

SMUD BOARD POLICY

Category: Strategic Direction	Title: Competitive Rates
	Policy Number: SD-2
Date of Adoption: May 1, 2003	Resolution No. 03-05-08
Revision Date: October 16, 2003	Resolution No. 03-10-14
Revision Date: February 21, 2008	Resolution No. 08-02-06
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Maintaining competitive rates is a core value of SMUD.

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, SMUD'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) SMUD will work with owners, renters and landlords, as well as with local jurisdictions, in implementing this policy.

Monitoring Method: GM Report
Frequency: Annual