day energy is delivered. These surplus energy events would  
13 not be captured in CAISO’s hourly day-ahead price. To integrate surplus energy events into the  
14 VGI Pilot Rate, SDG&E will include day-of credits where the CAISO day-of price falls below  
15 CAISO’s day-ahead price, in excess of a threshold of one cent for any given hour.

16

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<sup>18</sup> These include: Net CAISO market purchases and fuel and variable operations and maintenance (O&M) costs for both utility owned generators and tolling agreements.

**Table CF-2: VGI Commodity Rate**

	<i>Rate (cents/kWh)</i>	<i>Applicability</i>
<b>M/L C&amp;I Class Average Commodity Rate</b>	9.63	
<b>VGI Base Commodity Rate</b>	6.44	All hours
<b>VGI System CPP Hourly Adder</b>	62.24	Applied to top 150 system hours

**1. Commodity Cost Background**

Commodity costs consist of the cost of providing energy services, including the cost of energy, capacity/resource adequacy, and regulatory compliance. Currently, commodity costs for M/L C&I customers are recovered through the following rate structure: (1) energy charges (\$/kWh) variable by time of use (TOU) period, voltage level and season to recover commodity energy cost; and (2) peak demand charges (\$/kW) variable by voltage level and season or CPP Adder (\$/kWh) variable by voltage level to recover commodity capacity costs. Pursuant to Decision (D.) 08-02-034, M/L C&I customers defaulted to Schedule EECC-CPP-D, Electric Energy Commodity Cost Critical Peak Pricing Default (CPP-D) beginning in May 2008 for commodity service. The CPP-D rate is a commodity rate structure that includes a higher energy price applied to peak periods on system critical event days that are called on a day-ahead basis.

The CPP rate is designed to recover the costs of system capacity during event days, up to 18 days per year with an assumed 9 days per year, called on a day-ahead basis rate rather than through a peak demand charge every month of the year in order to solicit demand response. The current CPP-D rate is based on preset triggers to call events on a day-ahead basis that would apply a premium price, i.e., CPP Adder to the Otherwise Applicable Tariff (OAT) energy price during a pre-defined event period of 11 a.m. to 6 p.m. The investment in system capacity is driven by anticipated growth in system peak load. The current CPP-D allows from 0 to 18 event

1 days to be called per calendar year with the rate design based on an assumption of 9 event days.  
2 On event days, the CPP Adder is applied to a pre-defined 7 hour event period of 11 a.m. to 6  
3 p.m., resulting in total annual CPP hours of 0 to 126 hours with rate design based on an average  
4 of 63 hours.

## 5 **2. VGI Commodity Rate**

### 6 **a. CAISO Day-Ahead Hourly Price**

7 Consistent with California policy,<sup>19</sup> SDG&E proposes to incorporate the CAISO day-  
8 ahead hourly price into the VGI Pilot Rate.<sup>20</sup> The VGI base commodity component would  
9 incorporate the CAISO day-ahead hourly price and would be included in the price provided to  
10 VGI customers on a day-ahead basis.

### 11 **b. VGI Commodity Critical Peak Pricing Hourly Adder (C-CPP** 12 **Hourly Adder)**

13 The CPP price signal is intended to provide incentives for customers to avoid adding to  
14 the system peak load thereby delaying capacity investments. To ensure that the VGI Pilot Rate  
15 sufficiently encourages reduction in system peak demand for EV charging, SDG&E proposes to  
16 apply the C-CPP Hourly Adder to the top 150 system hours.

17 The system's top 150 hours over 8,760 hours in the year represent approximately 1.71%  
18 of the hours in the year. These top 150 hours represented approximately 2.79% of the total  
19 GWhs of the system load, from January 1, 2013 until December 31, 2013, as presented in  
20 Chart CF-1.

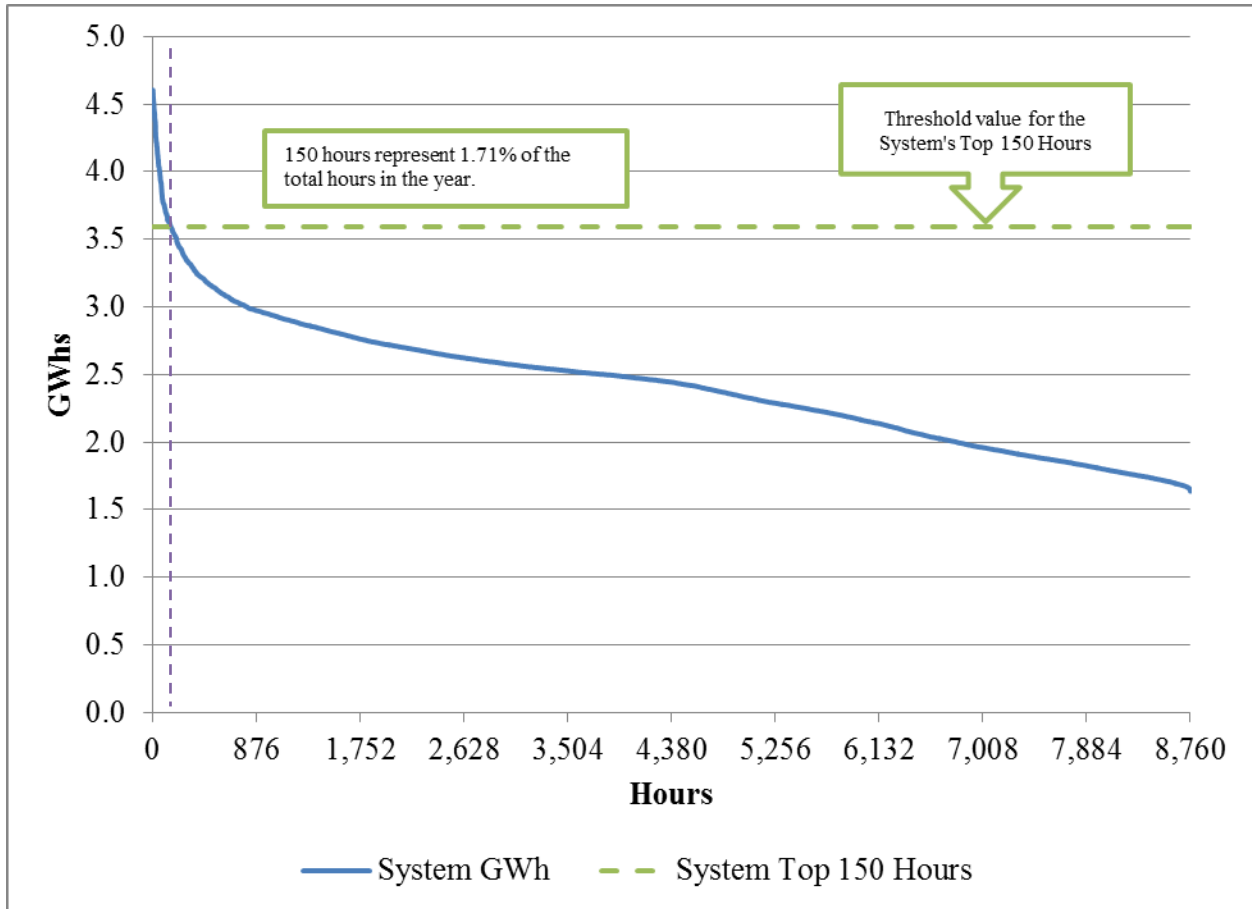
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<sup>19</sup> See P.U. Code § 8360.

<sup>20</sup> <http://oasis.caiso.com/mrioasis/logon.do>.

**Chart CF-1: Load Duration Curve of the System: 8,760 Hours**  
**from January 1, 2013 until December 31, 2013**



SDG&E proposes to apply a C-CPP Hourly Adder to the top 150 system peak hours per year. Customers will be notified on a day-ahead basis of when these hours are expected to occur. Currently CPP event days are called day-ahead based on pre-established triggers and the CPP Adder is then applied to a pre-established time period of 11 a.m. to 6 p.m.<sup>21</sup> The VGI Pilot Rate proposal is different in that it identifies the top system hours, not a pre-defined time period on high load days. SDG&E will continue to notify customers on a day-ahead basis of event hours, but the C-CPP Hourly Adder will be applied only to hours in which the CAISO day-ahead

<sup>21</sup> Special Condition 16 on Sheet 6 of [http://regarchive.sdge.com/tm2/pdf/ELEC\\_ELEC-SCHEDS\\_EECC-CPP-D.pdf](http://regarchive.sdge.com/tm2/pdf/ELEC_ELEC-SCHEDS_EECC-CPP-D.pdf).

1 demand forecast exceeds the top 150 hours of the prior year. While this methodology is intended  
2 to provide a best estimate of the top 150 system peak hours, the year to year difference in load  
3 can result in actual event hours greater than or less than 150 hours. In addition, SDG&E  
4 proposes that the event hours would have the same price per hour on a given day. This would be  
5 achieved by averaging the event hour prices in any given day. An illustration of the application  
6 of the C-CPP Hourly Adder is included in Attachment A.2

7 In the event that a CPP day is called on the existing CPP program that does not include  
8 any forecasted hours, SDG&E will still implement the C-CPP Hourly Adder in a manner  
9 consistent with the program, that is, implement C-CPP Hourly Adder to the hours associated  
10 with event periods called on SDG&E's existing CPP program.

11 **c. Day of CAISO adjustment for Surplus Energy**

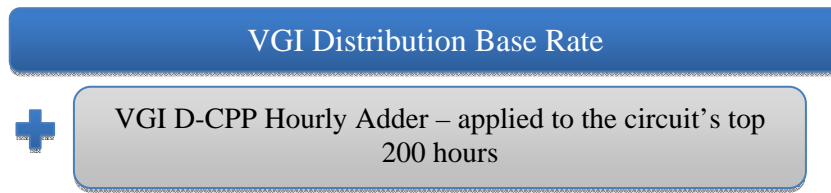
12 Previously, unexpected events (i.e., outages) resulted in higher than anticipated energy  
13 prices. Now, unexpected events can result in lower than expected prices and potentially negative  
14 energy prices. Potential negative prices currently do not occur in the day-ahead price and are  
15 currently showing up in day-of prices. Chart LK-1 presented in the testimony of Mr. Krevat  
16 illustrates the potential need for flexible load that can respond to surplus generation events.

17 SDG&E proposes to include a surplus generation credit as part of the VGI Pilot Rate to  
18 encourage charging during these surplus generation events. In the event that there are hours in  
19 which day-of prices are below day-ahead prices beyond a pre-set threshold, SDG&E proposes to  
20 update those day-of prices to reflect the lower prices in those hours. SDG&E proposes a  
21 threshold of one-cent for the reduction in day-of prices. An illustration of the application of the  
22 Surplus Energy credit is included in Attachment A.5.

**C. VGI Distribution Base Rate**

The distribution rate for SDG&E’s VGI proposal is based on the M/L C&I class average distribution rate with the modification to incorporate a D-CPP Hourly Adder based on the circuit’s top 200 hours. Diagram CF-3 and Table CF-3 present the distribution rate for SDG&E’s VGI proposal:

**Diagram CF-3: VGI Distribution Rate**



**Table CF-3: VGI Distribution Rate**

	<i>Rate (cents/kWh)</i>	<i>Applicability</i>
<b>M/L C&amp;I Class Average Distribution Rate</b>	4.17	
<b>VGI Base Distribution Rate</b>	2.85	All hours
<b>VGI D-CPP Hourly Adder</b>	39.79	Applied to top 200 circuit hours

**1. Distribution Cost Background**

Currently, distribution costs for M/L C&I customers are recovered through the following rate structure: (1) a monthly customer charge (\$/month) (also known as basic service fee) variable by voltage level and customer size to recover fixed distribution costs; (2) demand charges (\$/kW) for both non-coincident demand (NCD) variable by voltage level and peak demand variable by voltage level and season to recover demand related distribution costs; and (3) energy charges variable by TOU period, voltage level and season to recover the remaining distribution costs. The cost-causation behind distribution costs differ from system and commodity costs in that the cost drivers focus on more localized demand drivers. This is because the distribution system is built to meet local, as opposed to system, demand.

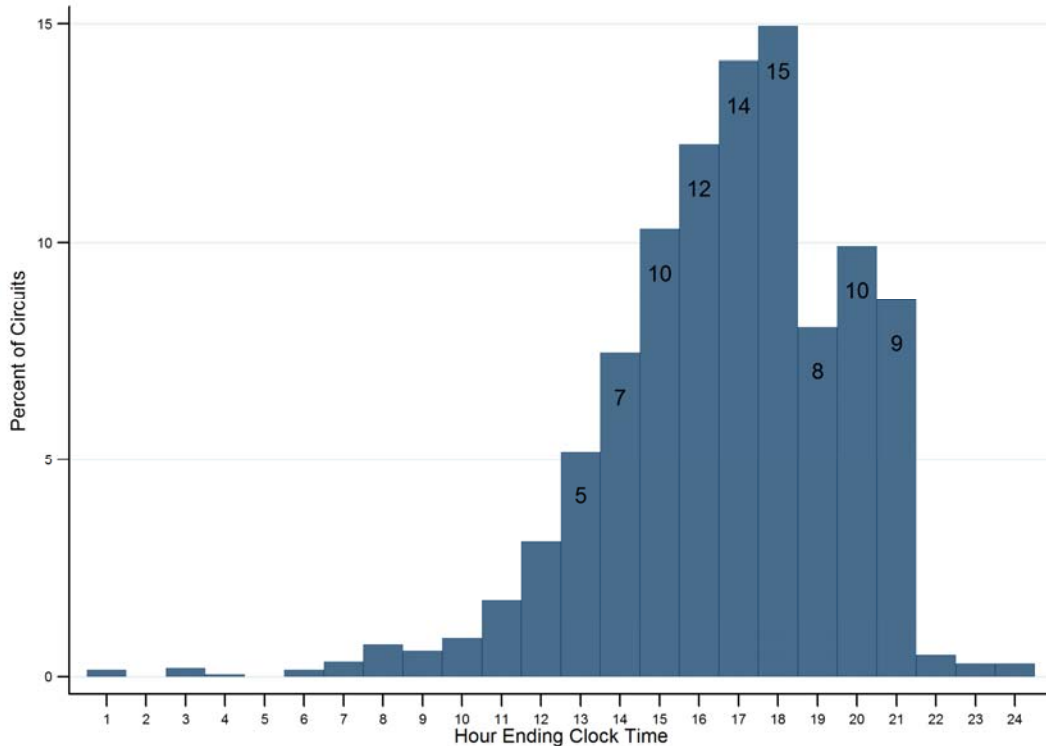
1 Distribution Demand Costs, which include substations, circuits, feeders, and applicable O&M  
2 costs, are the costs SDG&E incurs to ensure reliable service to customers at the local  
3 neighborhood level. The planning criteria for the distribution infrastructure are based on local  
4 load at the circuit and substation level. In other words, in order to provide reliable service to a  
5 range of distribution circuits, each of which has different levels of peak demand, the distribution  
6 system is designed to have adequate capacity to serve the combined peak demand of all  
7 customers served off of a distribution circuit, without regard to when that demand occurs (non-  
8 coincident peak). The distribution costs utilities incur to provide service to customers is  
9 therefore best measured on the basis of a customer's individual maximum demand, distinct from  
10 demand at time of peak system capacity need. As can be seen in Chart CF-3, distribution  
11 circuits peak over a wide range of time that do not necessarily coincide with times of system  
12 peak capacity need. This has traditionally translated into a NCD charge based on a customer  
13 maximum demand at any time, as contrasted with a peak demand charge that measures a  
14 customer's demand during the system peak capacity need period.

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**Chart CF-3: Distribution of 2012-2013 SDG&E Circuit Peaks by Hour Ending**



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However, the concept of peak load driving incremental costs is true whether that load is system load or local distribution load. The ability to forecast load at the circuit level allows for the ability to break from traditional rate design tools for addressing concerns regarding local capacity and explore alternative approaches to address the same issues.

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## **2. VGI Distribution Rate**

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SDG&E proposes to use the CPP rate design previously only used to address system capacity to now address local distribution capacity. That is, SDG&E proposes to incorporate a D-CPP Hourly Adder to the top 200 circuit peak hours.

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Chart CF-4 presents the load duration curve, which ranks distribution of load in descending order of magnitude for all hours, for the system and an illustrative circuit. The

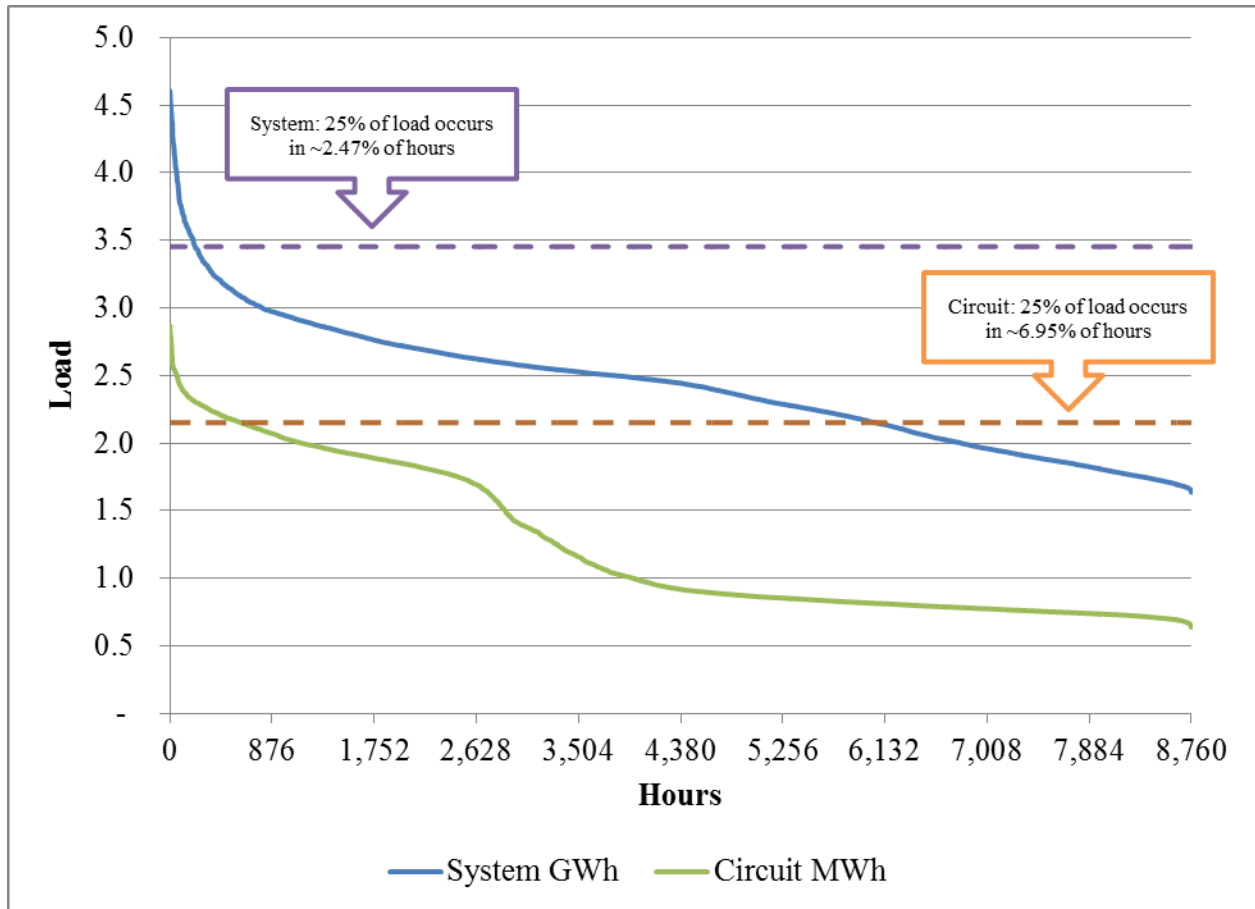
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1 system load duration curve has a much steeper slope than the circuit load duration curve,  
2 especially in the top hours. As shown Chart CF-4, 25% of system capacity occurs in less than  
3 2.5% of the hours in a year at the system level, while 25% of circuit capacity occurs in just under  
4 7% of the hours in a year at the circuit level, more than double the hours compared to the system  
5 level. Given the differences between the system and circuit load duration curves, specifically  
6 that the equivalent peak load occurs over a larger number of hours for the circuit level than the  
7 system level, SDG&E proposes that the D-CPP Hourly Adder be applied to a larger number of  
8 circuit peak hours than at the system level for the system D-CPP Hourly Adder. To balance the  
9 objectives of managing local distribution peak and ensuring that we continue to encourage  
10 workplace charging, SDG&E proposes the D-CPP Hourly Adder be applied to the top 200 circuit  
11 hours. SDG&E will monitor the occurrence of the circuit peak hours and may revisit the  
12 appropriate number of circuit peak hours.

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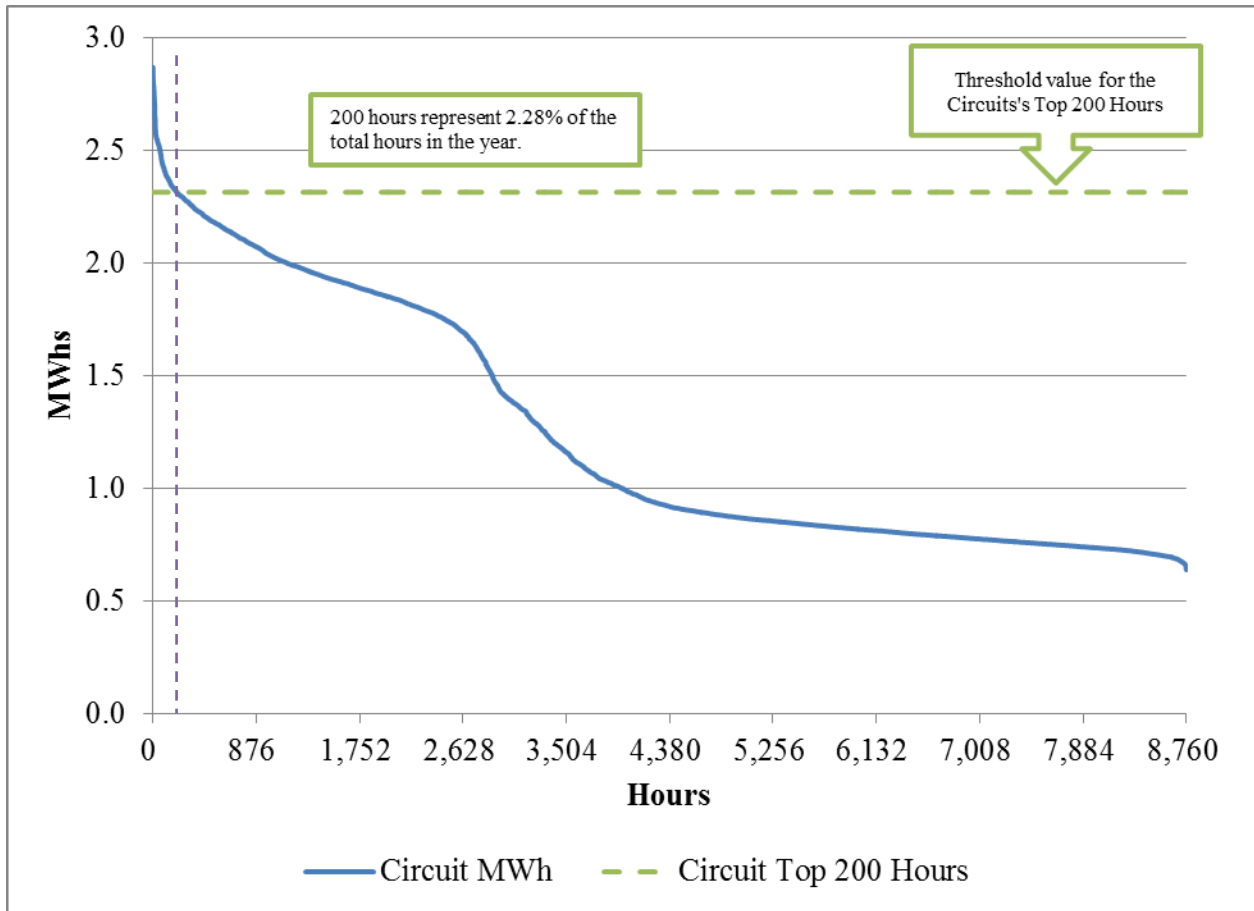
**Chart CF-4: Load Duration Curve for the System and an Illustrative Circuit: 8,760 Hours from January 1, 2013 until December 31, 2013**



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The circuit's top 200 hours over 8,760 hours in the year represent approximately 2.28%. Of this, the total kWh of the sample circuit from January 1, 2013 until December 31, 2013 represented approximately 4.51% of the load, as shown in chart CF-5.

1 **Chart CF-5: Load Duration Curve for an Illustrative Circuit: 8,760 Hours from January 1,**  
 2 **2013 until December 31, 2013**



3  
 4 Similar to the system CPP Hourly Adder applied to the top 150 system peak hours, the D-  
 5 CPP Hourly Adder will be added to the top 200 hours on a day-ahead basis when the forecasted  
 6 load exceeds a threshold level established based on historic load. The forecast model is based  
 7 upon historical hourly load at the circuit level with explanatory variables based on the local  
 8 weather (both dry-bulb temperature and humidity taken into account), and calendar based  
 9 variables (weekends, holidays, day of week, month, etc.). Historic circuit load will be used to  
 10 determine the threshold amount for forecasting the top 200 circuit peak hours. When the forecast  
 11 identifies an hour exceeding the prior year's top 200 hour threshold, a D-CPP Hourly Adder will  
 12 be applied and presented to the customer on a day-ahead basis. Year-to-year differences in load  
 13 can result in actual circuit peak hours to differ from the forecast top 200 hours.

1           SDG&E proposes to collect 50% of the distribution demand costs through the D-CPP  
2 Hourly Adder and the remainder through the hourly variable distribution rate. The VGI Pilot  
3 Rate is designed to limit any incremental distribution demand growth that can lead to distribution  
4 system upgrades. However, VGI customers do utilize the distribution system and have the  
5 distribution system standing by to serve their energy needs. While the appropriate levels for  
6 utilization and stand by services will be reviewed, at this time SDG&E includes 50% of the  
7 distribution demand cost to reflect that those costs are incurred for those customers and provide a  
8 service to them.

### 9 **III. RATE AND BILL IMPACTS**

10           The testimony of SDG&E witness Mr. Atun (Chapter 4), describes the costs associated  
11 with the VGI Pilot Program, including the resulting incremental revenue requirements proposed  
12 to be recovered from customers. Appendix B of Mr. Atun's testimony identifies the proposed  
13 annual revenue requirements to be recovered in rates.<sup>22</sup>

14           Attachment B of my testimony provide the impact to class average rates associated with  
15 recovery of the proposed annual revenue requirements during the 2015-2019 VGI Pilot Program  
16 period compared to SDG&E's current rates.<sup>23</sup> The table CF-4 presents the illustrative class  
17 average electric rate impacts for 2015 and 2019 of the proposed revenue requirements.  
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<sup>22</sup> Direct Testimony of Jonathan B. Atun, Appendix B.

<sup>23</sup> Rates effective April 1, 2014 (Advice Letter 2587-E).

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**Table CF-4- Class Average Rates Impact in cents/kWh**

	<i>4/1/2014</i>	<i>VGI Proposal 2015</i>	<i>% Change from 4/1/2014</i>	<i>VGI Proposal 2019</i>	<i>% Change from 2015 to 2019</i>
<b>Residential</b>	20.624	20.629	0.02%	20.701	0.35%
<b>Small Commercial</b>	21.172	21.175	0.01%	21.231	0.26%
<b>Medium/Large C&amp;I</b>	17.233	17.235	0.01%	17.265	0.17%
<b>Agriculture</b>	20.869	20.873	0.02%	20.927	0.26%
<b>Lighting</b>	17.696	17.698	0.01%	17.736	0.21%
<b>System Total</b>	18.873	18.877	0.02%	18.925	0.25%

SDG&E proposes to recover the costs of implementing the VGI Pilot Program, which consists of costs for such things as charger equipment, transformers, services and meters as addressed in the testimony of Mr. Atun, through distribution rates, consistent with the recovery of similar costs.

The first year of proposed revenue requirement impacts are anticipated to have an annual bill impact will be approximately 0.18 cents in 2015 for a typical residential customer using 500 kWh per month in both the Inland and Coastal climate zones, as compared to current rates. On a percentage basis, this equates to an increase of 0.02% for a typical residential customer in the Inland climate zone and 0.01% for a typical residential customer in the Coastal climate zone.

Table CF-5 describes the illustrative bill impacts for Inland and Coastal Customers for the years 2015 and 2019.

1

**Table CF-5: Annual Illustrative Bill Impacts for Inland and Coastal Customers**

	<i>4/1/2014</i>	<i>VGI Proposal 2015</i>	<i>Change from 4/1/2014</i>	<i>% Change from 4/1/2014</i>	<i>VGI Proposal 2019</i>	<i>Change from 2015 to 2019</i>	<i>% Change from 2015 to 2019</i>
<b>Inland</b>							
<b>300 kWh</b>	\$556.20	\$556.20	\$0.00	0.00%	\$556.20	\$0.00	0.00%
<b>500 kWh</b>	\$1,131.00	\$1,131.18	\$0.18	0.02%	\$1,133.10	\$1.92	0.17%
<b>750 kWh</b>	\$2,238.00	\$2,238.60	\$0.60	0.03%	\$2,247.48	\$8.88	0.40%
<b>1,000 kWh</b>	\$3,383.34	\$3,384.48	\$1.14	0.03%	\$3,400.26	\$15.78	0.47%
<b>1,500 kWh</b>	\$5,674.26	\$5,676.36	\$2.10	0.04%	\$5,705.94	\$29.58	0.52%
<b>Coastal</b>							
<b>300 kWh</b>	\$557.88	\$557.88	\$0.00	0.00%	\$557.88	\$0.00	0.00%
<b>500 kWh</b>	\$1,242.06	\$1,242.24	\$0.18	0.01%	\$1,245.48	\$3.24	0.26%
<b>750 kWh</b>	\$2,365.56	\$2,366.28	\$0.72	0.03%	\$2,376.42	\$10.14	0.43%
<b>1,000 kWh</b>	\$3,511.02	\$3,512.16	\$1.14	0.03%	\$3,529.20	\$17.04	0.49%
<b>1,500 kWh</b>	\$5,801.88	\$5,803.98	\$2.10	0.04%	\$5,834.88	\$30.90	0.53%

2

3 **IV. SUMMARY AND CONCLUSION**

4 This concludes my prepared direct testimony.

5

1 **V. STATEMENT OF QUALIFICATIONS**

2 My name is Cynthia S. Fang and my business address is 8330 Century Park Court, San  
3 Diego, California 92123. I am the Electric Rates Manager in the General Rate Case and  
4 Revenue Requirements Department of San Diego Gas and Electric (SDG&E). My primary  
5 responsibilities include the development of cost-of-service studies, determination of revenue  
6 allocation and electric rate design methods, analysis of ratemaking theories, and preparation of  
7 various regulatory filings. I began work at SDG&E in May 2006 as a Regulatory Economic  
8 Advisor and have held positions of increasing responsibility in the Electric Rate Design group.  
9 Prior to joining SDG&E, I was employed by the Minnesota Department of Commerce, Energy  
10 Division, as a Public Utilities Rates Analyst from 2003 through May 2006.

11 In 1993, I graduated from the University of California at Berkeley with a Bachelor of  
12 Science in Political Economics of Natural Resources. I also attended the University of  
13 Minnesota where I completed all coursework required for a Ph.D. in Applied Economics.

14 I have previously submitted testimony before the Federal Energy Regulatory Commission  
15 and have submitted testimony and testified before the California Public Utilities Commission  
16 regarding SDG&E's electric rate design and other regulatory proceedings. In addition, I have  
17 previously submitted testimony and testified before the Minnesota Public Utilities Commission  
18 on numerous rate and policy issues applicable to the electric and natural gas utilities.



## APPENDIX

### GLOSSARY OF ACRONYMS AND DEFINED TERMS

ACRONYM	TERM
AB	Assembly Bill
CAISO	California Independent System Operator
Commission	California Public Utilities Commission
C-CPP Hourly Adder	VGI commodity critical peak pricing hourly adder
CPP	Critical Peak Pricing
CPP-D	Schedule EECC, Electric Energy Commodity Cost Critical Peak Pricing Default
CTC	On-going Competition Transitioning Charges
D.	Commission decision
D-CPP Hourly Adder	VGI distribution critical peak pricing hourly adder
DWR-BC	Department of Water Resources Bond Charge
EV	Electric vehicle
M/L C&I	Medium and large commercial and industrial
MuD	Multi-unit dwelling
NCD	Non-coincident demand

ND	Nuclear Decommissioning
OAT	Otherwise applicable tariff
O&M	Operations and maintenance
PPP	Public Purpose Program
P.U.	California Public Utilities Code
R.	Rulemaking
RDW	Rate Design Window
RR OIR	Residential Rate Structures Order Instituting Rulemaking
RS	Reliability Services
SDG&E	San Diego Gas & Electric Company
SB	Senate Bill
TOU	Time-of-use
TRAC	Total Rate Adjustment Component
VGI	Vehicle-grid integration

ATTACHMENT TABLE OF CONTENTS  
SAN DIEGO GAS AND ELECTRIC COMPANY  
VEHICLE TO GRID A. 14-04-XXXX

<b>ATTACHMENT A.1</b>	VGI ILLUSTRATIVE RATE PRESENTATION - HOW TO BUILD A VGI RATE -apply to all hours outside of the top 150 System Peak Hours and top 200 Circuit Peak Hours.
<b>ATTACHMENT A.2</b>	VGI ILLUSTRATIVE RATE PRESENTATION - HOW TO BUILD THE VGI RATE WITH THE VGI C-CPP Hourly Adder -apply to the top 150 System Peak Hours.
<b>ATTACHMENT A.3</b>	VGI ILLUSTRATIVE RATE PRESENTATION - HOW TO BUILD THE VGI RATE WITH THE VGI D-CPP HOURLY ADDER -apply to the top 200 Circuit Peak Hours.
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<b>ATTACHMENT A.5</b>	VGI ILLUSTRATIVE RATE PRESENTATION - HOW TO BUILD THE VGI RATE WITH A SURPLUS ENERGY CREDIT -apply during the hours where the CAISO Day-Of Price is 1 cent/kWh below the CAISO Day-Ahead Price.
<b>ATTACHMENT B</b>	VGI ILLUSTRATIVE RATE IMPACT PRESENTATION - RATE IMPACTS FROM 2015 UNTIL 2019



ATTACHMENT A.1  
 SAN DIEGO GAS AND ELECTRIC COMPANY  
 VEHICLE TO GRID A. 14-04-XXXX

**How to Build the VGI Rate**

**Step 1:** Start with the VGI Rate prior to the addition of the CAISO Day-Ahead Price. This rate includes the VGI Base Rate (Transmission, PPP, ND, CTC, RS, and the DWR-BC), the VGI Distribution Base Rate, and the VGI Commodity Base Rate. This results in a flat hourly rate.

**Step 2:** Add the CAISO Day-Ahead Price. The CAISO Day-Ahead Price varies by hour.

**Step 3:** The end result is a VGI Rate that reflects the hourly differences in the CAISO Day-Ahead Price.

	Step 1		Step 2		Step 3
Hour Beginning	VGI Rate Pre-CAISO (cents/kWh)		CAISO Day-Ahead Price (cents/kWh)		VGI Rate (with CAISO) (cents/kWh)
0	12.7		3.3		16.1
1	12.7		3.2		15.9
2	12.7		3.0		15.7
3	12.7		2.9		15.6
4	12.7		2.8		15.6
5	12.7		2.9		15.6
6	12.7		3.1		15.8
7	12.7		3.1		15.9
8	12.7		3.3		16.0
9	12.7		3.3		16.0
10	12.7		3.3		16.0
11	12.7		2.9		15.7
12	12.7		2.9		15.6
13	12.7		2.9		15.6
14	12.7		2.9		15.7
15	12.7		3.1		15.8
16	12.7		3.3		16.1
17	12.7		4.3		17.1
18	12.7		4.9		17.6
19	12.7		4.6		17.3
20	12.7		4.5		17.2
21	12.7		4.0		16.8
22	12.7		3.7		16.5
23	12.7		3.2		15.9

**Assumptions**

The VGI Base rate, the VGI Distribution Base Rate, and the VGI Commodity Base rate are based on the Medium and Large Commercial and Industrial (M/L C&I) class average rate in Advice Letter 2587-E effective April 1, 2014.

The CAISO Day-Ahead price presented above reflects the CAISO Day-Ahead price for January 1, 2013 for node: DLAP\_SDGE-APND.

ATTACHMENT A.2  
 SAN DIEGO GAS AND ELECTRIC COMPANY  
 VEHICLE TO GRID A. 14-04-XXXX

**Illustration of a Day with Top 150 System Peak Hours - Example 1**

**How to Build the VGI C-CPP Hourly Adder into the VGI Rate:**

**Step 1:** Start with the VGI prior to the addition of the CAISO Day-Ahead Price. This rate includes the VGI Base Rate (Transmission, PPP, ND, CTC, RS, and the DWR-BC), the VGI Distribution Base Rate, and the VGI Commodity Base Rate. This results in a flat hourly rate.

**Step 2:** Add the CAISO Day-Ahead Price. The CAISO Day-Ahead Price varies by hour.

**Step 3:** Adjust the VGI Rate with the Average CAISO Rate applied to the hours identified within the top 150 System Peak Hours.

**Step 4:** For the hours identified within the top 150 System Peak Hours, add the VGI C-CPP Hourly Adder to the Averaged CAISO Day-Ahead Price and the VGI Rate.

**Step 5:** The end result is a VGI Rate that reflects the hourly differences in the CAISO Day-Ahead Price and the VGI C-CPP Hourly Adder.

	Step 1		Step 2		Step 3		Step 4		Step 5
Hour Beginning	VGI Rate Pre-CAISO		CAISO Day-Ahead Price		Average		C-CPP		VGI Rate (CAISO and VGI Hourly Adder)
	(cents/kWh)		(cents/kWh)		(cents/kWh)		(cents/kWh)		(cents/kWh)
0	12.7		4.0						16.8
1	12.7		3.7						16.5
2	12.7		3.4						16.2
3	12.7		3.4						16.1
4	12.7		3.3						16.1
5	12.7		3.3						16.1
6	12.7		3.4						16.1
7	12.7		3.4						16.2
8	12.7		3.7						16.4
9	12.7		4.2						16.9
10	12.7		4.6						17.3
11	12.7		5.2						18.0
12	12.7		5.4	}	6.3		62.2		81.3
13	12.7	+	6.1		6.3	+	62.2	=	81.3
14	12.7		6.6		6.3		62.2		81.3
15	12.7		6.9		6.3		62.2		81.3
16	12.7		6.8		6.3		62.2		81.3
17	12.7		5.9						18.7
18	12.7		5.6						18.3
19	12.7		5.5						18.3
20	12.7		5.6						18.3
21	12.7		5.0						17.8
22	12.7		4.4						17.1
23	12.7		4.1						16.8

**Assumptions**

The VGI Base rate, the VGI Distribution Base Rate, and the VGI Commodity Base rate are based on the Medium and Large Commercial and Industrial (M/L C&I) class average rate in Advice Letter 2587-E effective April 1, 2014.

The CAISO Day-Ahead price presented above reflects the CAISO Day-Ahead price for September 1, 2013 for node: DLAP\_SDGE-APND.

System Peak Hours are defined as CAISO forecasted load that is in excess of the threshold for the identification of top 150 system hours.

ATTACHMENT A.2  
 SAN DIEGO GAS AND ELECTRIC COMPANY  
 VEHICLE TO GRID A. 14-04-XXXX

**Illustration of a Day with Top 150 System Peak Hours - Example 2**

	Step 1		Step 2		Step 3		Step 4		Step 5
Hour Beginning	VGI Rate Pre-CAISO		CAISO Day-Ahead Price		Average		C-CPP		VGI Rate (CAISO and VGI Hourly Adder)
	(cents/kWh)		(cents/kWh)		(cents/kWh)		(cents/kWh)		(cents/kWh)
0	12.7		3.3						16.1
1	12.7		3.2						16.0
2	12.7		3.1						15.8
3	12.7		3.1						15.8
4	12.7		3.2						15.9
5	12.7		3.3						16.0
6	12.7		3.6						16.4
7	12.7		3.7						16.5
8	12.7		3.8						16.6
9	12.7		4.3						17.0
10	12.7		4.9						17.7
11	12.7		5.0						17.7
12	12.7		5.0						17.7
13	12.7	+	5.4	}	6.1	+	62.2	=	81.1
14	12.7		5.8		6.1		62.2		81.1
15	12.7		6.7		6.1		62.2		81.1
16	12.7		6.4		6.1		62.2		81.1
17	12.7		5.5						18.3
18	12.7		5.2						18.0
19	12.7		5.3						18.0
20	12.7		5.2						17.9
21	12.7		4.5						17.3
22	12.7		4.0						16.8
23	12.7		3.8						16.5

**Assumptions**

The VGI Base rate, the VGI Distribution Base Rate, and the VGI Commodity Base rate are based on the Medium and Large Commercial and Industrial (M/L C&I) class average rate in Advice Letter 2587-E effective April 1, 2014.

The CAISO Day-Ahead price presented above reflects the CAISO Day-Ahead price for September 16, 2013 for node: DLAP\_SDGE-APND.

System Peak Hours are defined as CAISO forecasted load that is in excess of the threshold for the identification of top 150 system hours.

ATTACHMENT A.3  
 SAN DIEGO GAS AND ELECTRIC COMPANY  
 VEHICLE TO GRID A. 14-04-XXXX

**Illustration of a Day with Top 200 Circuit Peak Hours - Example 1**

**How to Build the VGI D-CPP Hourly Adder into the VGI Rate:**

**Step 1:** Start with the VGI prior to the addition of the CAISO Day-Ahead Price. This rate includes the VGI Base Rate (Transmission, PPP, ND, CTC, RS, and the DWR-BC), the VGI Distribution Base Rate, and the VGI Commodity Base Rate. This results in a flat hourly rate.

**Step 2:** Add the CAISO Day-Ahead Price. The CAISO Day-Ahead Price varies by hour.

**Step 3:** Adjust the VGI Rate with the Average CAISO Rate applied to the hours identified within the top 200 Circuit Peak Hours.

**Step 4:** For the hours identified within the top 200 Circuit Peak Hours, add the VGI D-CPP Hourly Adder to the Averaged CAISO Day-Ahead Price and the VGI Rate.

**Step 5:** The end result is a VGI Rate that reflects the hourly differences in the CAISO Day-Ahead Price and the VGI D-CPP Hourly Adder.

	Step 1		Step 2		Step 3		Step 4		Step 5
Hour Beginning	VGI Rate Pre-CAISO		CAISO Day-Ahead Price		Average		D-CPP		VGI Rate (CAISO and VGI Hourly Adder)
	(cents/kWh)		(cents/kWh)		(cents/kWh)		(cents/kWh)		(cents/kWh)
0	12.7		3.4						16.1
1	12.7		3.3						16.0
2	12.7		3.2						15.9
3	12.7		3.2						16.0
4	12.7		3.3						16.0
5	12.7		3.5						16.2
6	12.7		3.8						16.6
7	12.7		4.0						16.7
8	12.7		4.0						16.8
9	12.7		4.2						16.9
10	12.7		4.4						17.1
11	12.7		4.7	}	4.8		39.8		57.3
12	12.7	+	4.3		4.8	+	39.8	=	57.3
13	12.7		4.8		4.8		39.8		57.3
14	12.7		4.8		4.8		39.8		57.3
15	12.7		5.4		4.8		39.8		57.3
16	12.7		5.4						18.1
17	12.7		5.1						17.8
18	12.7		5.1						17.8
19	12.7		5.7						18.4
20	12.7		5.2						18.0
21	12.7		4.6						17.3
22	12.7		3.9						16.7
23	12.7		3.7						16.4

**Assumptions**

The VGI Base rate, the VGI Distribution Base Rate, and the VGI Commodity Base rate are based on the Medium and Large Commercial and Industrial (M/L C&I) class average rate in Advice Letter 2587-E effective April 1, 2014.

The CAISO Day-Ahead price presented above reflects the CAISO Day-Ahead price for September 23, 2013 for node: DLAP\_SDGE-APND.

Circuit Peak Hours are defined as forecasted load that is in excess of the threshold for identification of the top 200 circuit hours. The threshold is based on historic data.

ATTACHMENT A.3  
 SAN DIEGO GAS AND ELECTRIC COMPANY  
 VEHICLE TO GRID A. 14-04-XXXX

**Illustration of a Day with Top 200 Circuit Peak Hours - Example 2**

Hour Beginning	Step 1	Step 2	Step 3	Step 4	Step 5
	VGI Rate Pre-CAISO (cents/kWh)	CAISO Day-Ahead Price (cents/kWh)	Average (cents/kWh)	D-CPP (cents/kWh)	VGI Rate (CAISO and Hourly Adder) (cents/kWh)
0	12.7	3.3			16.1
1	12.7	2.9			15.7
2	12.7	2.6			15.3
3	12.7	2.2			14.9
4	12.7	2.5			15.2
5	12.7	3.0			15.8
6	12.7	3.7			16.4
7	12.7	3.9			16.7
8	12.7	5.9			18.6
9	12.7	4.4			17.1
10	12.7	4.9	6.4	39.8	59.0
11	12.7	5.3	6.4	39.8	59.0
12	12.7	6.1	6.4	39.8	59.0
13	12.7	7.2	6.4	39.8	59.0
14	12.7	8.7	6.4	39.8	59.0
15	12.7	6.9			19.6
16	12.7	7.1			19.9
17	12.7	6.3			19.0
18	12.7	5.7			18.4
19	12.7	5.7			18.5
20	12.7	6.1			18.8
21	12.7	5.3			18.1
22	12.7	4.4			17.1
23	12.7	3.8			16.5

**Assumptions**

The VGI Base rate, the VGI Distribution Base Rate, and the VGI Commodity Base rate are based on the Medium and Large Commercial and Industrial (M/L C&I) class average rate in Advice Letter 2587-E effective April 1, 2014.

The CAISO Day-Ahead price presented above reflects the CAISO Day-Ahead price for May 14, 2013 for node: DLAP\_SDGE-APND.

Circuit Peak Hours are defined as forecasted load that is in excess of the threshold for identification of the top 200 circuit hours. The threshold is based on historic data.



ATTACHMENT A.4  
 SAN DIEGO GAS AND ELECTRIC COMPANY  
 VEHICLE TO GRID A. 14-04-XXXX

**Illustration of a Day with Top 150 System Peak Hours and Top 200 Circuit Peak Hours**

**How to Build the VGI C-CPP Hourly Adder and the VGI D-CPP Hourly Adder into the VGI Rate:**

**Step 1:** Start with the VGI prior to the addition of the CAISO Day-Ahead Price. This rate includes the VGI Base Rate (Transmission, PPP, ND, CTC, RS, and the DWR-BC), the VGI Distribution Base Rate, and the VGI Commodity Base Rate. This results in a flat hourly rate.

**Step 2:** Add the CAISO Day-Ahead Price. The CAISO Day-Ahead Price varies by hour.

**Step 3:** Adjust the VGI Rate with the Average CAISO Rate applied to the hours identified within the top 150 System Peak Hours and the top 200 Circuit Peak Hours.

**Step 4:** For the hours identified within the top 150 System Peak Hours, add the VGI C-CPP Hourly Adder and for the hours identified in the top 200 Circuit Peak Hours, add the VGI D-CPP Hourly Adder to the Averaged CAISO Day- Ahead Price and the VGI Rate. If the hours identified in the top 150 System Peak Hours and the top 200 Circuit Peak Hours coincide, both hourly adders will be applied.

**Step 5:** The end result is a VGI Rate that reflects the hourly differences in the CAISO Day-Ahead Price and the VGI C-CPP and the VGI D-CPP Hourly Adders.

	Step 1		Step 2		Step 3		Step 4		Step 4		Step 5
Hour Beginning	VGI Rate Pre-CAISO		CAISO Day-Ahead Price		Average		C-CPP		D-CPP		VGI Rate (with CAISO and VGI Hourly Adders)
	(cents/kWh)		(cents/kWh)		(cents/kWh)		(cents/kWh)		(cents/kWh)		(cents/kWh)
0	12.7		3.8								16.5
1	12.7		3.5								16.2
2	12.7		3.2								16.0
3	12.7		3.0								15.8
4	12.7		3.1								15.8
5	12.7		3.4								16.1
6	12.7		3.7								16.4
7	12.7		4.0								16.7
8	12.7		4.7								17.4
9	12.7		4.8								17.6
10	12.7		5.4	}	7.9				39.8		60.4
11	12.7	+	5.7		7.9	+			39.8	=	60.4
12	12.7		6.7		7.9	+	62.2	+	39.8		122.7
13	12.7		7.6		7.9	+	62.2	+	39.8		122.7
14	12.7		9.1		7.9	+	62.2	+	39.8		122.7
15	12.7		9.9		7.9	+	62.2	+	39.8		122.7
16	12.7		10.9		7.9	+	62.2	+	39.8		122.7
17	12.7		9.2								22.0
18	12.7		7.1								19.8
19	12.7		6.1								18.8
20	12.7		5.8								18.6
21	12.7		5.5								18.2
22	12.7		4.9								17.6
23	12.7		4.4								17.1

**Assumptions**

The VGI Base rate, the VGI Distribution Base Rate, and the VGI Commodity Base rate are based on the Medium and Large Commercial and Industrial (M/L C&I) class average rate in Advice Letter 2587-E effective April 1, 2014.

The CAISO Day-Ahead price presented above reflects the CAISO Day-Ahead price for June 28, 2013 for node: DLAP\_SDGE-APND.

System Peak Hours are defined as CAISO forecasted load that is in excess of the threshold for the identification of top 150 system hours.

Circuit Peak Hours are defined as forecasted load that is in excess of the threshold for identification of the top 200 circuit hours. The threshold is based on historic data.

ATTACHMENT A.5  
 SAN DIEGO GAS AND ELECTRIC COMPANY  
 VEHICLE TO GRID A. 14-04-XXXX

<b>Illustrative Day with Surplus Energy Occurrence</b>
<b>How to Build the VGI Rate with the Surplus Energy Credit</b>
<p><b>Step 1:</b> Start with the VGI prior to the addition of the CAISO Day-Ahead Price. This rate includes the VGI Base Rate (Transmission, PPP, ND, CTC, RS, and the DWR-BC), the VGI Distribution Base Rate, and the VGI Commodity Base Rate. This results in a flat hourly rate.</p>
<p><b>Step 2:</b> Add the CAISO Day-Ahead Price. The CAISO Day-Ahead Price varies by hour.</p>
<p><b>Step 3:</b> Compare the CAISO Day-Of Price to the CAISO Day-Ahead Price to identify if any of the Day-Of Prices are 1 cent/kWh below the CAISO Day-Ahead Price.</p>
<p><b>Step 4:</b> The end result is a VGI Rate that reflects the CAISO Hourly Day-Ahead Prices with an adjustment for the surplus energy credit in hours in which the Day-Of price falls 1 cent/kWh below the Day-Ahead Price.</p>

Hour Beginning	VGI Rate Pre-CAISO <small>(cents/kWh)</small>		CAISO Day- Ahead Price <small>(cents/kWh)</small>		CAISO Day- of Price <small>(cents/kWh)</small>		VGI Rate (with CAISO) <small>(cents/kWh)</small>
0	12.7		3.3		3.4		16.1
1	12.7		3.2		3.3		15.9
2	12.7		3.0		3.0		15.7
3	12.7		3.0		2.4		15.7
4	12.7		2.9		1.7		14.5
5	12.7		3.0		3.2		15.7
6	12.7		2.9		3.3		15.6
7	12.7		2.7		3.4		15.4
8	12.7		2.9		2.3		15.6
9	12.7		3.1		(6.8)		5.9
10	12.7	+	3.3	+	(7.3)	=	5.4
11	12.7		3.5		0.7		13.5
12	12.7		3.5		(0.3)		12.4
13	12.7		3.7		1.7		14.4
14	12.7		3.7		1.8		14.5
15	12.7		3.8		1.0		13.7
16	12.7		3.8		2.8		15.5
17	12.7		4.3		3.2		15.9
18	12.7		4.6		3.4		16.1
19	12.7		5.5		7.5		18.2
20	12.7		4.8		3.8		16.6
21	12.7		4.4		4.5		17.2
22	12.7		3.7		3.5		16.4
23	12.7		3.5		3.2		16.2

<b>Assumptions</b>
The VGI Base rate, the VGI Distribution Base Rate, and the VGI Commodity Base rate are based on the Medium and Large Commercial and Industrial (M/L C&I) class average rate in Advice Letter 2587-E effective April 1, 2014.
The CAISO Day-Ahead price presented above reflects the CAISO Day-Ahead price for September 22, 2013 for node: DLAP_SDGE-APND.
The CAISO Day-Of price presented above reflects the CAISO Day-of price for September 22, 2013 for node: DLAP_SDGE-APND.

ATTACHMENT B  
SAN DIEGO GAS AND ELECTRIC COMPANY  
VEHICLE TO GRID A. 14-04-XXXX

AVERAGE IMPACTS FROM VGI REVENUE REQUIREMENTS											
Average Rate Impact	Current	2015		2016		2017		2018		2019	
	Total Rate (cents/kWh)	Total Rate (cents/kWh)	Rate Change (%)	Total Rate (cents/kWh)	Rate Change (%)	Total Rate (cents/kWh)	Rate Change (%)	Total Rate (cents/kWh)	Rate Change (%)	Total Rate (cents/kWh)	Rate Change (%)
Residential	20.624	20.629	0.02%	20.650	0.13%	20.670	0.22%	20.698	0.36%	20.701	0.37%
Small Commercial	21.172	21.175	0.01%	21.192	0.09%	21.207	0.17%	21.228	0.26%	21.231	0.28%
Medium/Large C&I	17.233	17.235	0.01%	17.244	0.06%	17.252	0.11%	17.264	0.18%	17.265	0.19%
Agricultural	20.869	20.873	0.02%	20.889	0.10%	20.904	0.17%	20.925	0.27%	20.927	0.28%
Lighting	17.696	17.698	0.01%	17.710	0.08%	17.720	0.14%	17.734	0.21%	17.736	0.23%
System Total	18.873	18.877	0.02%	18.891	0.10%	18.904	0.16%	18.923	0.26%	18.925	0.28%

Note:  
(1) Current Total Rate are the rates in Advice Letter 2587-E effective April 1, 2014.