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**Addendum to the General Manager's Report and  
Recommendation on**

# **Rates and Services**

***Addendum No. 2  
June 16, 2011***

**A Sacramento Municipal Utility District Publication**

Addendum No. 2 to the General Manager's Report and  
Recommendation on Rates and Services

June 16, 2011

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For additional copies of this Addendum No. 2, or for information on issues included  
in the General Manager's Report and Recommendation on Rates and Services, call  
SMUD's Pricing Division at: (916) 732-6222.

# **ADDENDUM**

## **ADDENDUM NO. 2, DATED JUNE 16, 2011, TO THE GENERAL MANAGER'S REPORT AND RECOMMENDATION ON RATES AND SERVICES DATED APRIL 7, 2011**

This Addendum No. 2 contains the following parts:

- I. Changes to the General Manager's Report and Recommendation
- II. Environmental Assessment of this Addendum
- III. Revised Tariffs

# I. Changes to the General Manager's Report and Recommendation

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## Overview

This Addendum No. 2 to the April 7, 2011, General Manager's Report and Recommendation on Rates and Services includes an additional option to adjust residential and small commercial system infrastructure fixed charges and electricity usage charges over a five year period and reschedules the Public Hearing and introduction of the SMUD Board of Directors' draft resolution until July 21, 2011. In addition, this Addendum proposes to change the effective date of the Net Metering tariff, Rule and Regulation 21 and the Distribution Wheeling Service tariff to August 5, 2011. The following provides further detail on these proposed changes:

1. A revenue-neutral plan to increase by \$2.00 per year for five years (beginning in January 2013) the residential system infrastructure fixed charge, with a corresponding equivalent decrease in electricity usage charges.
2. A revenue-neutral plan to increase the Energy Assistance Program Rate (EAPR) system infrastructure fixed charge by \$1.00 per year for five years (beginning January 2013) until the charge reaches \$8.50, with a corresponding equivalent annual reduction in electricity usage charges.
3. A revenue-neutral plan to increase by \$2.00 per year for four years (beginning in January 2014) the small commercial general service non-demand (GSN) system infrastructure fixed charge with a corresponding equivalent annual decrease in electricity usage charges.
4. A proposal to increase by \$2.00 per year for four years (beginning in January 2014) the small commercial energy assistance program rate system infrastructure fixed charge coupled with a reduction to small commercial non-demand energy usage charges.
5. A proposal to modify the effective date of the proposed revisions to the Net Metering tariff, the proposed revisions to Rule and Regulation 21, and the adoption of the Distribution Wheeling Service tariff from July 22, 2011 to August 5, 2011.

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## Public Workshop and Hearing

SMUD has rescheduled the Public Hearing and added an additional Public Workshop to allow more opportunity for customers to comment on the General Manager's Report and Recommendation, Addendum No. 1 issued on May 18, 2011 and this Addendum No. 2. The Public Hearing was originally scheduled for June 16, 2011; it is now scheduled for July 21, 2011. The additional Public Workshop is scheduled for June 30, 2011. The Public Hearing and Workshop will:

- Present an opportunity for customers to join the Board of Directors and SMUD executives in a discussion of utility-related issues.
- Provide a forum to present proposed rates.
- Invite public input and response to questions on the proposed changes.
- Distribute fact sheets describing expected impacts to individual consumer classes.
- Inform customers about ways they can conserve energy to help save money.

### ***Public Workshop and Hearing Schedule***

<b>Date &amp; Time</b>	<b>Location</b>	<b>Address</b>
Thursday, June 30, 2011 6:00 p.m.	<i>Public Workshop</i> SMUD Headquarters Auditorium	6201 S Street Sacramento
Thursday, July 21, 2011 9:00 a.m.	<i>Public Hearing</i> SMUD Headquarters Auditorium	6201 S Street Sacramento

SMUD staff will be on hand at the Public Workshop and Hearing to provide further details on the rate issues addressed in this Addendum, and to answer any questions.

### **Community Participation**

SMUD invites the public to participate in the rate process by providing feedback to SMUD's Board of Directors at the public hearing. In addition, the public can direct specific questions about a recommendation or the rate process, to Rob Landon, Rates Administrator, at (916) 732-6222 or [rates@smud.org](mailto:rates@smud.org).

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# 1. Five-year Plan to Restructure the Residential System Infrastructure Fixed Charge<sup>1</sup>

The General Manager's Report and Recommendation proposes a one-time increase in the residential system infrastructure fixed charge with a corresponding equivalent decrease in electricity usage charges. The current residential system infrastructure fixed charge is \$7.20 and the General Manager's Report and Recommendation proposes to increase this charge to \$10.00 in January 2012.

Under the proposal in this Addendum, the charge would further increase by \$2.00 per year for five years beginning in January 2013 until the charge reaches a target of \$20.00 in year 2017. Currently, the fixed costs of serving residential customers (not including any generation-related costs) are approximately \$25.00 per customer. This Addendum proposes increasing the residential system infrastructure fixed charge to a target of 80% of this fixed cost of service.

The General Manager's Report and Recommendation also proposes a restructuring of the energy assistance program rate (EAPR). The General Manager's Report and Recommendation proposes maintaining the EAPR system infrastructure fixed charge at \$3.50. This Addendum proposes to increase the EAPR system infrastructure fixed charge by \$1.00 per year for five years beginning in January 2013 until the charge reaches a target of \$8.50 in 2017. This Addendum retains the proposal in the General Manager's Report and Recommendation to set the Base Usage discount at 35% and the Base-Plus discount at 30% for the first 600 kWh of Base-Plus Usage.

Offsetting the annual increase in residential system infrastructure fixed charges will be a corresponding equivalent annual decrease of electricity usage charges over all residential customers. For EAPR customers, the reduction to residential energy usage charges will offset the increase in the system infrastructure fixed charge such that the EAPR discount for the entire EAPR group will remain unchanged.

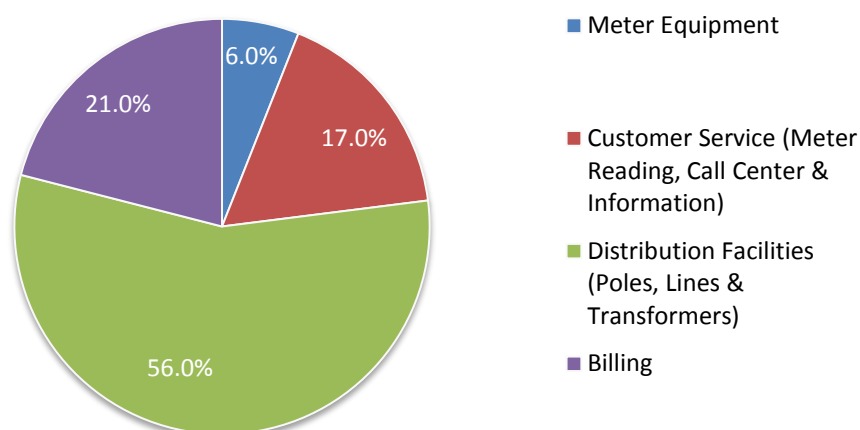
## ***Purpose***

The system infrastructure fixed charge is to recover the costs of providing electric service to a customer. The cost of service included in this charge remains constant each month regardless of the amount of electricity a customer uses. These costs include the cost of transformers, poles, wires, and other electric equipment that are vital to providing reliable electric service. These costs also include metering, billing and other customer services. Below is a table showing the proportion of the system infrastructure fixed charge that is due to these various costs.

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<sup>1</sup> The proposed changes are consistent with pre-existing legislation action by the Board of Directors as evidenced by Strategic Direction (SD-2), Competitive Rates, last revised January 21, 2010 (See Strategic Directions Section of the General Manager's Report and Recommendation). The proposed changes are intended to improve the relative cost of recovery from customers in this rate group and to better align with SMUD's costs of providing services.

# **Chart 1.1: Components of the System Infrastructure Fixed Charge**



The current residential system infrastructure fixed charge is \$7.20, which recovers less than 30% of the fixed cost of serving these customers (not including generation-related costs). Currently, the per kilowatt-hour electricity usage charges recover the cost of electricity generation, but also recover a portion of the fixed infrastructure costs unrelated to generation.

To realign electricity rates, this Addendum proposes to increase system infrastructure fixed charges while lowering electricity usage charges over a multi-year period such that SMUD's overall class level revenues do not change. This proposal will result in the system infrastructure fixed charge recovering the majority of monthly fixed costs and will mostly eliminate non-generation related fixed costs from being recovered by variable usage charges.

The General Manager's Report and Recommendation proposes to increase the residential system infrastructure fixed charge to \$10.00 in January 2012. This Addendum proposes to increase the residential system infrastructure fixed charge by \$2.00 each year over five years beginning in January 2013 through January 2017 until the charge reaches \$20.00 per month. Corresponding reductions to electricity usage charges will occur annually each January over this five year period to ensure all additional revenue collected from the increase in system infrastructure fixed charges is returned to the customer through reductions in usage charges.

This proposal also increases the EAPR system infrastructure fixed charge by \$1.00 per year for five years beginning January 2013 until the charge reaches \$8.50 per month. Corresponding reductions to electricity usage charges will occur each January over this period to ensure all additional revenue collected from the increase in system infrastructure fixed charges is returned through reductions in usage charges.

The revenue adjustment from the proposed incremental changes to the system infrastructure fixed charge and the electricity usage charges for all residential customers are in table 1.1.

<b>TABLE 1.1: Residential Bill Component Revenue Adjustment</b>						
Year	Revenue Increase from System Infrastructure Fixed Charge (\$000)	Revenue Decrease from Electricity Usage Charge (\$000)	Non-EAPR Residential System Infrastructure Fixed Charge	Dollar increase over prior year	EAPR-Only System Infrastructure Fixed Charge	Dollar increase over prior year
2013	\$ 11,468	\$ (11,468)	\$ 12.00	\$ 2.00	\$ 4.50	\$ 1.00
2014	\$ 11,602	\$ (11,602)	\$ 14.00	\$ 2.00	\$ 5.50	\$ 1.00
2015	\$ 11,741	\$ (11,741)	\$ 16.00	\$ 2.00	\$ 6.50	\$ 1.00
2016	\$ 11,887	\$ (11,887)	\$ 18.00	\$ 2.00	\$ 7.50	\$ 1.00
2017	\$ 12,048	\$ (12,048)	\$ 20.00	\$ 2.00	\$ 8.50	\$ 1.00
Total Change	\$ 58,746	\$ (58,746)				

The reduction in electricity usage charges will vary annually based on the number of customers and electricity sold within the residential customer class. This is necessary as increases or decreases in the number of customers and electricity sold from year to year can affect the ability of SMUD to ensure revenue-neutrality.

### ***Revenue Impact***

The proposed increase in the system infrastructure fixed charge component will be balanced with corresponding equivalent decreases in the electricity usage charges. Accordingly, this change is revenue-neutral.

### ***Bill Impact***

Although this proposal is designed to be revenue neutral, certain customers will see bill impacts as a result of changing the components of the rates.

Below are tables identifying the average monthly bill impact at each incremental increase of the system infrastructure fixed charge. The tables show the monthly bill impact for customers who use energy at the fifth and ninety-fifth percentile of electricity users. The cumulative average monthly bill impact for the average usage level of 750 kWh per month in year 5 is about a 1% bill reduction.

<b>Table 1.2: Bill Impact due to the System Infrastructure Fixed Charge Increase for Residential Standard Gas (RSG) Heating Customers</b>							
Year	System Infrastructure Fixed Charge	5th Percentile 73 kWh/mo		Standard Comparison 750 kWh/mo		95th Percentile 1369 kWh/mo	
		\$	%	\$		\$	%
		Increase	Increase	Increase	% Increase	Increase	Increase
2013	\$ 12.00	\$ 1.79	10.5%	\$ (0.18)	-0.2%	\$ (1.97)	-1.0%
2014	\$ 14.00	\$ 1.79	8.7%	\$ (0.18)	-0.2%	\$ (1.97)	-1.0%
2015	\$ 16.00	\$ 1.79	8.0%	\$ (0.18)	-0.2%	\$ (1.97)	-1.0%
2016	\$ 18.00	\$ 1.79	7.4%	\$ (0.18)	-0.2%	\$ (1.97)	-1.0%
2017	\$ 20.00	\$ 1.79	6.9%	\$ (0.18)	-0.2%	\$ (1.97)	-1.0%

Customers on the residential closed electric heating rate will have their system infrastructure fixed charge increase offset by decreases in their summer electricity usage charges. These customers' spring, fall and winter electricity usage charges are already currently discounted. The bill impacts for the closed residential standard electric heating rate are in table 1.3.

<b>Table 1.3: Bill Impact due to Increasing the System Infrastructure Fixed Charge for Closed Residential Standard Electric Heating (RSC) Customers</b>							
Year	System Infrastructure Fixed Charge	5th Percentile 369 kWh/mo		Standard Comparison 750 kWh/mo		95th Percentile 2321 kWh/mo	
		\$	%	\$		\$	%
		Increase	Increase	Increase	% Increase	Increase	Increase
2013	\$ 12.00	\$ 1.29	3.1%	\$ 0.55	0.7%	\$ (2.49)	-0.8%
2014	\$ 14.00	\$ 1.29	3.0%	\$ 0.55	0.7%	\$ (2.49)	-0.8%
2015	\$ 16.00	\$ 1.29	2.9%	\$ 0.55	0.7%	\$ (2.49)	-0.8%
2016	\$ 18.00	\$ 1.29	2.9%	\$ 0.55	0.7%	\$ (2.49)	-0.8%
2017	\$ 20.00	\$ 1.29	2.8%	\$ 0.55	0.7%	\$ (2.49)	-0.8%

A substantial majority of EAPR customers are on the EAPR residential standard gas heating rate. Bill impacts for customers on the EAPR residential standard gas heating rate are in table 1.4.

<b>Table 1.4: Bill Impact due to Increasing the System Infrastructure Fixed Charge for EAPR Residential Standard Gas Heating (RSG_E) Customers</b>							
Year	System Infrastructure Fixed Charge	5th Percentile 162 kWh/mo		Standard Comparison 750 kWh/mo		95th Percentile 1288 kWh/mo	
		\$	%	\$		\$	%
		Increase	Increase	Increase	% Increase	Increase	Increase
2013	\$ 4.50	\$ 0.69	5.1%	\$ (0.42)	-0.8%	\$ (1.56)	-1.2%
2014	\$ 5.50	\$ 0.69	4.8%	\$ (0.42)	-0.8%	\$ (1.56)	-1.2%
2015	\$ 6.50	\$ 0.69	4.6%	\$ (0.42)	-0.8%	\$ (1.56)	-1.3%
2016	\$ 7.50	\$ 0.69	4.4%	\$ (0.42)	-0.8%	\$ (1.56)	-1.3%
2017	\$ 8.50	\$ 0.69	4.2%	\$ (0.42)	-0.8%	\$ (1.56)	-1.3%

### ***Recommendation***

The General Manager recommends that the Board of Directors:

1. Adopt this Addendum's proposal to increase the residential system infrastructure fixed charge to a target of \$20.00 by 2017 and to decrease the electricity usage charges on an annual basis at an equivalent corresponding rate; and
2. Adopt this Addendum's proposal to increase the residential EAPR system infrastructure fixed charge to a target of \$8.50 by 2017 and to decrease the electricity usage charges on an annual basis at an equivalent corresponding rate; and

3. Authorize the General Manager to modify the electricity usage charge on an annual basis to ensure revenue-neutrality is achieved when the system infrastructure fixed charge is increased beginning in 2013 through 2017.

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## 2. Five-year Plan to Restructure the Small Commercial General Service Non-demand Rate (GSN) System Infrastructure Fixed Charge<sup>2</sup>

The General Manager's Report and Recommendation proposes a rate restructuring of very small commercial general service non-demand rates (GSN), including an increase of the system infrastructure fixed charge from \$8.25 to \$12.00 per month, with an equivalent offsetting decrease in electricity usage charges. This addendum proposes to further increase the system infrastructure fixed charge by \$2.00 per year beginning in January 2014 until the charge reaches a target of \$20.00 in 2017, with corresponding annual equivalent reductions to the electricity usage charge,.

The cost of service for the small commercial system infrastructure fixed charge is traditionally higher than the residential system infrastructure fixed charge. This Addendum proposes that the small commercial system infrastructure fixed charge moves to parity with its residential counterpart pending further study of the current small commercial cost of service. Additional changes to the small commercial infrastructure charge may be considered in future rate actions.

### ***Purpose***

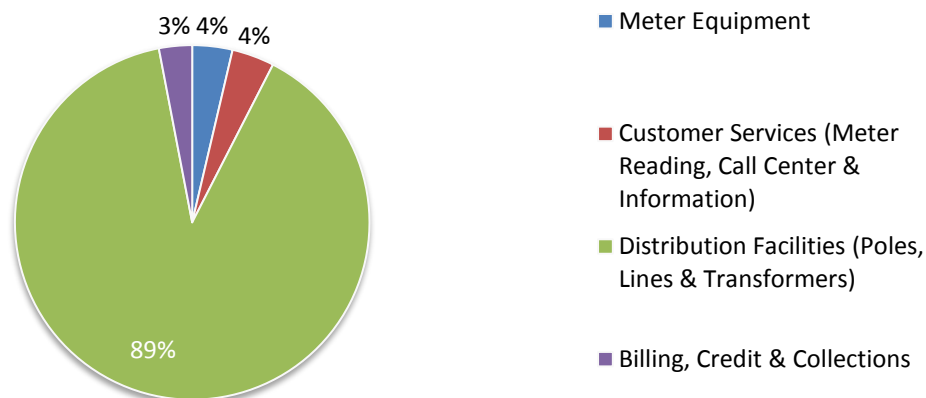
The system infrastructure fixed charge recovers a portion of the costs of providing electrical service to a customer. The infrastructure cost of service included in this charge remains constant each month regardless of the amount of electricity a customer uses.

These costs include the cost of transformers, poles, wires, and other electric equipment that are vital to providing reliable electric service. These costs also include metering, billing and other customer services. Below is a chart showing the proportion of the system infrastructure fixed charges that are due to the various costs mentioned above.

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<sup>2</sup> The proposed changes are consistent with pre-existing legislation action by the Board of Directors as evidenced by Strategic Direction (SD-2), Competitive Rates, last revised January 21, 2010 (See Strategic Directions Section of the General Manager's Report and Recommendation). The proposed changes are intended to improve the relative cost of recovery from customers in this rate group and to better align with SMUD's costs of providing services.

**Chart 2.1: Components of the Very Small Commercial (GSN) System Infrastructure Fixed Charge**



This addendum proposes to increase the system infrastructure charge by \$2.00 per year beginning in January 2014 for four years until the charge reaches \$20.00 in 2017. The increase in the system infrastructure fixed charge will be offset by equivalent annual decreases in electricity usage charges.

The revenue adjustment from the proposed incremental changes to the system infrastructure fixed charge and the electricity usage charges are shown in table 2.1:

**TABLE 2.1: Very Small Commercial Bill Component Revenue Adjustment**

Year	Revenue Increase from System Infrastructure Fixed Charge (\$000)	Revenue Decrease from Electricity Usage Charge (\$000)	Very Small Commercial (GSN) System Infrastructure Fixed Charge	Dollar increase over prior year
2013	\$ -	\$ -	\$ 12.00	\$ -
2014	\$ 1,253	\$ (1,253)	\$ 14.00	\$ 2.00
2015	\$ 1,272	\$ (1,272)	\$ 16.00	\$ 2.00
2016	\$ 1,291	\$ (1,291)	\$ 18.00	\$ 2.00
2017	\$ 1,310	\$ (1,310)	\$ 20.00	\$ 2.00
Total Change	\$ 5,126	\$ (5,126)		

The reduction in the electricity usage charges will vary annually based on the number of customers and electricity sold within the very small commercial customer class. This is necessary as increases or decreases in the number of customers and electricity sold from year to year can affect the ability of SMUD to ensure revenue-neutrality.

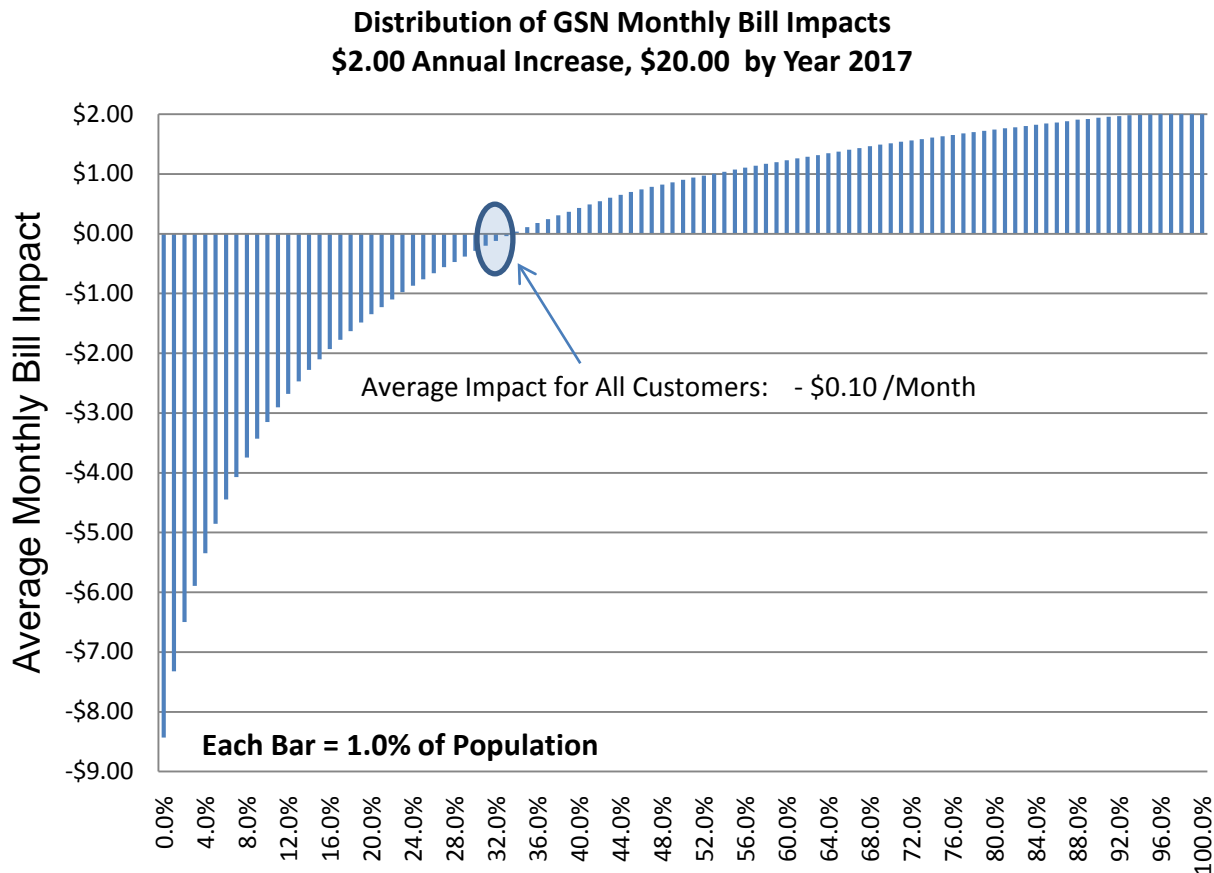
## Revenue Impact

The system infrastructure fixed charge increase will not change SMUD's overall revenue from this class. The proposed increase in the system infrastructure fixed charge component will be balanced with corresponding equivalent decreases in the electricity usage charges, resulting in no overall revenue change for the very small commercial general service non-demand (GSN) customer class.

The original proposal in the General Manager's Report and Recommendation to implement a revenue neutral rate restructure within the small commercial customer class (GSN and GSS rates) remains unaffected.

## Bill Impact

Although this proposal is designed to be revenue neutral, certain customers will see bill impacts as a result of changing the components of the rates. This proposal is projected to reduce the average monthly bill for very small commercial (GSN) customers by -\$0.10 per month. The chart below displays the estimated bill impacts for GSN customers.



## Recommendations

The General Manager recommends that the Board of Directors:

1. Adopt this Addendum's proposal to incrementally increase the system infrastructure fixed charge annually beginning in 2013 to a total of \$20.00 by 2017; and

2. Authorize the General Manager to modify the electricity usage charge on an annual basis to ensure revenue-neutrality is achieved when the system infrastructure fixed charge increases annually from 2013 through 2017.

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### 3. Modify the Small Commercial Energy Assistance Program System Infrastructure Fixed Charge<sup>3</sup>

The General Manager's Report and Recommendation proposes a rate restructuring of small commercial general service non-demand rate (GSN) and the small commercial general service demand rate (GSS). For qualifying non-profit agencies that provide sleeping quarters for low-income residents, SMUD offers a small commercial energy assistance program rate (EAPR).

The small commercial EAPR rate provides a discount of 15% on electricity usage charges and a discount on the system infrastructure fixed charge. The discount for system infrastructure fixed charge is a prescribed amount. This Addendum proposes to increase incrementally the small commercial EAPR system infrastructure fixed charge at the same amount of the increase of the applicable standard small commercial system infrastructure fixed charge.

#### ***Purpose***

The small commercial EAPR system infrastructure fixed charge for those currently on the GSN rate is \$5.10 and for the GSS rate is \$12.60. These amounts are fixed and are 62% of current standard GSN system infrastructure fixed charge and 61% of standard GSS system infrastructure fixed charge. Based on the proposals in the General Manager's Report and Recommendation released on April 7, 2011, the EAPR GSN system infrastructure fixed charge will be 43% of the proposed GSN system infrastructure fixed charge and the EAPR GSS system infrastructure fixed charge will be 57% of the proposed GSS system infrastructure fixed charge beginning in 2012.

This Addendum proposes to increase by \$2.00 per year for four years (beginning in January 2014) the small commercial non-demand EAPR system infrastructure fixed charge, with corresponding reductions to the small commercial non-demand energy usage charges.

Under this proposal, the small commercial GSN EAPR system infrastructure fixed charge will increase to 66% of the standard small commercial non-EAPR GSN charge. This is achieved by increasing the GSN EAPR charge by \$2.00 for four years beginning in January 2014.

The small commercial GSS EAPR charge will increase by \$1.50 in 2012 and will be 64% of the standard GSS charge.

These proposals are reflected in Table 3.1 below.

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<sup>3</sup> The proposed changes are consistent with pre-existing legislation action by the Board of Directors as evidenced by Strategic Direction (SD-2), Competitive Rates, last revised January 21, 2010 (See Strategic Directions Section of the General Manager's Report and Recommendation). The proposed changes are intended to improve the relative cost of recovery from customers in this rate group and to better align with SMUD's costs of providing services.

<b>Table 3.1: Small Commercial EAPR System Infrastructure Fixed Charge Increases</b>						
Year	GSN System Infrastructure Fixed Charge			GSS System Infrastructure Fixed Charge		
	Standard	EAPR	\$ Increase	Standard	EAPR	\$ Increase
2011	\$ 8.25	\$ 5.10	\$ -	\$ 20.50	\$ 12.60	\$ -
2012	\$ 12.00	\$ 5.10	\$ -	\$ 22.00	\$ 14.10	\$ 1.50
2013	\$ 12.00	\$ 5.10	\$ -	\$ 22.00	\$ 14.10	\$ -
2014	\$ 14.00	\$ 7.10	\$ 2.00	\$ 22.00	\$ 14.10	\$ -
2015	\$ 16.00	\$ 9.10	\$ 2.00	\$ 22.00	\$ 14.10	\$ -
2016	\$ 18.00	\$ 11.10	\$ 2.00	\$ 22.00	\$ 14.10	\$ -
2017	\$ 20.00	\$ 13.10	\$ 2.00	\$ 22.00	\$ 14.10	\$ -

### ***Revenue Impact***

The small commercial EAPR system infrastructure fixed charge increase is revenue neutral and therefore is not intended to increase or decrease SMUD's revenues.

### ***Bill Impact***

As of the date of this Addendum, 19 customers on the GSS EAPR rate and 27 customers on the GSN EAPR rate will be affected by this proposal.

For GSS EAPR customers, the monthly bill impact will be an average decrease of \$20 .00 with all but one customer realizing savings.

For GSN EAPR customers, two-thirds of the customers will see bill savings ranging up to \$7.00 per month. The remaining customers will see bill increases of less than \$2.00 per month.

### ***Recommendations***

The General Manager recommends that the Board of Directors:

1. Adopt this Addendum's proposal to increase the system infrastructure fixed charge by \$2.00 annually for four years beginning January 2014 for the small commercial non-demand rate (GSN) EAPR customers; and
2. Adopt this Addendum's proposal to increase the system infrastructure fixed charge by \$1.50 in January 2012 for the small commercial demand rate (GSS) EAPR customers; and
3. Approve the 1-EAPR tariff as attached in part III of this Addendum.

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## **4. Revise the effective date of the proposed revisions to Net Metering tariff, the proposed revisions to Rule and Regulation 21 and the adoption of the Distribution Wheeling Service tariff from July 22, 2011 to August 5, 2011**

### ***Purpose***

Due to the postponement of the Public Hearing until July 21, 2011 to provide customers more opportunity to review and comment on the General Manager's rates and services proposals, this Addendum proposes to change the effective date of the Net Metering tariff, Rule and Regulation 21 and Distribution Wheeling Service tariff to August 5, 2011.

The General Manager is not recommending any additional change to these three proposals as they were presented in the General Manager's Report and Recommendation.

### ***Revenue Impact***

There is no revenue impact associated with postponing the effective dates of these proposals.

### ***Recommendations***

The General Manager recommends that the Board of Directors approve the revised effective date of the Distribution Wheeling Service tariff, Net Metering tariff, and Rule and Regulation 21 from July 22, 2011 to August 5, 2011.

## II. Environmental Assessment to the Addendum No. 2

- 1.0 Section 21080(b)(8) of the California Public Resources Code and Section 15273 of the California Environmental Quality Act (CEQA) Guidelines (California Code of Regulations, Title 14, Sections 15000, et seq.) provide that CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other charges by public agencies which the public agency finds are for the purpose of:
  - (1) meeting operating expenses, including employee wage rates and fringe benefits;
  - (2) purchasing or leasing supplies, equipment, or materials;
  - (3) meeting financial reserve needs and requirements;
  - (4) obtaining funds for capital projects necessary to maintain service within existing service areas; or
  - (5) obtaining funds necessary to maintain such intra-city transfers as are authorized by city charter.
- 2.0 Section 15061(b)(3) of the CEQA Guidelines provides that where it can be said with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.
- 3.0 The proposed actions to increase the residential system infrastructure fixed charge over five years to a target of \$20.00 by 2017 and increase the EAPR system infrastructure fixed charge, while annually decreasing electricity usage charges, are for the purposes set forth in (1) through (4) of Section 1.0 of the Environmental Assessment. Therefore, this rate action is exempt from the requirements of CEQA.
- 4.0 The proposed action to incrementally increase small commercial GSN rate system infrastructure fixed charge annually over five years to a total of \$20.00 by 2017, while annually decreasing electricity usage charges, is for the purposes set forth in (1) through (4) of Section 1.0 of the Environmental Assessment. Therefore, this rate action is exempt from the requirements of CEQA.
- 5.0 The proposed action to adjust the small commercial GSN and GSS EAPR system infrastructure fixed charge to increase at the same amount as the increase in the applicable standard small commercial system infrastructure fixed charge, is for the purposes set forth in (1) through (4) of Section 1.0 of the Environmental Assessment. Therefore, this rate action is exempt from the requirements of CEQA.

- 6.0 The proposed action to revise the effective dates of the Distribution Wheeling tariff, Net Metering tariff, and Rule and Regulation 21 from July 22, 2011 to August 5, 2011, is for the purposes set forth in (1) through (4) of Section 1.0 of the Environmental Assessment. Therefore, this rate action is exempt from the requirements of CEQA.

### **III. Revised Tariffs**

# Distribution Wheeling Service Rate Schedule DWS

## I. Applicability

The District may, at its discretion, provide distribution wheeling service to Independent Power Producers and Cogenerators within SMUD territory, who establish a need for this service. Wheeling service requests will be evaluated on a case by case basis and may be limited by availability of distribution system capacity. This rate has been developed for wholesale power transactions and the District will not wheel non-District power to its retail customers under this rate.

This Schedule is available to entities owning generating facilities that meet the following conditions:

- The entity's generating facility is connected to SMUD's distribution system;
- The entity has a power purchase (offtake) agreement for the output of the generating facility with another entity than SMUD; and,
- Power delivery under the power purchase agreement occurs at a location outside of the SMUD system.

Under the service, the power from the associated generating facility will be wheeled (transferred) across SMUD's distribution system from the point of interconnection of SMUD's distribution system (Interconnection Point) to SMUD's bulk power system. Entities taking service under this tariff will also be required to take Transmission Wheeling Service from SMUD under the SMUD OATT.

Service under this schedule is on a first-come, first-served basis and is available unless the usage of these wheeling facilities would be detrimental to SMUD.

## II. Territory

This Schedule is available for interconnection of the generating facility is to the SMUD distribution system, wherever that may occur within the SMUD service territory.

## III. General Conditions

### 1. APPLICATION FOR SERVICE

Any entity requesting service under this tariff must submit an application for Distribution Wheeling Service. Application for such service can be located at [www.smud.org](http://www.smud.org).

### 2. REQUIRED SERVICE CONTRACT

The entity taking wheeling service under the tariff shall execute a Distribution Wheeling Agreement (DWA) in accordance with SMUD Policy and Procedure 8-05.

### 3. RESERVATION DEPOSIT

The entity requesting service under this tariff will be required to submit a deposit equal to one month of service under this tariff. The deposit will be refundable up until the time that the entity commits to service by execution of the DWA. Once the DWA is executed, the reservation deposit becomes a non-refundable payment for the first month of service under the tariff.

### 4. TERM

Applicant must specify, at the time of application, the date for start of the requested service. Applicant must also specify the duration that is requested for service. SMUD will accept applications for service up to 20 years.

### 5. APPLICATION UNDER SMUD'S OATT

Applicants must also make application for Transmission Service under SMUD's Open Access Transmission Tariff.

### 6. DEFINITIONS

The following definitions apply to this Schedule:

- a. Applicant: The entity requesting service under this tariff.
- b. Distribution Wheeling: The transfer of Merchant Generator power at 12 kV, 21 kV or 69 kV for delivery to a third party outside SMUD service territory.

# Distribution Wheeling Service Rate Schedule DWS

## 7. ELECTRICAL INTERCONNECTION

Applicant must also make a request for interconnection that complies with SMUD's Rule 21 process for interconnection, and must meet the requirements of Rule 21, which includes executing an Interconnection Agreement with SMUD. Any resources **not** meeting the Rule 21 requirements will not be eligible for service under this Schedule.

## 8. METERING REQUIREMENTS

Distributed generation resources receiving service under this Schedule shall comply with all applicable rules in installing a meter appropriate for full output monitoring agreements, and which can be read daily by electronic means acceptable to SMUD. The customer shall be responsible for procuring and maintaining any communication link required by SMUD for retrieving meter data.

## IV. Line Losses

Generators taking service under this tariff will be assessed a line loss factor. Line losses will be applied as the electricity transitions from one voltage level to another. The line losses by voltage level are as follows:

<u>Voltage Level</u>	<u>Loss Factor</u>
12/21kV	4.06%
69kV	1.53%

The District reserves the right to update the line loss factor annually on January 1.

Line losses will be applied to the amount of generated electricity that is measured at the point of interconnection between the Generator's facility and the District's electrical system.

## V. Rates

<b>Distribution Wheeling Charge</b>	<b><u>12/21 kV*</u></b>	<b><u>69 kV</u></b>
\$/kW-month	\$5.829	\$1.355

\* includes all path charges to bulk power system

# Residential and General Service Energy Assistance Program

## I. Applicability

To customers receiving service under residential or general service rates who meet the eligibility requirements.

## II. Qualification

To qualify for the Energy Assistance Program, the customer must complete an eligibility application approved by the District. Applications are provided and processed by the District's designated agent.

## III. Discount for Residential Customers

Residential customers on this rate will receive a discount on their monthly system infrastructure fixed charge as detailed in 1-R-A. The applicable residential rate schedules are discounted as follows: 1) a discount of 35% is applied to the electricity usage charges for Base Usage 2) a discount of 30% is applied to usage charges for the kWh quantities in excess of Base Usage up to 600 kWh (discount ceiling). Any electricity usage above the discount ceiling will be charged the Base-Plus Usage rate based on the customer's billed residential rate category and the season.

## IV. Time Based Pricing Plans

### (A) SmartSacramento<sup>®</sup> Pricing Pilot EAPR Rates<sup>1</sup>

(Rate Categories RSCH\_E\_CB, RSEH\_E\_CB, RSGH\_E\_CB, RWCH\_E\_CB, RWEH\_E\_CB, RWGH\_E\_CB)

#### Applicability

These rates will be offered only to selected participants for a limited trial period. They apply only during the summer season. Participants will revert to their otherwise applicable rates during the remaining months of the year.

#### SmartSacramento<sup>®</sup> Pricing Pilot Time of Use EAPR Rate (Summer Season Only)

System Infrastructure Fixed Charge per month.....	\$3.50
On-Peak ¢/kWh.....	20.00¢
Off-Peak ¢/kWh:	
Off-Peak Base Usage per month.....	5.50¢
Off-Peak Base-Plus Usage per month.....	11.62¢
Off-Peak Non-Discounted Base-Plus Usage per month.....	16.60¢

#### SmartSacramento<sup>®</sup> Pricing Pilot Critical Peak EAPR Rate (Summer Season Only)

System Infrastructure Fixed Charge per month.....	\$3.50
Critical Peak ¢/kWh.....	50.00¢
Off-Peak ¢/kWh:	
Off-Peak Base Usage per month.....	5.53¢
Off-Peak Base-Plus Usage per month.....	11.65¢
Off-Peak Non-Discounted Base-Plus Usage per month.....	16.65¢

#### SmartSacramento<sup>®</sup> Pricing Pilot Combined Time of Use and Critical Peak EAPR Rate (Summer Season Only)

System Infrastructure Fixed Charge per month.....	\$3.50
Critical Peak ¢/kWh.....	50.00¢
On-Peak ¢/kWh.....	20.00¢
Off-Peak ¢/kWh:	
Off-Peak Base Usage per month.....	4.68¢
Off-Peak Base-Plus Usage per month.....	9.87¢
Off-Peak Non-Discounted Base-Plus Usage per month.....	14.11¢

<sup>1</sup> ®A registered service mark of the Sacramento Municipal Utility District

# Residential and General Service Energy Assistance Program

## SmartSacramento<sup>®</sup> Pricing Pilot EAPR Billing Periods (June 1 – September 30 Summer Only)

On-Peak Hours	Summer weekdays between 4:00 p.m. and 7:00 p.m., exclusive of Independence Day (July 4 <sup>th</sup> ) and Labor Day holidays.
Critical Peak Hours	Up to twelve summer weekdays between 4:00 p.m. and 7:00 p.m., exclusive of Independence Day (July 4 <sup>th</sup> ) and Labor Day holidays, announced by SMUD a day in advance as a critical peak event day.
Off-Peak Base Usage, Base-Plus Usage, and Non-Discounted Base-Plus Usage Hours	Usage in all other non-peak hours in accordance with the Summer Season Basic Residential EAPR Usage Quantities indicated in Section V above.

### V. Electricity Usage Surcharges

The following surcharges will apply to all kWh used per month, subject to the conditions detailed in the following Tariff sheets:

**Solar Surcharge**, established to comply with state regulation, creates a fund for encouraging customer-owned solar power generation. See Tariff Sheet No. 1-SB-1 for further details, including current surcharge amount.

**Hydro Generation Adjustment (HGA)** will only apply when low levels of precipitation adversely affect SMUD's hydroelectric production. See Tariff Sheets No. 1-HGA-1-2 for further information on how the HGA is calculated and when it applies.

### VI. Eligibility for Residential Customers

To be eligible for the Energy Assistance Program the customer must meet the following requirements:

- The total gross household income must conform to the Government Income Guidelines as specified on the application,
- He/she cannot be claimed as a dependent on another person's income tax return, and
- The service address shown on the application is the customer's primary residence.

### VII. Discount for Non-Profit Agency Customers

A discount of 15 percent of the electricity usage charge and site infrastructure charge each month is applied for general service customers directly served by the District, who are certified non-profit agencies that meet the eligibility criteria as outlined below.

The General Service GSN\_T system infrastructure fixed charge will be set as detailed in 1-GS-A and will be applied each month for small commercial general service non-demand metered customers directly served by the District, who are certified non-profit agencies that meet the eligibility criteria as outlined below.

The General Service GSS\_T system infrastructure fixed charge will be set at \$14.10 and will be applied each month for small commercial general service demand metered customers directly served by the District, who are certified non-profit agencies that meet the eligibility criteria as outlined below.

### VIII. Eligibility for Non-Profit Agencies

Non-Profit agencies must apply directly to the District for the Energy Assistance Program. To qualify for this program, the District must directly serve an agency. In addition, the agency must be a certified non-profit public or private agency, defined by the Internal Revenue Service code as a charitable and/or educational organization that owns and operates residential unit(s) and whose residents meet the Energy Assistance Program income guidelines. An energy survey of the residential unit(s) is recommended at the time of being placed on this program and implementation of recommended cost effective energy efficiency measures is encouraged. The primary function shall be to provide a home (sleeping quarters) for low-income residents who would otherwise meet the residential Energy Assistance Program Rate guidelines defining low-income if permanently residing in a residence. Given that the primary function is provided by the non-profit agencies, associated facilities that provide daytime services for the homeless (e.g. personal hygiene facilities, laundry facilities, kitchen and/or dining facilities, etc.) may also qualify for the discount. At least 75 percent of the facility's square footage must be directly related to meeting these functions.

# **Residential and General Service Energy Assistance Program**

## **IX. Verification of Eligibility**

Upon request, each applicant shall provide proof, satisfactory to the District or its designated agent, that they meet the eligibility requirements. Failure to provide proof as requested will be considered just cause for denial to the Energy Assistance Program. It is the customer's responsibility to immediately notify the District or its designated agent when eligibility requirements change to the extent that the applicant no longer qualifies for this program. Applicants served under this program will be subject to annual review and/or verification. Any intent to defraud the District will result in rebilling of the applicant's bill and removal from the Energy Assistance Program. The District reserves the right to take appropriate legal action as warranted.

## **X. Application**

The Energy Assistance Program option will become effective commencing with the beginning of the billing period in which the request is received and approved. Return to another rate option will be effective commencing with the beginning of the billing period in which the request is received or the cancellation date, if this enrollment in the Energy Assistance Program is terminated.

*(End)*

# General Service Rate Schedule GS

## I. Applicability

This schedule applies to non-residential general service accounts with billing demand that does not exceed 300 kW for 3 or more consecutive months. General Service customers include commercial, industrial or non-agricultural irrigation pumping accounts who take single or 3-phase service at nominal voltages designated by SMUD as available at the customer premise.

## II. Non-Demand Metered Rates

This rate applies to general service customers having a demand of 20 kW or less. Whenever use of energy by non-demand metered general service customers is 7,300 kWh or more for 3 consecutive months or whenever, in SMUD's judgment, the demand will exceed 20 kW, a demand meter will be installed and the customer will be billed on the applicable demand metered rate. The customer will be billed on the demand-metered rate until the demand falls below 21 kW and energy is less than 7,300 kWh for 12 consecutive months before being returned to the GSN\_T rate.

The prices in this section are subject to annual revisions in accordance with attachment 1-GS-A. Revisions will occur annually on January 1.

### Small Commercial GSN\_T

#### SUMMER SEASON - JUNE 1 through SEPTEMBER 30

System Infrastructure Fixed Charge per month.....	\$12.00
Time of Use Electricity Usage Charges (see section V)	
On-Peak ¢/kWh.....	28.37¢
Off-Peak ¢/kWh.....	10.50¢

#### ALL OTHER MONTHS - OCTOBER 1 through MAY 31

System Infrastructure Fixed Charge per month.....	\$12.00
Electricity Usage Charge - ¢/kWh for all kWh.....	12.40¢

## III. Non-Demand Non-Metered Rate

Where the monthly consumption of electricity is consistently small or can be predetermined with reasonable accuracy by reference to the capacity of equipment served and the hours of operations, SMUD may, with customer's consent, calculate electricity consumed in lieu of providing metering equipment. The calculated electricity consumption will be billed at the average of the Non-Demand Metered Rate (GSN\_T) annual electricity usage charges. The system infrastructure fixed charge for this rate will be the same as the Non-Demand Metered Rate system infrastructure fixed charge (GSN\_T).

### Small Commercial GFN

#### ALL MONTHS

System Infrastructure Fixed Charge per month.....	\$12.00
Electricity Usage Charge (¢ per kWh) – all kWh.....	12.51¢

## IV. Demand Metered Rates

This rate applies to general service customers having a demand of 21 kW or more and whereby a demand meter is installed. The demand for any month will be the maximum 15-minute kW delivery during the month. The customer will be billed on the demand-metered rate until the demand falls below 21 kW and energy is less than 7,300 kWh for 12 consecutive months before being returned to the GSN\_T rate.

### Small Commercial Demand-Metered Service GSS\_T

#### SUMMER SEASON - JUNE 1 through SEPTEMBER 30

System Infrastructure Fixed Charge per month.....	\$22.00
Site Infrastructure Charge per 12 month maximum kW or installed capacity.....	\$6.80
Time of Use Electricity Usage Charges (see section V)	
On-Peak ¢/kWh.....	23.36¢
Off-Peak ¢/kWh.....	8.10¢

## SACRAMENTO MUNICIPAL UTILITY DISTRICT

Resolution No. 11-08-xx adopted August 4, 2011

Sheet No. 1-GS-1  
Effective: January 1, 2012  
Edition: January 1, 2012

# General Service Rate Schedule GS

## ALL OTHER MONTHS - OCTOBER 1 through MAY 31

System Infrastructure Fixed Charge per month.....	\$22.00
Site Infrastructure Charge per 12 month maximum kW or installed capacity .....	\$6.80
Electricity Usage Charge – ¢/kWh for all kWh.....	9.16¢

### V. Summer Time of Use Billing Periods (June 1 – September 30)

**On-Peak Hours:** Summer weekdays between 3:00 p.m. and 6:00 p.m., exclusive of July 4<sup>th</sup> and Labor Day holidays.  
**Off-Peak Hours:** All other summer hours.

### VI. Electricity Usage Surcharges

The following surcharges will apply to all kWh used per month subject to the conditions detailed in the following Tariff sheets:

**Solar Surcharge**, established to comply with state regulation, creates a fund for encouraging customer-owned solar power generation. See Tariff Sheet No. 1-SB-1 for further details, including current surcharge amount.

**Hydro Generation Adjustment (HGA)** will only apply when low levels of precipitation adversely affect SMUD's hydroelectric production. See Tariff Sheets No. 1-HGA-1-2 for further information on how the HGA is calculated and when it applies.

### VII. Discontinuance of Service

Any customer resuming service within 12 months after discontinuing service will be required to pay the Site Infrastructure Charges and System Infrastructure Fixed Charges that would have been billed if service had not been discontinued, except when a customer agrees to lock out service during the full period of June through September. The Site Infrastructure Charges and System Infrastructure Fixed Charges will be waived during each of those months.

### VIII. Rate Option Menu

#### (A) Energy Assistance Program for Non-Profit Agencies

Please see Sheet No. 1-EAPR-1 for details on the Energy Assistance Program.

#### (B) Standby Service Option

This option is for general service customers who operate, in whole or in part, customer-owned generator(s) on their premises and where 1) the output connects to SMUD's electrical system and 2) SMUD must stand ready to provide backup or maintenance service to replace the generator(s).

Standby Service Charge by Voltage Level (\$/kW of Contract Capacity per month)	Secondary	Primary	Sub-transmission
	\$6.25	\$4.95	\$2.50

"Contract Capacity" is a fixed kilowatt value determined by the rating of the generator unit. In addition to the standby service charge, SMUD will continue to bill for all applicable charges under this rate schedule. These charges include System Infrastructure Fixed Charges and Site Infrastructure Charges, as well as Electricity Usage and Maximum Demand Charges for District-provided power.

#### (C) Plug-in Electric Vehicle (PEV) Option

Owners of licensed commercial plug-in electric vehicles (PEV) and/or commercial battery electric or plug-in hybrid electric vehicles (PHEV) may choose to have a charging location be billed under the applicable rate schedule, excluding the GFN rate. The term PEV is meant to be inclusive of both Battery Electric Vehicle and Plug-in Hybrid Electric Vehicles.

# General Service Rate Schedule GS

## **(D) Green Pricing Options**

### **1. SMUD Community Solar Option**

Under this premium service option, customers elect to contribute monthly payments towards the installation of a photoelectric system at a selected community locale. See the SMUD website for further information on monthly contribution options and currently identified projects.

### **2. SMUD Renewable Energy Option**

Customers electing this premium power service will receive an additional charge for monthly energy of no less than 1/2¢ and no greater than 2¢ per kWh. SMUD may offer up to 3 premium rate options representing various blends of renewable resources within the 1/2¢ to 2¢ range. The actual prices will be published each November and will be based on the expected above market cost of renewable resources for the upcoming year. Participation will be limited to the amount of resources that SMUD is able to secure below the 2¢ premium limit.

## **(E) Implementation of Energy Efficiency Program or Installation of New Solar/Photovoltaic Systems**

Customers who implement a District-sponsored Energy Efficiency program or a District-approved solar/photovoltaic system to offset their on-site energy usage may request a reset of their 12-month historical demand upon completion of the project.

## **(F) Net Metering for Solar Electric, Wind Turbine, and Biomass Generation Facilities**

Please see Sheet No. 1-NM-1 for details on the Net Metering option.

## **IX. Special Metering Charge**

For customers who purchase and install communications hardware and software to transfer energy load data from their meter/recorder to a personal computer, SMUD will charge a monthly service fee to cover maintenance, software support and the annual licensing fee.

## **X. Conditions**

### **(A) Type of Electric Service**

SMUD will provide customers on this Rate Schedule standard, firm service consisting of a continuous and sufficient supply of electricity.

### **(B) Service Voltage Definition**

Customers on this Rate Schedule may only apply for Secondary Service Voltage as defined below. Customers seeking an alternate class of voltage service must comply with the criteria listed below and apply under the applicable Rate Schedule.

#### *1. Secondary Service Voltage*

This service class provides power at voltage levels below 12 kilo-Volts (kV), or at a level not otherwise defined as "Primary" or "Sub-transmission".

#### *2. Primary Service Voltage*

This service class provides power at a voltage level of 12 kV or 21 kV. To be eligible for Primary Service Voltage, the customer's monthly demand must exceed 299 kW, the voltage must be available in the area being served, and SMUD must approve the arrangement for power provision.

#### *3. Sub-transmission Service Voltage*

This sub-transmission service class provides power at a voltage level of 69 kV or as otherwise defined by SMUD. To be eligible for voltage service at this level, the customer's monthly demand must exceed 499 kW, the voltage must be available in the area being served, and SMUD must approve the arrangement for power provision.

# General Service Rate Schedule GS

## (C) Power Factor Adjustment

Accounts on a demand rate may be subject to a power factor adjustment. SMUD, at its option, may place Volt ampere-reactive (VAR) metering equipment to record reactive power conditions. Effective January 1, 1998, when a customer's monthly power factor falls below 95% leading or lagging, the following billing adjustment will apply

$$\text{Electricity Usage} \times \$0.0098 \times \left( \frac{95\%}{\text{Power Factor}} - 1 \right)$$

*Electricity Usage* = the total monthly kWh for the account

*Power Factor* = the lesser of the customer's monthly power factor or 95%

Customers that contract with SMUD for power factor corrections will have the power factor adjustment waived for the portion that is covered under the contract.

The fee for correction per KVAR .....\$0.2588

KVAR = maximum 12 month KVAR in excess of 33% of kW.

## (D) Billing

Meter reading for service rendered in accordance with this rate will not be combined for billing purposes unless SMUD determines it is necessary or convenient to do so.

### PRORATION OF CHARGES

The System Infrastructure Fixed Charge and Site Infrastructure Charge will be prorated during non-standard billing periods. The following table shows the basis for the proration during these circumstances.

Billing Circumstance	Basis for Proration
Bill period is shorter than 27 days	Relationship between the length of the billing period and 30 days
Bill period is longer than 34 days	

(End)

Section II - Non-Demand Metered Rates

Season	Rate	Charge	2013	2014	2015	2016	2017
Summer	Small Commercial GSN_T	System Infrastructure Fixed Charge	\$ 12.00	\$ 14.00	\$ 16.00	\$ 18.00	\$ 20.00
Summer	Small Commercial GSN_T	On Peak ¢/kWh Offset	\$ -	\$ (0.0022)	\$ (0.0022)	\$ (0.0023)	\$ (0.0023)
Summer	Small Commercial GSN_T	Off Peak ¢/kWh Offset	\$ -	\$ (0.0022)	\$ (0.0022)	\$ (0.0023)	\$ (0.0023)
Winter	Small Commercial GSN_T	System Infrastructure Fixed Charge	\$ 12.00	\$ 14.00	\$ 16.00	\$ 18.00	\$ 20.00
Winter	Small Commercial GSN_T	Electricity Usage Charge ¢/kWh Offset	\$ -	\$ (0.0022)	\$ (0.0022)	\$ (0.0023)	\$ (0.0023)
All Seasons	Small Commercial GSN_T EAPR	System Infrastructure Fixed Charge	\$ 5.10	\$ 7.10	\$ 9.10	\$ 11.10	\$ 13.10

- 1) All per kWh offsets are incremental
- 2) The months and dates of the Summer and Winter seasons are defined in Section II of 1-GS
- 3) The amount of the per kWh offset is subject to minimal increase or decrease to ensure that the scheduled System Infrastructure Fixed Charge increase is revenue-neutral for the Sacramento Municipal Utility District

# Net Metering for Qualifying Facilities (NM) Solar Electric, Wind Turbine and Biomass

## I. Applicability

The net metering option applies to residential, commercial/industrial, and agricultural customers who have a solar or wind electrical generation facility, a hybrid system of both, or a biomass facility with a capacity of not more than 3,000 kilowatts. The facility must be located on the customer's premises, operate in parallel with SMUD's transmission and distribution facilities, and must be intended primarily to offset part or all of the customer's own electrical requirements. The customer must meet all requirements of Rule 21.

Application for this rate schedule is on a first-come, first-served basis, until the total rated generating capacity of customers taking service under this tariff exceeds five (5) percent of SMUD's aggregate customer peak demand. Once the total rated generation capacity reaches five (5) percent of SMUD's aggregate customer peak demand, this rate schedule is closed to new customers.

## II. Metering

### (A) Residential and Small Commercial $\leq 20$ kW; Agricultural Customers $\leq 30$ kW

SMUD will pay for and install, at no cost to the customer, a single meter capable of registering the flow of electricity in both directions, or an equivalent means of metering.

### (B) Large Commercial $> 20$ kW; Agricultural Customers $> 30$ kW

SMUD will pay for and install a single meter, or an equivalent means of metering, capable of registering the flow of electricity in both directions. The customer may be required to pay the cost differential between standard metering and bi-directional metering.

## III. Standby Charges

Customers who qualify for Net Metering are exempt from standby charges on that portion of their load.

## IV. Payments

Residential, Small Commercial and Agricultural Customers as defined in Section II (A) of this sheet may pay monthly or annually for the net electricity consumed, but must pay monthly any billed non-electricity charges. For all other customers, the net balance of all moneys owed must be paid on each monthly billing cycle. If, in any regular billing month, the electricity supplied by SMUD is less than the electricity supplied to SMUD by the customer's system, the customer will receive retail-valued electricity credits for the excess electricity supplied to SMUD. The retail-valued electricity credits will carry over to the following billing period until the end of the settlement period. Retail-valued electricity credits will only be credited against electricity usage charges. Non-electricity usage charges, which must be paid monthly, include the system infrastructure fixed charge, maximum demand charge, site infrastructure charge, program fees, surcharges and taxes.

## V. Settlement Method

All customers who qualify for the net metering option shall have a twelve (12) month settlement period that begins on the effective date of the customer's net metering agreement or upon SMUD's receipt of the customer's net surplus generation election form. At the end of the customer's twelve (12) month settlement period, any unused accumulated monthly retail electricity credits will be zeroed out.

### (A) Annual Net Surplus Generation

At the end of a customer's twelve (12) month settlement period, SMUD shall calculate the amount of net surplus generation over the twelve (12) month period. If the customer has net surplus generation, SMUD will, at the customer's election, either a) provide a monetary credit for the net surplus generation to be paid out to the customer or b) roll over the net annual surplus kWh into the next twelve (12) month period. Monetary value for each net surplus generated kWh shall be calculated based on the following calculation:

The dollar per kWh surplus compensation value will be calculated using the most recently published SMUD budget to determine the expected avoided generation and production-related costs divided by the forecasted annual energy sales.

For each kWh purchased under this annual net surplus generation method, the ownership of the associated renewable electricity credit will transfer from the customer to SMUD. The net surplus monetary value shall be calculated annually. This net surplus monetary value will remain in effect for the duration of the fiscal year used for the calculation of the customer's net surplus generation. The value shall be published on SMUD's website by December 20 prior to the year the value is in effect.

### (B) Opt-Out of Annual Net Surplus Generation

Customers may elect to opt out of receiving compensation or monetary credit for their net surplus generation over their twelve (12) month settlement period. Customers who elect to opt out will not receive any form of compensation nor credit for net surplus generation delivered to SMUD. Such customers will be allowed to retain any associated renewable electricity credits produced by their net surplus generation.

(End)

# Residential Service Rate Schedule R

## I. Applicability

This schedule applies to single and three-phase service for the following types of residential premises: 1. Individually-metered residences including single-family homes, flats, apartments and condominiums, 2. General farm service where the meter also serves the residence, or additional meters on a farm where the electricity consumed is solely for domestic purposes and 3. Master-metered service to a multi-family accommodation or a mobile home park which are sub-metered to all individual mobile homes or single-family units.

## II. Basic Rates

The prices in this section are subject to annual revisions in accordance with attachment 1-R-A. Revisions will occur annually on January 1.

### WINTER SEASON – DECEMBER 1 through MARCH 31

#### Standard Rate (Rate Categories RSEH, RWEH, RSGH, RWGH)

System Infrastructure Fixed Charge per month.....	\$10.00
Electricity Usage Charge:	
Base Usage per month ¢/kWh.....	9.38¢
Base-Plus Usage per month ¢/kWh.....	17.65¢

#### Electric Space Heat Rate \* (CLOSED) (Rate Categories RSCH, RWCH)

System Infrastructure Fixed Charge per month.....	\$10.00
Electricity Usage Charge:	
Base Usage per month ¢/kWh.....	7.57¢
Base-Plus Usage per month ¢/kWh.....	14.43¢

### SPRING AND FALL SEASONS – APRIL 1 – MAY 31, And OCTOBER 1 – NOVEMBER 30

#### Standard Rate (Rate Categories RSEH, RWEH, RSGH, RWGH)

System Infrastructure Fixed Charge per month.....	\$10.00
Electricity Usage Charge:	
Base Usage per month ¢/kWh.....	9.38¢
Base-Plus Usage per month ¢/kWh.....	17.65¢

#### Electric Space Heat Rate \* (CLOSED) (Rate Categories RSCH, RWCH)

System Infrastructure Fixed Charge per month.....	\$10.00
Electricity Usage Charge:	
Base Usage per month ¢/kWh.....	8.49¢
Base-Plus Usage per month ¢/kWh.....	15.35¢

### SUMMER SEASON – JUNE 1 through SEPTEMBER 30

#### Standard Rate (Rate Categories RSEH, RWEH, RSCH, RWCH, RSGH, RWGH)

System Infrastructure Fixed Charge per month.....	\$10.00
Electricity Usage Charge:	
Base Usage per month ¢/kWh.....	10.16¢
Base-Plus Usage per month ¢/kWh.....	18.30¢

\*The Winter Season (CLOSED) Electric Space Heat Rate is no longer available to new installations of electric space heat equipment, effective May 1, 1996. Any new occupant to a current premise with (CLOSED) Rate Categories RSCH, RTC, or RWCH will be placed on the Standard Rate (Rate Categories RSEH, RWEH) or on the Time of Use Rate (Rate Category RTE) if applicable, upon application for service. New occupants and new customers installing electric space heat equipment (Rate Categories RSEH, RWEH) shall be entitled to the Base Usage and Base-Plus Usage Quantities for Electric Space Heat and billed the Standard Rate.

# Residential Service Rate Schedule R

## III. Base Usage and Base-Plus Usage Quantities

**WINTER SEASON – DECEMBER 1 through MARCH 31**  
(Kilowatt-hours per month)

Rate Category	Standard Heat		Electric Heat	
	RSGH	RWGH (with Wells)	RSEH, RSCH	RWEH, RWCH (with Wells)
Base Usage	0 – 620	0 – 920	0 – 1,120	0 – 1,420
Base-Plus Usage	> 620	> 920	> 1,120	> 1,420

**SPRING AND FALL SEASONS – APRIL 1– MAY 31 and OCTOBER 1 – NOVEMBER 30**  
(Kilowatt-hours per month)

Rate Category	Standard Heat		Electric Heat	
	RSGH	RWGH (with Wells)	RSEH, RSCH	RWEH, RWCH (with Wells)
Base Usage	0 – 620	0 – 920	0 – 800	0 – 1,100
Base-Plus Usage	> 620	> 920	> 800	> 1,100

**SUMMER SEASON – JUNE 1 through SEPTEMBER 30**  
(Kilowatt-hours per month)

Rate Category	RSEH, RSCH, RSGH	RWEH, RWCH, RWGH (with Wells)
Base Usage	0 – 700	0 – 1,000
Base-Plus Usage	> 700	> 1,000

## IV. Optional Medical Equipment Discount and Energy Assistance Programs

Refer to the following Tariff Sheets for details on eligibility and discounts on these programs:

*Medical Equipment Discount Program* (Rate Categories with suffix “\_L”). See Sheet No. 1–MED–1.

*Energy Assistance Program* (Rate Categories with suffix “\_E”). See Sheet No. 1–EAPR–1.

*Joint Participation in Medical Equipment Discount and Energy Assistance Programs* (Rate Categories with suffix “\_EL”). See Sheet No. 1–MED–1.

## V. Time Based Pricing Plans

(A) **Option 1 Time of Use Rate** (Rate Categories RTE, RTC, RTG)

**WINTER SEASON – OCTOBER 1 through MAY 31**

System Infrastructure Fixed Charge per month.....	\$10.00
On-Peak ¢/kWh.....	11.20¢
Off-Peak ¢/kWh.....	10.37¢

**SUMMER SEASON – JUNE 1 through SEPTEMBER 30**

System Infrastructure Fixed Charge per month.....	\$10.00
On-Peak ¢/kWh.....	24.41¢
Off-Peak ¢/kWh.....	11.51¢

**Option 1 Time of Use Billing Periods**

<b>Winter Season On-Peak</b>	Weekdays between 7:00 a.m. and 10:00 a.m., and 5:00 p.m. and 8:00 p.m.
<b>Summer Season On-Peak</b>	Weekdays between 2:00 p.m. and 8:00 p.m.
<b>Off-Peak</b>	All other hours, including holidays shown in Section (D)

**Option 1 Time of Use Trial Billing**

**SACRAMENTO MUNICIPAL UTILITY DISTRICT**

Resolution No. 11-08-xx adopted August 4, 2011

Sheet No. 1-R-2

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# Residential Service Rate Schedule R

Residential customers shall be entitled to a 12-month trial period for Option 1 Time of Use in which the customer shall receive a credit (after 12 months of billing on the Option 1 Time of Use) for the accumulated difference, if applicable, between the Standard Rate and the Option 1 Time of Use, after which either the Standard Rate or the Option 1 Time of Use Rate must be selected. If the Option 1 Time of Use Rate is selected, customers subsequently requesting a transfer from the Option 1 Time of Use Rate to the Standard Rate may not return to the Option 1 Time of Use Rate for a 12-month period.

## (B) Option 2 Time of Use (Rate Categories RTE5, RTC5, RTG5)

### WINTER SEASON – OCTOBER 1 through MAY 31

System Infrastructure Fixed Charge per month.....	\$11.40
On-Peak ¢/kWh.....	10.97¢
Off-Peak ¢/kWh.....	10.07¢

### SUMMER SEASON – JUNE 1 through SEPTEMBER 30

System Infrastructure Fixed Charge per month .....	\$11.40
Super-Peak ¢/kWh .....	24.24¢
On-Peak ¢/kWh.....	16.14¢
Off-Peak ¢/kWh .....	9.97¢

### Option 2 Time of Use Billing Periods

<b>Winter Season On-Peak</b>	Weekdays between 12:00 noon and 10:00 p.m.
<b>Summer Season On-Peak</b>	Weekdays between 12:00 noon and 2:00 p.m. and between 8:00 p.m. and 10:00 p.m.
<b>Summer Super-Peak</b>	Weekdays between 2:00 p.m. and 8:00 p.m.
<b>Off-Peak</b>	All other hours, including holidays shown in Section (D).

## (C) **SmartSacramento<sup>®</sup> Pricing Pilot Rates<sup>1</sup>** (Rate Categories RSCH\_CB, RSEH\_CB, RSGH\_CB, RWCH\_CB, RWEH\_CB, RWGH\_CB)

### Applicability

These rates will be offered only to selected participants for a limited trial period. They apply only during the summer season. Participants will revert to their otherwise applicable rates during the remaining months of the year.

### SmartSacramento<sup>®</sup> Pricing Pilot Time of Use Rate (Summer Season Only)

System Infrastructure Fixed Charge per month.....	\$10.00
On-Peak ¢/kWh.....	27.00¢
Off-Peak ¢/kWh:	
Off-Peak Base Usage per month .....	8.46¢
Off-Peak Base-Plus Usage per month .....	16.60¢

### SmartSacramento<sup>®</sup> Pricing Pilot Critical Peak Rate (Summer Season Only)

System Infrastructure Fixed Charge per month.....	\$10.00
Critical Peak ¢/kWh .....	75.00¢
Off-Peak ¢/kWh:	
Off-Peak Base Usage per month .....	8.51¢
Off-Peak Base-Plus Usage per month .....	16.65¢

### SmartSacramento<sup>®</sup> Pricing Pilot Combined Time of Use and Critical Peak Rate (Summer Season Only)

System Infrastructure Fixed Charge per month.....	\$10.00
Critical Peak ¢/kWh .....	75.00¢
On-Peak ¢/kWh.....	27.00¢
Off-Peak ¢/kWh:	
Off-Peak Base Usage per month .....	7.21¢
Off-Peak Base-Plus Usage per month .....	14.11¢

<sup>1</sup> ® A registered service mark of the Sacramento Municipal Utility District

# Residential Service Rate Schedule R

## SmartSacramento<sup>®</sup> Pricing Pilot Billing Periods (June 1 – September 30 Summer Only)

On-Peak Hours	Summer weekdays between 4:00 p.m. and 7:00 p.m., exclusive of July 4 <sup>th</sup> and Labor Day holidays.
Critical Peak Hours	Up to twelve summer weekdays between 4:00 p.m. and 7:00 p.m., exclusive of July 4 <sup>th</sup> and Labor Day holidays, announced by SMUD a day in advance as a critical peak event day.
Off-Peak Base Usage Hours	Usage in all other non-peak hours up to 700 kWh for standard customers and 1,000 kWh for customers with domestic wells.
Off-Peak Base-Plus Usage Hours	Usage in non-peak hours beyond 700 kWh of Off-Peak Base Usage for standard customers and beyond 1,000 kWh of Off-Peak Base Usage for customers with domestic wells

### (D) Time Based Pricing Plans Billing Holidays

Off-peak pricing in the Time Based Pricing Plans shall apply during the following holidays:

<u>Holiday</u>	<u>Month</u>	<u>Date</u>
New Year's Day	January	1 <sup>st</sup>
Martin Luther King Jr.'s Birthday	January	Third Monday
Lincoln's Birthday	February	12th
Presidents Day	February	Third Monday
Memorial Day	May	Last Monday
Independence Day	July	4th
Labor Day	September	First Monday
Columbus Day	October	Second Monday
Veteran's Day	November	11th
Thanksgiving Day	November	Fourth Thursday
Christmas Day	December	25th

## VI. Electricity Usage Surcharges

The following surcharges will apply to all kWh used per month, subject to the conditions detailed in the following Tariff sheets:

**Solar Surcharge**, established to comply with state regulation, creates a fund for encouraging customer-owned solar power generation. See Tariff Sheet No. 1-SB-1 for further details, including current surcharge amount.

**Hydro Generation Adjustment (HGA)** will only apply when low levels of precipitation adversely affect SMUD's hydroelectric production. See Tariff Sheets No. 1-HGA-1-2 for further information on how the HGA is calculated and when it applies.

## VII. Rate Option Menu

### (A) Residential Thermal Energy Storage Option (Rate Category RTT) (CLOSED)

Residential customers who are equipped with a Residential Thermal Energy Storage (RTES) system *or* who may qualify by meeting the load criteria established for RTES including the lockout of space-conditioning compressors during the on-peak period, and who are billed on the Option 1 Time of Use Rate shall be entitled to a credit as follows:

Winter off-peak credit ¢/kWh .....	-2.43¢
Summer on-peak credit ¢/kWh .....	-5.85¢
Summer off-peak credit ¢/kWh.....	-2.71¢

Rate Category RTT will no longer be available to new occupants as well as new installations of RTES systems, or other qualifying equipment effective June 1, 1997. At the time of application for service, new occupants of a current premise with (CLOSED) Rate Category RTT will be placed on the Option 1 Time of Use rate (Rate Category RTE) and will be informed of other rate options available to them.

### (B) Standby Service Option

This option applies to residential customers who operate, in whole or in part, privately-owned generator(s) with a contract capacity (combined nameplate rating) less than 100 kW on their premises, and are connected to SMUD's electrical system requiring SMUD to standby ready to provide backup or maintenance service to replace the generator(s).

# Residential Service Rate Schedule R

Charges for Standby Service are as follows:

Standby Charge (January 1 through December 31)

Based on contract capacity per month \$/kW .....\$6.25

Electricity Usage:

All energy provided to the customer by SMUD will be billed at the applicable electricity usage charges under the Basic Rate or an optional rate under the Time Based Pricing Plans.

The Standby Service charge will be waived for qualifying net metered generation. See Sheet No. 1–NM–1 for further details.

## **(C) Plug-in Electric Vehicle (PEV) Option (Rate Category RTEV)**

This option is for residential customers who own licensed passenger electric vehicles and/or passenger battery electric and plug-in hybrid electric vehicles, and take service for the vehicle charging under the optional Option 1 Time of Use Rate upon proof of vehicle registration. The term PEV is meant to be inclusive of both battery, plug-in, and plug-in hybrid electric vehicles.

This option requires installation of a time of use meter on the charging location and will be billed under the Option 1 Time of Use Rate with a credit on the off-peak electricity usage charges as follows:

Winter off-peak energy credit ¢/kWh ..... -2.43¢

Summer off-peak energy credit ¢/kWh ..... -2.71¢

The System Infrastructure Fixed Charge will be waived. The Time of Use meter will be a sub-meter to the premise's main meter unless the customer, at his own expense, elects to have installed a separate panel and meter. When sub-metered, the Residential Time-of-Use Electric Vehicle (Rate Category RTEV) rate is not available to customers whose premise load is billed on the Option 2 Time of Use Rate.

## **(D) Residential PV Pioneer Green Fee**

This option applies to residential customers who participate in SMUD's "PV Pioneer Project." Participation in the "PV Pioneer Project" shall be at the sole discretion of SMUD.

## **(E) Net Metering for Solar Electric, Wind Turbine, and Biomass Generation Facilities**

This option applies to customers who have a solar or other renewable power generator on their premise. Refer to Sheet No. 1–NM–1 for further details.

## **(F) Residential Three-phase Service Option**

This option applies to customers located in areas where three-phase service is available. SMUD shall charge a monthly Special Facilities fee of \$38.95 to cover the additional costs for providing this service.

## **(G) Green Pricing Options**

### **1. SMUD Community Solar Option**

Under this premium service option, customers elect to contribute monthly payments towards the installation of a photoelectric system at a selected community locale. See the SMUD website for further information on monthly contribution options and currently identified projects.

### **2. SMUD Renewable Energy Option**

Customers electing this premium power service will receive an additional monthly electricity usage charge of no less than 1/2 cent and no greater than 2 cents per kWh. SMUD may offer up to three premium rate options representing various blends of renewable resources within the 1/2 cent to 2 cent range. The actual prices will be published each November and will be based on the expected above market cost of renewable resources for the upcoming year. Participation will be limited to the amount of resources that SMUD is able to secure below the 2 cent premium limit.

### **3. Flat Fee Options:**

Customers may opt to support SMUD renewable energy purchases through one of the following monthly fees:

Green Fee flat charge per month 100% option.....\$6.00

Green Fee flat charge per month 50% option.....\$3.00

# Residential Service Rate Schedule R

## VIII. Special Metering Charge

SMUD will charge a monthly service fee for customers who purchase and install communications hardware to transfer energy load data from their meter/recorder to a personal computer. The fee covers maintenance, software support and the annual licensing fee.

## IX. Conditions for Eligibility

### (A) Electric Space Heat Eligibility (Rate Categories RSEH, RSCH, RWEH, RWCH)

Residential customers with electric space heating may qualify for an additional 500 kWh in Base Usage allowance during the winter season and an added 180 kWh in Base Usage allowance during the spring and fall seasons. To be eligible, the customer's electric space heating system must be the sole source of domestic space heating installed at the metered premise, except in the case of renewable heating sources, noted in criteria 4 listed below. In addition the electric space heating system must meet one of the following eligibility criteria:

1. An electric space heating system that qualified under the Closed Electric Heat rate before May 1, 1996, **or**
2. A heat pump, including any unit with electric resistance backup, **or**
3. An electric resistance heating system that was installed prior to September 1, 1980, **or**
4. An electric resistance heating system used to supplement a geo-thermal, solar or other renewable fuel heating system.

Non-renewable sources of space heat systems that do **not** qualify for the added residential electric space heat Base Usage allowances include:

- Fossil fuels such as natural gas, propane, gasoline and oil;
- Wood and pelletized fuels.

### (B) Domestic Well Eligibility (Rate Categories RWGH, RWEH, RWCH)

Residential customers who own and operate a well that is their sole source of domestic water, are eligible for an additional 300 kWh of monthly Base Usage quantity on the residential meter serving the well.

### (C) Master-Metered Multifamily Accommodation and Mobile Home Park Billing (Rate Category RSMM)

The master-metered customer's electricity consumption will be billed under the Base Usage and Base-Plus Usage Quantities using the ratio of the number of occupied single-family accommodations with Electric or Standard Space Heat to the total number of occupied single-family accommodations. The billing calculation will include applicable discounts to the Base Usage Charge and System Infrastructure Fixed Charge for qualifying energy assistance and medical equipment discount program participants. The customer must advise SMUD within 15 days following any change in the number of occupied single-family accommodations wired for electric service and/or any change in the number of qualifying medical equipment discount and/or energy assistance program participants, and/or new occupants of the existing premises with Rate Categories RSCH or RWCH.

## X. Billing Proration of Charges

The Base Usage and Base-Plus Usage allowances will be prorated during non-standard billing periods and when the billing period spans more than one season. The following table shows the basis for the proration during these circumstances. The monthly System Infrastructure Fixed Charge will not be prorated, regardless of the number of days in the billing period or the spanning of multiple seasons.

Billing Circumstance	Basis for Proration
Bill period is shorter than 27 days	Relationship between the length of the billing period and 30 days
Bill period is longer than 34 days	
Seasons overlap within bill period	Relationship between the length of the billing period and the number of days that fall within the respective season.

(End)

**Section II - Base Rates**

<b>Season</b>	<b>Rate</b>	<b>Charge</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Winter	Standard Rate	System Infrastructure Fixed Charge	\$ 12.00	\$ 14.00	\$ 16.00	\$ 18.00	\$ 20.00
Winter	Standard Rate	Base Usage ¢/kWh Offset	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)
Winter	Standard Rate	Base-Plus Usage ¢/kWh Offset	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)
Winter	Electric Space Heat Rate (Closed)	System Infrastructure Fixed Charge	\$ 12.00	\$ 14.00	\$ 16.00	\$ 18.00	\$ 20.00
Winter	Electric Space Heat Rate (Closed)	Base Usage ¢/kWh Offset	\$ -	\$ -	\$ -	\$ -	\$ -
Winter	Electric Space Heat Rate (Closed)	Base-Plus Usage ¢/kWh Offset	\$ -	\$ -	\$ -	\$ -	\$ -
Spring & Fall	Standard Rate	System Infrastructure Fixed Charge	\$ 12.00	\$ 14.00	\$ 16.00	\$ 18.00	\$ 20.00
Spring & Fall	Standard Rate	Base Usage ¢/kWh Offset	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)
Spring & Fall	Standard Rate	Base-Plus Usage ¢/kWh Offset	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)
Spring & Fall	Electric Space Heat Rate (Closed)	System Infrastructure Fixed Charge	\$ 12.00	\$ 14.00	\$ 16.00	\$ 18.00	\$ 20.00
Spring & Fall	Electric Space Heat Rate (Closed)	Base Usage ¢/kWh Offset	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)
Spring & Fall	Electric Space Heat Rate (Closed)	Base-Plus Usage ¢/kWh Offset	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)
Summer	Standard Rate	System Infrastructure Fixed Charge	\$ 12.00	\$ 14.00	\$ 16.00	\$ 18.00	\$ 20.00
Summer	Standard Rate	Base Usage ¢/kWh Offset	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)
Summer	Standard Rate	Base-Plus Usage ¢/kWh Offset	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)
Summer	Electric Space Heat Rate (Closed)	System Infrastructure Fixed Charge	\$ 12.00	\$ 14.00	\$ 16.00	\$ 18.00	\$ 20.00
Summer	Electric Space Heat Rate (Closed)	Base Usage ¢/kWh Offset	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)
Summer	Electric Space Heat Rate (Closed)	Base-Plus Usage ¢/kWh Offset	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)	\$ (0.0029)
All Seasons	Energy Assistance Program	System Infrastructure Fixed Charge	\$ 4.50	\$ 5.50	\$ 6.50	\$ 7.50	\$ 8.50

- 1) All per kWh offsets are incremental
- 2) The months and dates of the Summer, Winter, Spring & Fall seasons are defined in Section II of 1-R
- 3) The amount of the per kWh offset is subject to minimal increase or decrease to ensure that the scheduled System Infrastructure Fixed Charge increase is revenue-neutral for the Sacramento Municipal Utility District

# Interconnection Requirements Rule and Regulation 21

## A. Requirements

Rule and Regulation 21 sets forth the mandatory conditions and requirements for the interconnection and operation of distributed generation. All distributed generation connecting to the SMUD distribution system must comply with the mandatory conditions and requirements of Rule and Regulation 21, as further specified in SMUD Policy and Procedure 11-01.

Requirements for interconnecting and operating distributed generation shall be available on the SMUD website ([www.smud.org](http://www.smud.org)) and shall address, at a minimum, the following topics:

- Applicability
- Definitions
- General Rules, Rights and Obligations
- Application and Interconnection Process
- Initial Review Process for Applications to Interconnect a Generating Facility
- Photovoltaic Interconnection Design Standards
- Generating Facility Design and Operating Requirements
- Maintenance and Permits
- Interconnection Facility and Distribution System Modifications and Costs
- Metering, Monitoring and Telemetry
- Testing and Certification Criteria
- Interruptions or Reductions of Deliveries
- Access to Premises
- Indemnity and Liability By Customer
- Dispute Resolution Process

## B. Changes to Requirements

SMUD's General Manager is authorized to develop, implement, and revise as necessary interconnection requirements addressing the above topics and such additional provisions to respond to legislation, regulatory requirements, industry practice, operating requirements, or average service costs.

*(End)*