

Billing, Payment of Bills and Credit Rule and Regulation 6

A. Billing Period

Customer bills will normally be rendered for scheduled billing periods of approximately one month. Bills for electric service will be based upon meter readings or upon estimates as provided in section B hereof.

B. Metering for Billing Purposes and Use of Estimated Consumption

Readings of two or more meters will not be combined for billing purposes unless the convenience of the District is served thereby.

Where the monthly consumption of energy is consistently small or can be predetermined with reasonable accuracy by reference to the capacity of equipment served and the hours of operations, District may, with customer's consent, calculate energy consumed in lieu of providing metering equipment. The calculated energy consumption will be billed at the average of winter season and summer season first tier energy charges. (Rate Category GFN).

Where metering equipment fails or an accurate meter reading is not obtained, the District may estimate demand or energy, or both, for the period of service involved and use such estimates in computing a bill, in accordance with Rule and Regulation 17.

C. Payment of Bills

All customer bills are payable upon presentation to the customer. Payment shall be made at the office of the District, at any of the pay stations that the District may designate, or to any of its duly authorized collectors. Customer bills that remain unpaid 19 days from the date of issuance will be regarded as delinquent. The District may thereafter discontinue service for unpaid electric service bills in accordance with Rule and Regulation 11 or take such other appropriate action as may be necessary. Payments are first applied to all electric service bill amounts owing and then to non-electric bill amounts. Special bills or bills rendered to persons discontinuing service or vacating the premises shall be paid on presentation.

D. Payment of Delinquent Bills Required Before Service is Supplied

Service may be refused or discontinued pursuant to Rule and Regulation 11 until all unpaid charges for electric service to applicant at all locations have been paid or have otherwise been discharged, or have been barred by the statute of limitations, except that residential service may not be refused or discontinued because of nonpayment of bills for other classes of service or non-electric bill amounts.

E. Establishment of Credit

Residential customers:

Residential credit will be deemed established without benefit of a cash deposit, pursuant to Rule and Regulation 3, Section A, until such time as the customer fails to maintain credit to the District's satisfaction.

Commercial customers may:

1. Furnish a bond satisfactory to the District, or
2. Pay a cash deposit, or
3. Provide evidence of previous commercial utility service in the exact same name with either the District or another gas or electric utility within the last 12 months where credit was established and maintained within the District's criteria. If such evidence is not supplied within ten days of the service start date or if the District determines that it is not accurate, the District can require a deposit as a condition of further service.

F. Maintenance of Credit

A customer's credit may be deemed to be no longer maintained to the District's satisfaction if such customer has two or more delinquent bill payments during the last 12 months, has been disconnected for non-payment, has two returned checks, a default on an installment, or an unpaid closed account. Identification information, including social security numbers, of customers with delinquent accounts may be reported to credit reporting agencies as part of the customary collection practice.

A customer receiving service may be required to re-establish credit in the event conditions of service or conditions affecting the customer's credit have materially changed.

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G. Deposit Required Where Credit Not Established or Maintained

Where a customer or an applicant for service does not satisfactorily establish and maintain credit in accordance with Sections E and F, a deposit may be required as security for the payment of bills. The District may, in accordance with Rule and Regulation 11, discontinue service if customer fails to make such deposit as requested by the District. The amount of such deposit for residential and commercial customers shall be the greater of 1) twice the highest estimated monthly bill or twice the highest actual customer bill, or 2) twice the average residential class monthly bill for the preceding three years, rounded to the nearest \$10, as determined and set annually by the District.

H. Deposit Retention and Interest

Deposits will normally be held for a minimum of 12 months for residential and non-residential classes of service. Deposits will be credited to the customer's account at the end of the deposit period, or earlier, at the District's option, if customer has maintained credit to the District's satisfaction as outlined in Section F.

Interest will be credited to the customer's account on an annual basis for an active deposit. The deposit must be active for 180 calendar days before interest is paid. Interest is prorated based on the interest rate(s) in effect from the effective date of the deposit or the last interest paid date, whichever comes later, to the review date. The interest rate will be adjusted each February, May, August, and November to the nearest full percentage interest rate below the average Six month US Treasury Bill yield for the previous three months.

Upon termination of service, the District will return the deposit and any accrued interest less the amount of any unpaid charges. Interest on deposits will be paid on the date of the return of the deposit or on the date of its application to the customer's account.

I. Dishonored Payments

When checks or electronic funds transfers are received as payment for electric bills, deposits or other charges, and are subsequently dishonored or rejected by the bank, the District may require a fee in addition to redemption of the amount of the original check or electronic funds transfer. Dishonored payments and related charges must be redeemed and paid immediately or the District may thereafter discontinue service in accordance with Rule and Regulation 11 or take other appropriate action as necessary. The District will set the fee for dishonored payments annually based on average costs.

J. Delinquent Accounts

In the event a District representative must make a field call to effect collection of a delinquent electric service bill, deposit or other charges, the customer may be required to pay a field service charge in addition to the delinquent amount. Service may be discontinued pursuant to Rule and Regulation 11 if this charge is not paid at the time of collection. Upon restoration of a service disconnected for non-payment, the past due amount, in addition to any other related charges, must be paid in cash, money order, cashier's check, or credit card only. The District reserves the right to consider other payment methods as deemed appropriate. The District will annually set the charge for field service on delinquent accounts based on average costs.

K. Subordination Fee

The cost of subordination will be charged to the property owner for each subordination required in a real estate transaction where the District has a recorded UCC.1 filing resulting from a District energy efficiency loan. The subordination fee will be established to recover SMUD's average cost of subordination and may be revised from time to time to reflect changes in subordination costs.

L. On-line Check Writing Fee

When a customer, for payment of any bill owed the District, requests an on-line check a transaction fee will be required for each check for online check writing based on average costs.

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