

Exhibit to Agenda Item #5

Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, June 20, 2018, scheduled to begin at 5:30 p.m.
Customer Service Center, Rubicon Room

2018 Proposed Rate Process

- 4 proposals to modify SMUD tariffs
 - Mainly focused on economic development opportunities
- Proposal to change a tariff requires a formal process
 - Release of CEO & General Manager's Report and Recommendation on Rates and Services
 - Public outreach: public notices, 2 workshops and a public hearing
- *This rate process does not include a rate increase*

Report Proposals

- **Economic Development Rate (EDR) Tariff**
 - Increase and extend the EDR in order to attract, retain, and help businesses expand in the region.
 - Offer a 10 year contract period for the EDR, provide multiple discount options, increase discount in disadvantaged communities and remove some requirements to qualify
- **Developer Fees (Rule 16)**
 - Offset fees charged to businesses for required SMUD infrastructure, excluding a nonrefundable design fee
- **Residential System Infrastructure Fixed Charge (SIFC) Proration**
 - Prorate the residential SIFC for bills with less than 27 days of service
- **Hydro Generation Adjustment (HGA)**
 - Modify the HGA language to increase the cap on the Hydro Rate Stabilization Fund (HRSF) from 5% to 6% and cap rainfall at 80" in the HGA calculation to better reflect value of precipitation.
 - Minor language changes to clarify formula, readability and implementation dates

Outreach strategy

- Offer presentations and/or informational materials to any organization that accepts our invitation
 - Customized Outreach by Audience
- Focus on organizations that reach business customers and opinion leaders
 - Reach out to business-focused organizations
- Inform customers through meetings, newsletters, public notices, collateral, emails and smud.org



2018 Rate Process Timeline

- Board meeting on June 21
 - Release the CEO & GM’s Report and Recommendations on Rates and Services
 - Set public hearing dates and begin outreach process

Rate Process Timeline

Public Outreach Period
54 Days

Month	Date	Description
June	06/20/18	Request a public hearing date at the Policy Committee meeting
	06/21/18	Set public hearing date and release CEO & GM Report
	06/25/18	1 st Public Notice
July	07/02/18	2 nd Public Notice
	07/09/18	3 rd Public Notice
	07/17/18	Workshop #1 10:00 a.m. (CSC Rubicon Room)
	07/26/18	Workshop #1 6:00 p.m. (CSC Rubicon Room)
Aug	08/16/18	Public hearing & rates resolution drafted
Sep	09/20/18	Board resolution approved

Questions?