

**SMUD BOARD POLICY**

Category: <b>Strategic Direction</b>	Title: <b>COMPETITIVE RATES</b>
Date of Adoption: <b>May 1, 2003</b>	Policy Number: <b>SD-2</b>
Revision Date: <b>October 16, 2003</b>	Resolution No. <b>03-05-08</b>
Revision Date: <b>February 21, 2008</b>	Resolution No. <b>03-10-14</b>
	Resolution No. <b>08-02-06</b>

Maintaining competitive rates is a core value of the District.

Therefore:

- a) The Board establishes a rate target of at least 10 percent below Pacific Gas & Electric Company's published rates for each customer class.
- b) In addition, the District's rates shall be designed to balance and achieve the following goals:
  - i. Reflect the cost of energy when it is used;
  - ii. Reduce use on peak;
  - iii. Encourage energy efficiency and conservation;
  - iv. Minimize "sticker" shock in the transition from one rate design to another;
  - v. Offer flexibility and options;
  - vi. Be simple and easy to understand;
  - vii. Meet the needs of people with fixed low incomes and severe medical conditions; and
  - viii. Equitably allocate costs across customer classes.

- c) The District will work with owners, renters and landlords, as well as with local jurisdictions, in implementing this policy.

**Monitoring Method: GM Report**  
**Frequency: Annual**