

Exhibit to Agenda Item #1b

Board Policy Committee and Special SMUD Board of Directors Meeting

Wednesday, January 17, 2018, scheduled to begin at 5:30 p.m.

Customer Service Center, Rubicon Room

Powering forward. Together.



SD-2 Competitive Rates

Maintaining competitive rates is a core value of the District. Therefore:

a) The Board establishes a rate target of 18 percent below Pacific Gas & Electric Company's published rates on a system average basis. In addition, the Board establishes a rate target of at least 10 percent below PG&E's published rates for each customer class.

Comments:

We'll have to watch this metric as CCAs grow. I'm also concerned about the SIFC for low usage customers. - BR

Given changes in tax code, we probably need to revisit this. - BS

Are we comfortable with the rate differential goal? - GF

c) 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 and within customer classes.

Comments:

I worry about seasonal variability and "sticker shock" as we move to TOD. - BR