

Application of SAN DIEGO GAS & ELECTRIC
COMPANY (U 902 E) For Authority To
Update Marginal Costs, Cost Allocation,
And Electric Rate Design.

Application: 15-04-012
Exhibit No.: SDG&E-19

**PREPARED SUPPLEMENTAL TESTIMONY OF
CYNTHIA FANG
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**

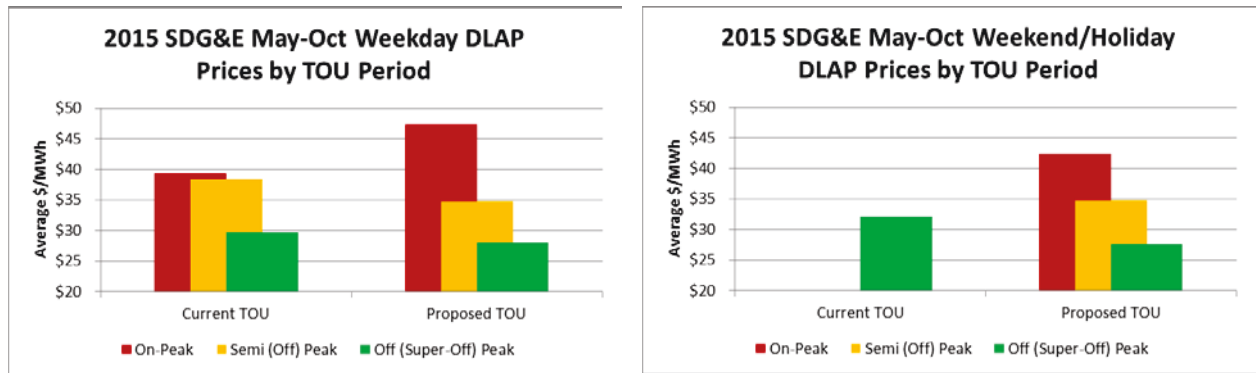
BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

October 7, 2016



1 **CHART 1: COMPARISON OF AVERAGE SUMMER DLAP PRICE UNDER**
2 **CURRENT AND PROPOSED TOU PERIODS - INDEPENDENT WEEKDAY**
3 **& WEEKEND/HOLIDAY³**

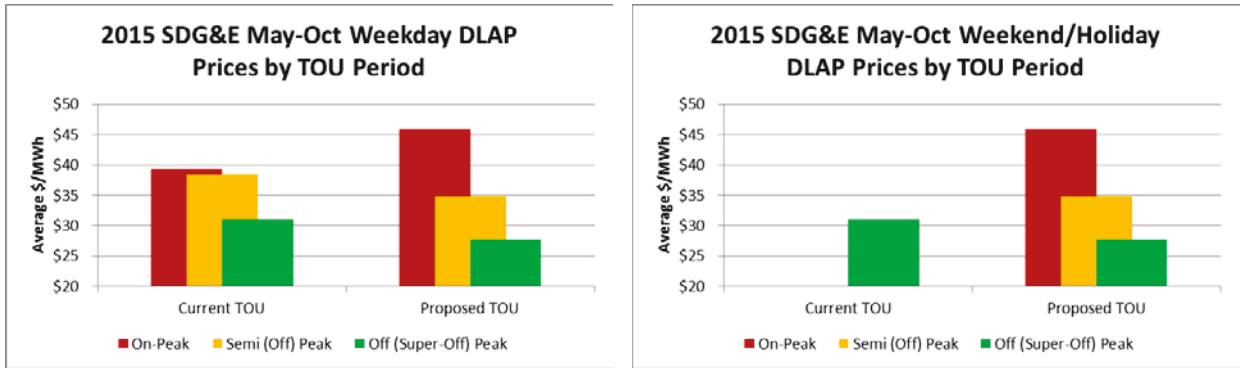


11 Chart 2 presents the blended average DLAP price for five weekdays and two
12 weekend/holidays, meaning the average price for the TOU periods is the same on weekdays and
13 weekend/holidays, i.e., the average price for 4 p.m. - 9 p.m. on the weekdays is the same as the
14 average price for 4 p.m. - 9 p.m. on the weekends, as would be the case with the retail electric
15 rates.⁴ Mathematically, this is (average weekday price between 4 p.m. - 9 p.m. x 5 hours x 5
16 weekdays + average weekend/holiday price between 4 p.m. - 9 p.m. x 5 hours x 2 weekend days)
17 / (5 hours x 5 weekdays + 5 hours x 2 weekend days) = average price for on-peak TOU period.

³ The weekday table on the left is identical to what SDG&E presented in its August 30, 2016 rebuttal testimony (Cynthia Fang rebuttal at page CF-21).

⁴ As SDG&E explained in the Prepared Direct Testimony of Cynthia Fang (February 9, 2016) at page CF-21 lines 2-5, “Regardless of the TOU period definition, the high cost hours will continue to be the high cost hours. For TOU periods to be effective in aligning costs, TOU period definitions should provide a group of high cost hours in the on-peak period, low cost hours in the super-off peak, with mid-cost hours in the “mid-peak” period.” TOU pricing is simply averaging the hourly costs that occur in a defined TOU period.

1 **CHART 2: COMPARISON OF AVERAGE SUMMER DLAP PRICE UNDER**
 2 **CURRENT AND PROPOSED TOU PERIODS - BLENDED WEEKDAY**
 3 **& WEEKEND/HOLIDAY**



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11 This concludes my supplemental testimony.