

RESOLUTION NO. 10-12-13

WHEREAS, on October 7, 2010, the General Manager submitted to this Board of Directors the “General Manager's Report and Recommendation on Rates and Services” (“Report and Recommendation”), which Report and Recommendation is incorporated by reference herein and made a part hereof; and

WHEREAS, on October 14, 2010, the General Manager submitted to this Board of Directors the “Errata No. 1 to the General Manager's Report and Recommendation on Rates and Services, dated October 7, 2010” (“Errata No. 1”), which Errata No. 1 is incorporated by reference herein and made a part hereof; and

WHEREAS, on November 9, and 17, 2010, SMUD conducted two public workshops to receive and respond to customer-owner comments and questions; and

WHEREAS, by Resolution 10-10-07, adopted October 7, 2010, a public hearing on the General Manager's Report and Recommendation was scheduled for December 2, 2010, at 6:00 p.m., in the auditorium of SMUD's headquarters office building; and

WHEREAS, notice of said hearing was duly published, the hearing was held at the aforementioned time and place, and all interested persons were given an opportunity to comment and submit testimony, following which, pursuant to SMUD Ordinance No. 91-1, this resolution was duly introduced by this Board

of Directors to be circulated for a minimum of ten days for public review, input and comment; and

WHEREAS, the Board has scheduled to vote on the proposed rate action at a regular meeting scheduled to be held on December 16, 2010, at 9:00 a.m.; and

WHEREAS, the General Manager's Report and Recommendation, set forth in detail the factors that have necessitated the proposed rate action, including the following:

1. an upswing in the electric vehicle market;
2. new regulatory requirements for net metering compensation;
- and
3. emerging street lighting technologies; and

WHEREAS, the electric vehicle market is offering many new and enhanced electric vehicles over the next thirty-six months; and

WHEREAS, Assembly Bill 920 of 2009 (AB 920) requires all electrical utilities to provide net metered customer generators who have annual net excess generation to either be compensated for the excess, rollover the excess kWh or opt to forego any compensation or rollover; and

WHEREAS, emerging technologies for street lighting prompt the development of a suitable rate; and

WHEREAS, Section 21080(b)(8) of the California Public Resource Code and Section 15273 of the California Environmental Quality Act (CEQA) Guidelines (California Code of Regulations, Title 14, Sections 15000, et seq.)

provide, in relevant part, 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 purposes stated below and that a public agency shall incorporate written findings in the record in any proceeding in which an exception is claimed setting forth with specificity the basis for the claim for exemption:

- (A) meeting operating expenses, including employee wage rates and fringe benefits;
- (B) purchasing or leasing supplies, equipment, or materials;
- (C) meeting financial reserve needs and requirements; or
- (D) obtaining funds for capital projects necessary to maintain service within existing service areas; and

WHEREAS, this Board of Directors has carefully considered the General Manager's Report and Recommendation; Errata No. 1, and public comment and input from community meetings, public rate workshops, and other public meetings and the noticed public rate hearing; and

WHEREAS, in 2007, this Board initiated a process to develop a new "Compact with the Customer," and laid the groundwork for doing business to meet Sacramento region's growing energy needs while safeguarding the environment, and is in the process of moving beyond traditional metrics of customer satisfaction – affordable, reliable electricity – to increase customer engagement and to a new partnership between customers and SMUD to meet

future needs where customer-owners participate more actively in managing their electricity use and maximizing their comfort; **NOW THEREFORE,**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

Section 1. ELECTRIC VEHICLE: Effective January 1, 2011, the definition of electric vehicles (PEV) will be expanded to include battery electric vehicles, plug-in electric vehicles, and plug-in hybrid electric vehicles, to allow for submetering of PEV to capture the PEV load profile and perform appropriate billing, and to modify PEV metering options and clarify the language regarding the household rate where a PEV is being charged on the PEV rate, shall be incorporated into the Residential and Small General Service Rate Schedules.

Revisions to the rates as described above are detailed in the attached Residential Service Rate Schedule R and General Service Rate Schedule GS.

Section 2. NET METERING SURPLUS COMPENSATION: Effective January 1, 2011, as mandated by State legislation, the existing net metering tariff will be updated to provide all net metering customers with the following options: 1) compensation for annual excess generation; 2) capability to rollover annual excess kWh; and 3) to forego compensation or rollover and allow SMUD to retain the value of the excess generation.

Revisions to the rates as described above are detailed in the attached Net Metering Rate Schedule NM.

Section 3. NET METERING SURPLUS COMPENSATION

VALUE: Effective January 1, 2011, the net metering compensation value (NMSC) for annual excess generation shall be set equal to SMUD's annual budgeted net commodity costs divided by the forecasted gigawatt-hour sales. The value will be updated annually and posted on SMUD's website.

Revisions to the rates as described above are detailed in the attached Net Metering Rate Schedule NM.

Section 4. BILLING FOR NET METERING: Effective January 1, 2011, monthly credits for net metering excess shall only apply to energy. The net metering customer remains responsible for payment of the monthly service charge and other applicable programs and fees.

Revisions to the rates as described above are detailed in the attached Net Metering Rate Schedule NM.

Section 5. OPTIONAL METERED STANDBY CHARGE: Effective January 1, 2011, the Optional Metered Standby Charge shall be eliminated.

Revisions to the rates as described above are detailed in the attached General Service Rate Schedules GS, AG, GS-TOU1, GS-TOU2, and GS-TOU3.

Section 6. DEMAND RESET FOR COMMERCIAL SOLAR/PV INSTALLATIONS: Effective January 1, 2011, commercial customers who implement a SMUD approved solar/photovoltaic system to offset all or part of

their on-site energy usage may request a reset of their 12-month historical demand upon completion of the project.

Revisions to the rates as described above are detailed in the attached General Service Rate Schedules GS, GS-TOU1, GS-TOU2, and GS-TOU3.

Section 7. STREET LIGHTING SERVICE (SLS): Effective January 25, 2011, new street lighting rate, SL_COM_M, will be available to provide metered energy use, in place of estimation methods for dusk-to-dawn operation. This rate is for customer-owned and maintained street lights with new lamp technology which can benefit from the direct metering of monthly energy use.

Revisions to the rates as described above are detailed in the attached Lighting Service Rate Schedules SLS.

Section 8. RULE AND REGULATION 21: Effective January 1, 2011, Rule and Regulation 21 shall be modified to add item D. 'Provisions for Interconnection of Eligible Generation Facilities of 5 Megawatts or Less' related to the Feed-in Tariff (FIT), sections one through three.

Revisions to the rates as described above are detailed in the attached Rule and Regulation 21 tariff sheet.

Section 9. Section 21080(b)(8) of the California Public Resource Code and Section 15273 of the California Environmental Quality Act (CEQA) Guidelines (California Code of Regulations, Title 14, Sections 15000, et seq.) provide, in relevant part, 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 purposes set forth in (A) through (D) below, and that a public agency shall incorporate written findings in the record in any proceeding in which an exemption is claimed setting forth with specificity the basis for the claim for exemption:

- (A) meeting operating expenses, including employee wage rates and fringe benefits;
- (B) purchasing or leasing supplies, equipment, or materials;
- (C) meeting financial reserve needs and requirements; or
- (D) obtaining funds for capital projects necessary to maintain service within existing service areas.

Section 10. This Board of Directors finds and declares:

- (a) That revenue from this rate increase is intended to fund among other things: meet operating expenses, including rising fuel and power costs; system upgrades and preventative and corrective maintenance of aging infrastructure; meeting financial reserve requirements and maintaining access to credit markets; and investments to meet energy goals and mandates to support solar power, energy efficiency measures, and reduce carbon and greenhouse gas emissions.
- (b) That all revenue produced by each and every one of the rate actions set forth in this will exclusively be used for purposes permitted by Sections 21080(b)(8)(A) through (D) of the

California Public Resource Code, and that no amount of revenue obtained from this rate increase will be used for any other purpose. Therefore, all of the foregoing rate actions are exempt from CEQA.

- (c) The above findings are based on information set forth in the Report and Recommendation, pages 1 to 11, and Errata No. 1, that provide that the rate action is necessary due to: an upswing in the electric vehicle market; new regulatory requirements for net metering compensation; and emerging street lighting technologies.

Section 11. Section 15061(b)(3) of the CEQA Guidelines provides that, “[w]here it can be seen with certainty that there is no possibility that [an] activity may have a significant effect on the environment, the activity is not subject to CEQA.”

This Board of Directors finds and declares that it can be said with certainty that there is no possibility that non-revenue producing actions, including changes to the Rules and Regulations, set forth in this Resolution will cause a substantial, or potentially substantial, adverse change in the environment. This finding is based upon information contained in the Report and Recommendation and Errata No. 1.

Section 12. The revised Rate Schedules and Rules and Regulations referenced in this Resolution are attached and incorporated as **Attachment C.**

Adopted: December 16, 2010

INTRODUCED: DIRECTOR BUI-THOMPSON				
SECONDED: DIRECTOR CARR				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
BUI-THOMPSON	X			
POSNER				X
TAYLOR	X			
SHIROMA	X			
KERTH	X			
CARR	X			
SLATON				X

Residential Service Rate Schedule R

I. Applicability

This schedule is applicable to single and three-phase residential service in single-family residences and in flats and apartments individually metered by SMUD; to single and three-phase general farm service where the residence is supplied through the same meter or to additional meters on a farm where the energy consumed is only for domestic purposes; to single and three-phase residential service supplied to a multifamily accommodation through a master-meter or to a mobile home park through a master-meter and sub-metered to all individual mobile home or single-family units.

II. Rates

WINTER SEASON - NOVEMBER 1 through APRIL 30

Standard Rate (Rate Categories RSE, RWE, RSG, RWG)

Service charge.....\$7.20

Energy Charge:

Tier I Baseline Quantities per month 9.67¢ per kWh

Tier II Quantities per month..... 17.94¢ per kWh

Electric Space Heat Rate ** (CLOSED) (Rate Categories RSC, RWC)

Service charge per month or portion thereof.....\$7.20

Energy Charge:

Tier I Baseline Quantities per month 7.57¢ per kWh

Tier II Quantities per month..... 14.43¢ per kWh

SUMMER SEASON - MAY 1 through OCTOBER 31

Standard Rate (Rate Categories RSE, RWE, RSC, RWC, RSG, RWG)

Service charge.....\$7.20

Energy Charge:

Tier I Baseline Quantities per month 10.45¢ per kWh

Tier II Quantities per month..... 18.59¢ per kWh

Solar Surcharge is applied to all kWh regardless of season as outlined in Sheet No. 1-SB-1

WINTER TIER QUANTITIES - NOVEMBER 1 THROUGH APRIL 30

Rate Category	RSE, RSC	RWE, RWC	RSG	RWG
Tier I kWh per month	0-1120	0-1420	0-620	0-920
Tier II kWh per month	>1120	>1420	>620	>920

SUMMER TIER QUANTITIES - MAY 1 THROUGH OCTOBER 31

	RSE, RSC, RSG	RWE, RWC, RWG
Tier I kWh per month	0-700	0-1000
Tier II kWh per month	>700	>1000

**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 RSC, RTC, or RWC will be placed on the Standard Rate (Rate Categories RSE, RWE) or on the Time-of-Use (Rate Category RTE) if applicable, upon application for service. New occupants and new customers installing electric space heat equipment (Rate Categories RSE, RWE) shall be entitled to the Tier I Baseline Quantities for Electric Space Heat and billed the Standard Rate.

Residential Service Rate Schedule R

III. Optional Medical Equipment Discount and Energy Assistance Programs

Medical Equipment Discount Program

Please see Sheet No. 1-MED-1 for details on the Medical Equipment Discount Program.

Energy Assistance Program

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

Medical Equipment Discount and Energy Assistance Program

Please see Sheet No. 1-MED-1 for details on the Medical Equipment Discount and Energy Assistance Program.

IV. Optional Time-of-Use Rates

Option 1 (Rate Categories RTE, RTC, RTG)

WINTER SEASON - NOVEMBER 1 through APRIL 30

Service charge	\$7.20
On-Peak ¢/kWh	10.80¢
Off-Peak ¢/kWh	9.97¢

SUMMER SEASON - MAY 1 through OCTOBER 31

Service charge	\$7.20
On-Peak ¢/kWh	24.01¢
Off-Peak ¢/kWh	11.11¢

Solar Surcharge is applied to all kWh regardless of season as outlined in Sheet No. 1-SB-1

Trial Time-of-Use Billing

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

Option 2 (Rate Categories RTE5, RTC5, RTG5)

WINTER SEASON - OCTOBER 1 through MAY 31

Service Charge	\$11.40
On-Peak ¢/kWh	10.97¢
Off-Peak ¢/kWh	10.07¢

SUMMER SEASON - JUNE 1 through SEPTEMBER 30

Service Charge	\$11.40
Super-Peak ¢/kWh	24.24¢
On-Peak ¢/kWh	16.14¢
Off-Peak ¢/kWh	9.97¢

Solar Surcharge is applied to all kWh regardless of season as outlined in Sheet No. 1-SB-1

V. 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 Optional Time-of-Use Rate (Option 1), shall be entitled to a credit

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

Residential Service Rate Schedule R

(CLOSED) Rate Category RTT will be placed on the standard time-of-use rate (Rate Category RTE) and will be informed of other rate options available to them.

(B) Standby Service Option

This option is for 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). Charges for Standby Service are as follows:

ALL MONTHS - (January 1 Through December 31)

Standby Charge Based on contract capacity per month \$/kW\$6.25

Energy Charges:

All energy provided to the customer by SMUD will be billed at the applicable energy charges under the Standard Rate or Optional Time-of-Use Rate.

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

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 Time-of-Use-Rate (Option 1) 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 Optional Time-of-Use Rate (Option 1) with a credit on the off-peak energy charges

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

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

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

(D) Residential PV Pioneer Green Fee

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

Green Fee per month.....\$4.00

(E) 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.

(F) Residential Three-phase Service Option

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

(G) Green Pricing Options

1. SMUD Community Solar Option

Customers electing this premium service option will receive an additional monthly energy charge of no less than 1 cent and no greater than 2 cents per kWh. Contributions will be held until sufficient funds are available for construction of a solar roof top system.

2. SMUD Renewable Energy Option

Customers electing this premium power service will receive an additional monthly energy 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

VI. 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.

VII. Conditions

(A) Electric Space Heat

An additional kilowatt tier allowance during the winter months is applicable to residential customers with electric space heating systems meeting the following criteria:

1. No domestic space heat equipment other than electric is installed at the metered premise; and
2. The electric space heating system is one of the following:
 - An electric space heating system that qualified under the Closed Electric Heat rate before May 1, 1996, or
 - A heat pump, including any unit with electric resistance backup, or
 - An electric resistance heating system that was installed prior to September 1, 1980, or
 - An electric resistance heating system is 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 residential electric space heat winter tier allowance include:

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

(B) Domestic Well

Tier Quantities for domestic wells are applicable to residential customers who own and operate a well that is their sole source of domestic water, and whereby the well is billed on the residential rates.

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

The master-metered customer's energy consumption will be billed under the Tier Quantities using the ratio of the number of occupied single-family accommodations which are Electric or Non-Electric Space Heat to the total number of occupied single-family accommodations. The billing calculation will include applicable discounts to the Tier 1 baseline and service charges for qualifying energy assistance and life support program participants. It is the responsibility of the customer to 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 life support and/or energy assistance program participants, and/or new occupants of the existing premises with Rate Categories RSC or RWC.

(D) Time-of-Use Billing Periods

The following defines the time periods for the optional time-of-use rates:

a. Option 1 (Rate Categories RTE, RTC, RTG, RTT)

On-peak hours include the following:

WINTER SEASON - NOVEMBER 1 through APRIL 30
Weekdays between 7:00 a.m. and 10:00 a.m., and 5:00 p.m. and 8:00 p.m.
SUMMER SEASON - MAY 1 through OCTOBER 31
Weekdays between 2:00 p.m. and 8:00 p.m.

Off-peak hours include the following:

ALL SEASONS - JANUARY 1 through DECEMBER 31

All day on Saturdays, Sundays and the following holidays:

New Year's Day	January 1
Martin Luther King Jr.'s Birthday	3rd Mon. in Jan.
Lincoln's Birthday	February 12
Presidents Day	3rd Mon. in Feb.
Memorial Day	Last Mon. in May
Independence Day	July 4
Labor Day	1st Mon. in Sep.
Columbus Day	2nd Mon. in Oct.

Residential Service Rate Schedule R

Veterans Day November 11
 Thanksgiving Day 4th Thu. in Nov.
 Christmas Day December 25
 All other hours not defined as super-peak or on-peak.

b. Option 2 (Rate Categories RTE5, RTC5, RTG5)

Super-peak hours include the following:

SUMMER SEASON (ONLY) - JUNE 1 through SEPTEMBER 30

Weekdays: Between 2:00 p.m. and 8:00 p.m.

On-peak hours include the following:

WINTER SEASON - OCTOBER 1 through MAY 31

Weekdays: Between 12:00 noon and 10:00 p.m.

SUMMER SEASON - JUNE 1 through SEPTEMBER 30

Weekdays: Between 12:00 noon and 2:00 p.m. and between 8:00 p.m. and 10:00 p.m.

Off-peak hours include the following:

ALL SEASONS - JANUARY 1 through DECEMBER 31

All day on Saturdays, Sundays and the following holidays:

New Year's Day January 1
 Martin Luther King Jr.'s Birthday 3rd Mon. in Jan.
 Lincoln's Birthday February 12
 Presidents Day 3rd Mon. in Feb.
 Memorial Day Last Mon. in May
 Independence Day July 4
 Labor Day 1st Mon. in Sep.
 Columbus Day 2nd Mon. in Oct.
 Veterans Day November 11
 Thanksgiving Day 4th Thu. in Nov.
 Christmas Day December 25

and all other hours not defined as super-peak or on-peak.

(E) Billing

PRORATION OF CHARGES

BILLING CIRCUMSTANCE	Customer Charge	Energy Tiers/ Discounts	BASIS OF PRORATION
Less than 27 days or More than 34 days	No	Yes	Relationship between the length of the billing period and 30 days.
Winter/summer season overlap	No	Yes	Relationship between the length of the billing Period & the number of days winter and summer.

(End)

General Service Rate Schedule GS

I. Applicability

This schedule is applicable to single or 3 phase service, delivered at such nominal voltage as the customer selects from among those which SMUD designates are available at the customer's premises, for general service customers including commercial, industrial, including non-agricultural irrigation pumping and other non-residential customers. This schedule is applicable to customer accounts with billing demands that do not exceed 300 kW for 3 or more consecutive months.

II. Non-Demand Metered Rates

This rate is for 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 rate.

Small Commercial GSN

	Summer May 1 – Oct. 31	Winter Nov. 1 – Apr. 30
Service Charge per month or portion thereof	\$8.25	\$8.25
Energy Charge (¢ per kWh) – all kWh	12.71¢	12.30¢

Solar Surcharge is applied to all kWh as outlined in Sheet No. 1-SB-1

III. Demand Metered Rates

This rate is for 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 rate.

Small Commercial Demand-Metered Service GSS

	Summer May 1 – Oct. 31	Winter Nov. 1 – Apr. 30
Service Charge per month or portion thereof	\$20.50	\$20.50
Facilities Charge per 12 month maximum kW or installed capacity		
First 20 kW	No Charge	No Charge
Additional kW per month	\$6.80	\$6.80
Energy Charge (¢ per kWh)		
First 7,300 kWh per month	12.67¢	11.48¢
Additional kWh per month	9.76¢	9.15¢

Solar Surcharge is applied to all kWh as outlined in Sheet No. 1-SB-1

IV. Optional Time-of-use Rates

Commercial and industrial demand metered customers below 300 kW may choose to be served under the small commercial time-of-use rate schedule (GS-TOU3). Transfers from "time-of-use" rate schedules may not be made more than 1 time in a 4-month period. Customers cannot return to Time-of-use service for 12 months.

V. Discontinuance of Service

Any customer resuming service within 12 months after discontinuing service will be required to pay the facilities charges and service 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 facilities charge and service charge will be waived during each of those months.

VI. 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	69kV
	\$6.25	\$4.95	\$2.50

General Service Rate Schedule GS

"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 customer and facility charges, as well as demand and energy 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 GSTOU2. The term PEV is meant to be inclusive of both Battery Electric Vehicle and Plug-in Hybrid Electric Vehicles.

(D) Green Pricing Options

SMUD Community Solar Option

Customers electing this premium service option will receive an additional charge for monthly energy of no less than 1¢ and no greater than 2¢ per kWh. Contributions will be held until sufficient funds are available for construction of a solar roof top system.

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

VII. 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.

VIII. Conditions

(A) Type of Electric Service

Firm Service

Standard service where SMUD provides a continuous and sufficient supply of electricity.

(B) Service Voltage Definition

The following defines the 3 voltage classes available. The rate shall be determined by the voltage level at which service is taken according to the following:

1. Secondary

This is the voltage class if the definition of "primary" and "69 kV" do not apply to a customer's service.

2. Primary

This is the voltage class if a customer elects to accept service at a voltage level of 12 kV or 21 kV that is available in the area and SMUD approves such arrangements for a customer whose monthly demand exceeds 300 kW.

3. 69 kV

This is the voltage class if a customer elects to accept service at a voltage level of 69 kV or higher that is available in the area and SMUD approves such arrangements for a customer whose monthly demand exceeds 500 kW.

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 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

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

Energy = 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

PRORATION OF CHARGES

BILLING CIRCUMSTANCE	Service Charge	Facilities Charges & Energy Charges	BASIS OF PRORATION
Less than 27 days or more than 34 days	Yes	Yes	Relationship between the length of the billing period and 30 days.
Winter/Summer crossover	Yes	Yes	Relationship between the length of the billing period and the number of days winter and summer.

Meter reading for service rendered in accordance with this rate will not be combined for billing purposes unless the convenience of SMUD is served thereby.

(End)

Net Metering for Qualifying Facilities 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 1000 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. Application for this option is on a first-come, first-served basis, not to exceed the cap adopted by SMUD. The customer must meet all requirements of Rule 21.

II. Metering

(A) Residential and Small Commercial ≤ 20 kW; Agricultural Customers ≤ 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. For SMUD-supplied photovoltaic (PV) systems, an additional meter for PV generation will be supplied as part of the system package.

(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. For SMUD-supplied photovoltaic (PV) systems, an additional meter for PV generation will be supplied as part of the system package.

III. Standby Charges

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

IV. Annualized Payment/Settlement Method

All customers who qualify for the net metering option shall have a twelve (12) month settlement period that begins on the effective day of the customer's net metering agreement or upon SMUD's receipt of the customer's net surplus generation election form. If, during any regular monthly billing cycle, the energy supplied by SMUD is greater than the energy supplied to SMUD by the customer's system, the customer will be billed as prescribed by the applicable rate schedule, for the net kilowatt hours (kWh) supplied by SMUD, and other applicable charges. If, in any regular billing month, the energy supplied by SMUD is less than the energy supplied to SMUD by the customer's system, the customer will receive retail-valued energy credits for the excess electricity supplied to SMUD. The customer remains responsible for the service charge and any subscribed program charges. At the end of the customer's twelve (12) month settlement period, any unused accumulated monthly retail energy 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 cost using most recently published SMUD budget using the following computation: SMUD's net commodity budget divided by the forecasted annual energy sales.

For each kWh purchased under this annual net surplus generation method, the ownership of the associated renewable energy 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 energy credits produced by their net surplus generation.

(End)

Agricultural Service Rate Schedule AG

I. Applicability

This schedule is applicable to single or 3 phase service, delivered at such nominal voltage as the customer selects from among those which SMUD designates are available at the customer's premises, for pumping loads where a preponderance of the load is devoted to agricultural purposes, farm lighting, feed choppers, milking machines, heating for incubators, brooders and other farm uses; to drainage pumping loads where a preponderance of the area drained is agricultural; and to irrigation pumping loads for non-agricultural purposes where the entire loads, except for minor incidental uses are devoted to such pumping. This schedule is applicable to customer accounts with billing demands that do not exceed 300 kW for 3 or more consecutive months.

II. Non-Demand Metered Rates

This rate is for general service customers having a demand of 30 kW or less. Whenever use of energy by non-demand metered general service customers is 12,000 kWh or more for 3 consecutive months or whenever, in SMUD's judgment, the demand will exceed 30 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 31 kW and energy is less than 8,750 kWh for 12 consecutive months before being returned to the ASN rate.

Small Agricultural Service ASN	Summer	Winter
Service Charge per month or portion thereof	\$9.90	\$9.90
Energy Charge (¢ per kWh) – all kWh	11.98¢	10.95¢

Solar Surcharge is applied to all kWh as outlined in Sheet No. 1-SB-1

III. Demand Metered Rates

This rate is for general service customers having a demand of 31 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 31 kW and energy is less than 8,750 kWh for 12 consecutive months before being returned to the ASN rate.

Large Agricultural Demand-Metered Service ASD	Summer	Winter
Service Charge per month or portion thereof	\$22.90	\$22.90
Facilities Charge per 12 month maximum kW or installed capacity		
First 30 kW	No Charge	No Charge
Additional kW per month	\$2.25	\$2.25
Energy Charge (¢ per kWh)		
First 8,750 kWh per month	11.61¢	12.12¢
Additional kWh per month	8.40¢	9.50¢

Solar Surcharge is applied to all kWh as outlined in Sheet No. 1-SB-1

IV. Optional Time-of-use Rates

This optional rate is for non-demand metered small agricultural customers and demand metered large agricultural customers. Transfers to the agricultural TOU schedule must remain in effect for at least 4 months. Customers cannot return to service under this schedule for 12 months. Service under this schedule is subject to meter availability.

Small Agricultural Time-of-use Service AON	Summer	Winter
Service Charge per month or portion thereof	\$13.20	\$13.20
Energy Charge (¢ per kWh)		
On-peak period	18.25¢	12.59¢
Off-peak period	9.81¢	10.73¢
Large Agricultural Time-of-use Service AOD	Summer	Winter
Service Charge per month or portion thereof	\$79.65	\$79.65
Demand Charge (\$ per kW)	\$3.15	\$2.25
Energy Charge (¢ per kWh)		
On-peak period	19.40¢	12.54¢
Off-peak period	10.34¢	10.64¢

Solar Surcharge is applied to all kWh as outlined in Sheet No. 1-SB-1

Agricultural Service Rate Schedule AG

V. Discontinuance of Service

Any customer resuming service within 12 months after discontinuing service will be required to pay the facilities charges and service 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 facilities charge and service charge will be waived during each of those months.

VI. Rate Option Menu

(A) 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	69kV
	\$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 customer and facility charges, as well as demand and energy charges for District-provided power.

(B) Green Pricing Options

SMUD Community Solar Option

Customers electing this premium service option will receive an additional charge for monthly energy of no less than 1 cent and no greater than 2 cents per kWh. Contributions will be held until sufficient funds are available for construction of a solar roof top system.

SMUD Renewable Energy Option

Customers electing this premium power service will receive an additional charge for monthly energy of no less than 1/2 cent and no greater than 2 cents per kWh. SMUD may offer up to 3 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.

(C) 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.

VII. Special Metering Charge

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

VIII. Conditions

(A) Type of Electric Service

Firm Service

Standard service where SMUD provides a continuous and sufficient supply of electricity.

(B) Service Voltage Definition

The following defines the 3 voltage classes available. The rate shall be determined by the voltage level at which service is taken according to the following:

1. Secondary

This is the voltage class if the definition of "primary" and "69 kV" do not apply to a customer's service.

2. Primary

This is the voltage class if a customer elects to accept service at a voltage level of 12 kV or 21 kV that is available in the area and SMUD approves such arrangements for a customer whose monthly demand exceeds 300 kW.

3. 69 kV

This is the voltage class if a customer elects to accept service at a voltage level of 69 kV or higher that is available in the area and SMUD approves such arrangements for a customer whose monthly demand exceeds 500 kW.

Agricultural Service Rate Schedule AG

(C) Power Factor Adjustment

Accounts with demands of 20 kW or greater may be subject to a power factor adjustment. SMUD, at its option, may place 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

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

Energy = 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) Agricultural Time-of-Use Rate Periods

The following defines the time period definitions for the Agricultural time-of-use- rates:

Agricultural Time-of-Use rate periods (Applicable to Rate Categories AON & AOD)

On-peak hours include the following:

WINTER SEASON - NOVEMBER 1 Through APRIL 30

Weekdays: Between 7:00 a.m. and 10:00 a.m. and 5:00 p.m. and 8:00 p.m.

SUMMER SEASON - MAY 1 Through OCTOBER 31

Weekdays: Between 2:00 p.m. and 8:00 p.m.

Off-peak hours include the following: All day on Saturdays, Sundays and the following holidays:

New Year's Day	January 1
Martin Luther King Jr.'s Birthday	3rd Mon. in Jan.
Lincoln's Birthday	February 12
Presidents Day	3rd Mon. in Feb.
Memorial Day	Last Mon. in May
Independence Day	July 4.
Labor Day	1st Mon. in Sep.
Columbus Day	2nd Mon. in Oct.
Veterans Day	November 11
Thanksgiving Day	4th Thu. in Nov.
Christmas Day	December 25

and all other hours not defined as super-peak or on-peak.

(E) Billing

PRORATION OF CHARGES

BILLING CIRCUMSTANCE	Service Charge	Facilities Charges & Energy Charges	BASIS OF PRORATION
Less than 27 days or more than 34 days	Yes	Yes	Relationship between the length of the billing period and 30 days.
Winter/Summer crossover	Yes	Yes	Relationship between the length of the billing period and the number of days winter and summer.

Meter reading for service rendered in accordance with this rate will not be combined for billing purposes unless the convenience of SMUD is served thereby.

(End)

Large General Service Time-Of-Use Rate Schedule GS-TOU1

I. Applicability

Applicable to single or three phase service, delivered at such nominal voltage as the customer selects from among those which SMUD designates are available at the customer's premises. This schedule is mandatory for all commercial and industrial (C&I) customers whose monthly demand is 1,000 kW or over for three consecutive months during the preceding 12 months. Customers will remain on this rate schedule until their demand falls below 1000 kW for 12 consecutive months. Service under this schedule is subject to meter availability. The demand for any month will be the maximum 15-minute kW delivery during the month.

II. Firm Service Rate

	Rate Category Voltage Level	Large C&I GUS_L Secondary	Large C&I GUP_L Primary	Large C&I GUT_L 69KV
Winter Season - October 1 through May 31				
Service Charge - per month per meter		\$96.70	\$96.70	\$256.10
Facilities Charge (<i>per 12 months max kW or installed capacity</i>)		\$3.60	\$3.45	\$2.75
Energy Charge				
On-Peak ¢/kWh		9.64¢	9.17¢	8.83¢
Off-Peak ¢/kWh		7.64¢	7.15¢	6.99¢
Summer Season - June 1 through September 30				
Service Charge - per month per meter		\$96.70	\$96.70	\$256.10
Facilities Charge (<i>per 12 months max kW or installed capacity</i>)		\$3.60	\$3.45	\$2.75
Energy Charge				
Super-Peak ¢/kWh		15.03¢	12.39¢	12.03¢
On-Peak ¢/kWh		12.01¢	11.29¢	10.57¢
Off-Peak ¢/kWh		9.60¢	8.76¢	8.63¢

Solar Surcharge is applied to all kWh regardless of season as outlined in Sheet No. 1-SB-1

III. 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) Campus Rates

Campus billing is a condition whereby the customer is served from a common address or industrial campus and has several accounts or services entrances on the same contiguous campus. Campus billing provides for either hardwire or post metering combination of these accounts to a single load shape for billing purposes. This option would have the characteristics of avoiding multiple service charges. The following criteria define the conditions under which campus rates would be granted:

1. Contiguous site.
2. Same legal entity buying and consuming the power at the site.
3. No sub-metering on campus to third parties.
4. Special facilities charges applied to recover additional meter/metering expense.
5. Single point of contact at the place of business both for billing and service questions.
6. All accounts served from a common rate and service voltage.
7. Use of parallel systems for shifting load between different rate offerings will be considered a violation of terms of this agreement. SMUD shall have the right to corrective billing on a single rate and full reimbursement of waived service charges.
8. This type of service requires interval metering on each service entrance. Customers at the secondary service level will be required to pay the service charge associated with primary service to account for additional costs to SMUD. A monthly service fee will be charged for the additional costs of multiple site metering.

(C) 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 (\$/kW of Contract Capacity per month)	Secondary	Primary	69kV
	\$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 customer and facility charges, as well as demand and energy charges for SMUD-provided power.

Large General Service Time-Of-Use Rate Schedule GS-TOU1

(D) Economic Development Rate Option

This option is applicable to full service customers with load in excess of 299 kW who create a minimum of 50 new jobs and add load at a new or expanded site. For existing customers, only the additional load will qualify for the discount. Eligibility for this discount is limited to customers with Standard Industrial Classifications (SIC) 2000-3999 Manufacturing, 4800-4899 Communications, 7300-7499 Business Services and 8700-8799 Professional Services or the equivalent new NAICS codes. Qualified customers must agree to be a full service customer for five years. Qualified customers will receive a reduction of the service, demand, facilities and energy components of their bill, based on the table below.

Economic Development Discount				
Year 1	Year 2	Year 3	Year 4	Year 5
5%	3%	1%	0%	0%

(E) Green Pricing Options

SMUD Community Solar Option

Customers electing this premium service option will receive an additional charge for monthly energy of no less than 1/2¢ and no greater than 2¢ per kWh. Contributions will be held until sufficient funds are available for construction of a solar roof top system.

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 three 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.

(F) Implementation of Energy Efficiency Program or Installation of New Solar Photovoltaic Systems

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

(G) 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.

IV. Special Metering Charge

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

V. Conditions

(A) Type of Electric Service

Firm Service

Standard service where SMUD provides a continuous and sufficient supply of electricity.

(B) Service Voltage Definition

The following defines the three voltage classes available. The rate shall be determined by the voltage level at which service is taken according to the following:

1. Secondary : This is the voltage class if the definition of "primary" and "69 kV" do not apply to a customer's service.
2. Primary : This is the voltage class if a customer elects to accept service at a voltage level of 12 kV or 21 kV that is available in the area and SMUD approves such arrangements for a customer whose monthly demand exceeds 300 kW.
3. 69 kV : This is the voltage class if a customer elects to accept service at a voltage level of 69 kV or higher that is available in the area and SMUD approves such arrangements for a customer whose monthly demand exceeds 500 kW.

Large General Service Time-Of-Use Rate Schedule GS-TOU1

(C) Power Factor Adjustment

Accounts with demands of 20 kW or greater may be subject to a power factor adjustment. SMUD, at its option, may place 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:

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

Energy = 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) Time-of-Use Billing Periods

Super-peak hours include the following:

SUMMER SEASON (ONLY) – JUNE 1 through SEPTEMBER 30

Weekdays: Between 2:00 p.m. and 8:00 p.m.

On-peak hours include the following:

WINTER SEASON - OCTOBER 1 through MAY 31

Weekdays: Between 12:00 noon and 10:00 P.M.

SUMMER SEASON - JUNE 1 through SEPTEMBER 30

Weekdays: Between 12:00 noon and 2:00 p.m. and between 8:00 p.m. and 10:00 p.m.

Off-peak hours include the following:

ALL SEASON – JANUARY 1 through DECEMBER 31

All day on Saturdays, Sundays and the following holidays:

New Year's Day	January 1
Martin Luther King Jr.'s Birthday	3rd Mon. in Jan.
Lincoln's Birthday	February 12
Presidents Day	3rd Mon. in Feb.
Memorial Day	Last Mon. in May
Independence Day	July 4
Labor Day	1st Mon. in Sep.
Columbus Day	2nd Mon. in Oct.
Veterans Day	November 11
Thanksgiving Day	4th Thu. in Nov.
Christmas Day	December 25

and all other hours not defined as super-peak or on-peak.

(E) Billing

PRORATION OF CHARGES

BILLING CIRCUMSTANCE	Service Charge	Facilities Charge	BASIS OF PRORATION
Less than 27 days or more than 34 days	Yes	Yes	Relationship between the length of the billing period and 30 days.
Winter/Summer crossover	Yes	Yes	Relationship between the length of the billing period and the number of days winter and summer.

Meter reading for service rendered in accordance with this rate will not be combined for billing purposes unless the convenience of SMUD is served thereby. (End)

Medium General Service Time-Of-Use Rate Schedule GS-TOU2

I. Applicability

Applicable to single or three phase service, delivered at such nominal voltage as the customer selects from among those which SMUD designates are available at the customer's premises. This schedule is mandatory for all commercial and industrial (C&I) customers whose monthly demand is 500 to 999 kW for three consecutive months. Customers will remain on this rate schedule until their demand falls below 500 kW for 12 consecutive months. The demand for any month will be the maximum 15-minute kW delivery during the month. Service under this schedule is subject to meter availability.

II. Firm Service Rate

	Rate Category Voltage Level	Medium GUS_M Secondary	Medium GUP_M Primary	Medium GUT_M 69kV
Winter Season - October 1 Through May 31				
Service Charge - per month per meter		\$96.70	\$96.70	\$256.10
Facilities Charge (per 12 months max kW or installed capacity)		\$2.55	\$2.25	\$1.85
Energy Charge				
On-Peak ¢/kWh		9.19¢	8.69¢	8.37¢
Off-Peak ¢/kWh		7.28¢	6.89¢	6.75¢
Summer Season - June 1 Through September 30				
Service Charge - Per month per meter		\$96.70	\$96.70	\$256.10
Facilities Charge (per 12 months max kW or installed capacity)		\$2.55	\$2.25	\$1.85
Demand Charge (\$/monthly super peak max kW)		\$6.25	\$5.75	\$0.00
Energy Charge				
Super-Peak ¢/kWh		17.44¢	16.60¢	16.12¢
On-Peak ¢/kWh		12.01¢	11.58¢	10.85¢
Off-Peak ¢/kWh		9.24¢	8.80¢	8.66¢

Solar Surcharge is applied to all kWh regardless of season as outlined in Sheet No. I-SB-1

III. Rate Option Menu

(A) Energy Assistance Program for Non-Profit Agencies

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

(B) Campus Rates

Campus billing is a condition whereby the customer is served from a common address or industrial campus and has several accounts or services entrances on the same contiguous campus. Campus billing provides for either hardwire or post metering combination of these accounts to a single load shape for billing purposes. This option would have the characteristics of avoiding multiple service charges. The following criteria define the conditions under which campus rates would be granted:

1. Contiguous site.
2. Same legal entity buying and consuming the power at the site.
3. No sub-metering on campus to third parties.
4. Special facilities charges applied to recover additional meter/metering expense.
5. Single point of contact at the place of business both for billing and service questions.
6. All accounts served from a common rate and service voltage.
7. Use of parallel systems for shifting load between different rate offerings will be considered a violation of terms of this agreement. SMUD shall have the right to corrective billing on a single rate and full reimbursement of waived service charges.
8. This type of service requires interval metering on each service entrance. Customers at the secondary service level will be required to pay the service charge associated with primary service to account for additional costs to SMUD. A monthly service fee will be charged for the additional costs of multiple site metering.

(C) 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	69kV
	\$6.25	\$4.95	\$2.50

Medium General Service Time-Of-Use Rate Schedule GS-TOU2

"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 customer and facility charges, as well as demand and energy charges for SMUD-provided power.

(D) Economic Development Rate Option

This option is applicable to full service customers with load in excess of 299 kW who create a minimum of 50 new jobs and add load at a new or expanded site. For existing customers, only the additional load will qualify for the discount. Eligibility for this discount is limited to customers with Standard Industrial Classifications (SIC) 2000-3999 Manufacturing, 4800-4899 Communications, 7300-7499 Business Services and 8700-8799 Professional Services or the equivalent new NAICS codes. Qualified customers must agree to be a full service customer for five years. Qualified customers will receive a reduction of the service, demand, facilities and energy components of their bill, based on the table below.

Economic Development Discount				
Year 1	Year 2	Year 3	Year 4	Year 5
5%	3%	1%	0%	0%

(E) Green Pricing Options

SMUD Community Solar Option

Customers electing this premium service option will receive an additional charge for monthly energy of no less than 1¢ and no greater than 2¢ per kWh. Contributions will be held until sufficient funds are available for construction of a solar roof top system.

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 three 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.

(F) Implementation of Energy Efficiency Program or Installation of New Solar Photovoltaic Systems

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

(G) 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.

IV. Special Metering Charge

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

V. Conditions

(A) Type of Electric Service

Firm Service

Standard service where SMUD provides a continuous and sufficient supply of electricity.

(B) Service Voltage Definition

The following defines the three voltage classes available. The rate shall be determined by the voltage level at which service is taken according to the following:

1. Secondary - This is the voltage class if the definition of "primary" and "69 kV" do not apply to a customer's service.
2. Primary - This is the voltage class if a customer elects to accept service at a voltage level of 12 kV or 21 kV that is available in the area and SMUD approves such arrangements for a customer whose monthly demand exceeds 300 kW.
3. 69 kV - This is the voltage class if a customer elects to accept service at a voltage level of 69 kV or higher that is available in the area and SMUD approves such arrangements for a customer whose monthly demand exceeds 500 kW.

Medium General Service Time-Of-Use Rate Schedule GS-TOU2

(C) Power Factor Adjustment

Accounts with demands of 20 kW or greater may be subject to a power factor adjustment. SMUD, at its option, may place 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:

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

Energy = 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) Time-of-Use Billing Periods

Super-peak hours include the following:

SUMMER SEASON (ONLY) - JUNE 1 through SEPTEMBER 30

Weekdays: Between 2:00 pm. and 8:00 p.m.

On-peak hours include the following:

SUMMER SEASON - JUNE 1 through SEPTEMBER 30

Weekdays: Between 12:00 noon and 2:00 p.m. and between 8:00 p.m. and 10:00 p.m.

WINTER SEASON - OCTOBER 1 through MAY 31

Weekdays: Between 12:00 noon and 10:00 p.m.

Off-peak hours include the following:

ALL SEASON - JANUARY 1 through DECEMBER 31

All day on Saturdays, Sundays and the following holidays:

New Year's Day	January 1
Martin Luther King Jr.'s Birthday	3rd Mon. in Jan.
Lincoln's Birthday	February 12
Presidents Day	3rd Mon. in Feb.
Memorial Day	Last Mon. in May
Independence Day	July 4
Labor Day	1st Mon. in Sep.
Columbus Day	2nd Mon. in Oct.
Veterans Day	November 11
Thanksgiving Day	4th Thu. in Nov.
Christmas Day	December 25

and all other hours not defined as super-peak or peak

(E) Billing

PRORATION OF CHARGES

BILLING CIRCUMSTANCE	Service Charge	Facilities Charge	BASIS OF PRORATION
Less than 27 days or more than 34 days	Yes	Yes	Relationship between the length of billing period and 30 days.
Winter/Summer crossover	Yes	Yes	Relationship between the length of billing period and the number of days of winter and summer.

Meter reading for service rendered in accordance with this rate will not be combined for billing purposes unless the convenience of SMUD is served thereby. (End)

Time-Of-Use Commercial Rate Schedule GS-TOU3

I. Applicability

Applicable to single or three phase service, delivered at such nominal voltage as the customer selects from among those which SMUD designates are available at the customer's premises. This schedule is mandatory for all commercial and industrial (C&I) customers whose monthly demand is 300-499 kW for three consecutive months and for all customers previously served at the primary level on Rate Schedule GS. Customers taking service at the secondary level will remain on this rate schedule until their demand falls below 300 kW for 12 consecutive months. This schedule is optional for customers currently billed on Rate Schedule GS and taking service at the secondary level with historical billing demand less than 300 kW.

II. Firm Service Rate

Rate Category	Small GUS_S Secondary	Small GUP_S Primary
Winter Season - October 1 through May 31		
Service Charge - per month per meter	\$96.70	\$96.70
Facilities Charge (per 12 months max kW or installed capacity)	\$3.40	\$3.05
Energy Charge		
On-peak ¢/kWh	9.33¢	8.81¢
Off-peak ¢/kWh	7.40¢	7.00¢
Summer Season - June 1 through September 30		
Service Charge - per month per meter	\$96.70	\$96.70
Facilities Charge (per 12 months max kW or installed capacity)	\$3.40	\$3.05
Demand Charge (\$/monthly super peak max kW)	\$6.85	\$6.25
Energy Charge		
Super-peak ¢/kWh	17.96¢	17.09¢
On-peak ¢/kWh	12.27¢	11.82¢
Off-peak ¢/kWh	9.75¢	9.28¢

Solar Surcharge is applied to all kWh regardless of season as outlined in Sheet No. 1-SB-1

III. 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) Campus Rates

Campus billing is a condition whereby the customer is served from a common address or industrial campus and has several accounts or services entrances on the same contiguous campus. Campus billing provides for either hardwire or post metering combination of these accounts to a single load shape for billing purposes. This option would have the characteristics of avoiding multiple service charges. The following criteria define the conditions under which campus rates would be granted:

1. Contiguous site.
2. Same legal entity buying and consuming the power at the site.
3. No sub-metering on campus to third parties.
4. Special facilities charges applied to recover additional meter/metering expense.
5. Single point of contact at the place of business both for billing and service questions.
6. All accounts served from a common rate and service voltage.
7. Use of parallel systems for shifting load between different rate offerings will be considered a violation of terms of this agreement. SMUD shall have the right to corrective billing on a single rate and full reimbursement of waived service charges.
8. This type of service requires interval metering on each service entrance. Customers at the secondary service level will be required to pay the service charge associated with primary service to account for additional costs to SMUD. A monthly service fee will be charged for the additional costs of multiple site metering.

(C) 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	69kV
	\$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 service and facility charges, as well as demand and energy charges for SMUD-provided power.

Time-Of-Use Commercial Rate Schedule GS-TOU3

(D) Economic Development Rate Option

This option is applicable to full service customers with load in excess of 299 kW who create a minimum of 50 new jobs and add load at a new or expanded site. For existing customers, only the additional load will qualify for the discount. Eligibility for this discount is limited to customers with Standard Industrial Classifications (SIC) 2000-3999 Manufacturing, 4800-4899 Communications, 7300-7499 Business Services and 8700-8799 Professional Services or the equivalent new NAICS codes. Qualified customers must agree to be a full service customer for five years. Qualified customers will receive a reduction of the service, demand, facilities and energy components of their bill, based on the table below.

Economic Development Discount				
Year 1	Year 2	Year 3	Year 4	Year 5
5%	3%	1%	0%	0%

(E) Green Pricing Options

SMUD Community Solar Option

Customers electing this premium service option will receive an additional charge for monthly energy of no less than 1/2¢ and no greater than 2¢ per kWh. Contributions will be held until sufficient funds are available for construction of a solar roof top system.

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 three 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.

(F) Implementation of Energy Efficiency Program or Installation of New Solar Photovoltaic Systems

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

(G) 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.

IV. 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 recover maintenance, software support costs and the annual licensing fee.

V. Conditions

(A) Type of Electric Service

Firm Service

Standard service where SMUD provides a continuous and sufficient supply of electricity.

(B) Service Voltage Definition

The following defines the three voltage classes available. The rate shall be determined by the voltage level at which service is taken according to the following:

1. Secondary: This is the voltage class if the definition of "primary" and "69 kV" do not apply to a customer's service.
2. Primary: This is the voltage class if a customer elects to accept service at a voltage level of 12 kV or 21 kV that is available in the area and SMUD approves such arrangements for a customer whose monthly demand exceeds 300 kW.
3. 69 kV: This is the voltage class if a customer elects to accept service at a voltage level of 69 kV or higher that is available in the area and SMUD approves such arrangements for a customer whose monthly demand exceeds 500 kW.

(C) Power Factor Adjustment

Accounts with demands of 20 kW or greater may be subject to a power factor adjustment. SMUD, at its option, may place 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:

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

Energy = the total monthly kWh for the account

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

Time-Of-Use Commercial Rate Schedule GS-TOU3

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) Time-of-Use Billing Periods

Super-peak hours include the following:

SUMMER SEASON (ONLY) – JUNE 1 through SEPTEMBER 30

Weekdays: Between 2:00 p.m. and 8:00 p.m.

On-peak hours include the following:

WINTER SEASON - OCTOBER 1 through MAY 31

Weekdays: Between 12:00 noon and 10:00 P.M.

SUMMER SEASON - JUNE 1 through SEPTEMBER 30

Weekdays: Between 12:00 noon and 2:00 p.m. and between 8:00 p.m. and 10:00 p.m.

Off-peak hours include the following:

ALL SEASON – JANUARY 1 through DECEMBER 31

All day on Saturdays, Sundays and the following holidays:

New Year's Day	January 1
Martin Luther King Jr.'s Birthday	3rd Mon. in Jan.
Lincoln's Birthday	February 12
Presidents Day	3rd Mon. in Feb.
Memorial Day	Last Mon. in May
Independence Day	July 4
Labor Day	1st Mon. in Sep.
Columbus Day	2nd Mon. in Oct.
Veterans Day	November 11
Thanksgiving Day	4th Thu. in Nov.
Christmas Day	December 25

and all other hours not defined as super-peak or on-peak

(E) Billing

PRORATION OF CHARGES

BILLING CIRCUMSTANCE	Service Charge	Demand/Facilities Charge	BASIS OF PRORATION
Less than 27 days or more than 34 days	Yes	Yes	Relationship between the length of the billing period and 30 days.
Winter/Summer season overlap	Yes	Yes	Relationship between the length of the billing period and the number of days winter & summer.

Meter reading for service rendered in accordance with this rate will not be combined for billing purposes unless the convenience of SMUD is served thereby.

(End)

Street Lighting Service Rate Schedule SLS

Customer-owned and maintained — Rate Category SL_COM
Customer-owned and maintained, metered — Rate Category SL_COM_M
Customer-owned, District-maintained — Rate Category SL_CODM
District-owned and maintained — Rate Category SL_DOM

I. Applicability

To outdoor lighting service facilities for:

1. Streets, highways, and bridges
2. Public parks
3. Elementary schools, secondary schools, and colleges

II. Character of Service

Alternating current; frequency of approximately 60 hertz; single phase; at voltages specified by SMUD. Lamps shall be controlled to burn from dusk to dawn each night so as to give approximately 4,000 hours of lighting service annually.

III. Billing

Billing periods for nonstandard lengths will be billed as follows:

1. Service connected for 15 or more days during a billing period will be billed for a full month's service.
2. Service connected for 1-14 days during a billing period will not be billed for such partial month's service.
3. Service discontinued for 15 or more days during a billing period will not be billed for such partial month's service.
4. Service discontinued for 1-14 days during a billing period will be billed for a full month's service.

Solar Surcharge is applied to all kWh as outlined in Sheet No. 1-SB-1

IV. Customer-owned and maintained — Rate Category SL_COM

Where the customer owns and maintains the street lighting equipment, SMUD will furnish energy and switching and the charge will be based on the connected load served and per watt month will be 2.37¢
The manufacturer's rating in watts (including all auxiliary equipment) will be used as connected load.

When a customer requests that SMUD finance as well as install street lighting equipment, provisions of Rule and Regulation 2 apply.

V. Customer-owned and maintained, metered — Rate Category SL_COM_M

Where the customer owns and maintains the street lighting equipment, to operate solely during dusk to dawn hours, and requests metered energy, SMUD will furnish a meter, energy and switching and the charges will be as follows:

Service charge per month or portion thereof	\$8.25
Energy Charge (¢ per kWh) - all kWh	7.11¢

VI. Customer-owned, District-maintained — Rate Category SL_CODM

Where the customer owns the street lighting equipment and desires SMUD to supply energy and switching and, in addition, provide for the lamp servicing and maintenance, such service will be rendered for lamps and fixtures of sizes and types as indicated on a District maintained list of approved equipment.

The monthly charge for energy and switching will be based on the connected load served and
for each watt of lamp load will be 2.37¢
The manufacturer's rating in watts (including all auxiliary equipment) will be used as connected load.

There will be a separate monthly charge for maintaining each fixture and/or lamp. SMUD will maintain a list of acceptable lamps and fixture types with nominal ratings and the corresponding monthly maintenance charge. SMUD retains the right to modify the list of acceptable lamps and fixtures with nominal ratings and the corresponding monthly maintenance charge. SMUD retains the right to modify the list of acceptable lamps and fixtures to accommodate changing technology or other business needs criteria. The list of acceptable lamp and fixture types, and their accompanying monthly charge, will be available on SMUD's Web site or will be furnished upon request. This list will be reviewed annually and updated as appropriate.

This service is restricted to SMUD-approved locations.

When a customer requests that SMUD finance as well as install street lighting equipment provisions of Rule and Regulation 2 apply.

Street Lighting Service Rate Schedule SLS

VI. District-owned and maintained — Rate Category SL_DOM

Where the customer wishes SMUD to install, operate and maintain the entire street lighting system, such service will be provided with fixtures and lamps of sizes and types as approved by SMUD. A current schedule of District-approved fixtures and lamps eligible for service under this rate will be maintained by SMUD.

The monthly charge for energy and switching will be based on the connected load served and
for each watt of lamp load will be 2.37¢

The manufacturer's rating in watts (including all auxiliary equipment) will be used as connected load.

There will be a separate monthly charge for installation and maintenance of each fixture (including lamps, refractors, ballasts, photo cells and other typical support equipment). These charges are based upon the installation of street lighting fixtures of a design specified by SMUD and mounted by means of varying length brackets affixed to existing wood poles that are used to carry distribution system circuits. SMUD will maintain a list of acceptable lamps and fixture types with nominal ratings and the corresponding monthly maintenance charge. SMUD retains the right to modify the list of acceptable lamps and fixtures to accommodate changing technology or other business needs criteria. The list of acceptable lamp and fixture types, and their accompanying monthly charge, will be available on SMUD's Web site or will be furnished upon request. This list will be reviewed annually and updated as appropriate.

When additional or alternative facilities are installed upon a customer's request, additional monthly charges will be made per the list of acceptable facilities, which will be available on SMUD's Web site or will be furnished upon request. This list will be reviewed annually and updated as appropriate.

RELOCATIONS AND CHANGES

District will, at customer's request, relocate existing equipment provided customer reimburses District for net expense to District incurred in connection therewith, including appropriate engineering and general expense.

District will, at customer's request, replace existing equipment with new equipment prior to expiration of the existing equipment's service life, provided customer pays to SMUD an amount equal to the unrecovered cost, less salvage value, of the existing equipment to be retired and executes a five-year contract for service effective with installation of such new equipment.

NEW SERVICE

New service will be for an initial contract term of five years effective with installation of the service. If service is terminated before the contract term, customer will be responsible for an amount equal to the unrecovered cost, less salvage value, of the equipment installed.

(End)

Customer-owned Generation Rule and Regulation 21

A. Requirements

Rule and Regulation 21 sets forth the mandatory conditions and requirements for the interconnection and operation of customer-owned generation. While SMUD reserves the right not to require some customers to execute an interconnection and operations agreement related to customer-owned generation, such customers shall nonetheless be bound by and must comply with the mandatory conditions and requirements of Rule and Regulation 21.

Requirements for interconnecting and operating customer-owned generation shall be available on the SMUD website (www.smud.org) and shall address, at a minimum, the following topics:

- Applicability
- General Rules, Rights and Obligations
- Application and Interconnection Process
- Generating Facility Design and Operating Requirements
- Interconnection Facility Ownership and Financing
- Metering, Monitoring and Telemetry
- Dispute Resolution Process
- Definitions
- Initial Review Process for Applications to Interconnect a Generating Facility
- Testing and Certification Criteria

B. Changes to Requirements

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

C. Mandatory Conditions for Net-Metered Photovoltaic Electrical Interconnection of Solar Generation Facilities of 5 Megawatts or Less

1. OPERATIONS

Owners of qualifying facilities will design, install, operate and maintain the Facility in a manner consistent with the normal and safe operation of the electrical distribution system owned and operated by SMUD. The Facility is intended primarily to provide part or all of the customer's own electrical energy requirements. The customer understands, accepts and agrees that connection and operation of the customer's Facility shall be subject to the terms and conditions set forth in Rules 11 and in this Rule 21.

2. CREDITS FOR NET ENERGY

The customer is eligible to receive credits for energy if the customer's monthly energy generated by the Facility exceeds the customer's monthly energy requirements, calculated by "Net Metering". Net Metering uses a meter or meters to measure the difference between the electricity supplied by SMUD and the energy generated by the Facility and supplied to SMUD. Net Metering account billing options, net energy carryover rules and restrictions and energy costs for the account which serves the Facility are controlled by SMUD's Service Rates Schedules in effect at the time of activation initially and as revised thereafter.

3. INTERRUPTIONS OR REDUCTION OF DELIVERIES

SMUD shall not be obligated to accept, and SMUD may require the customer to interrupt or reduce, deliveries of energy to SMUD: (a) when necessary in order to construct, install, maintain, repair, replace, remove, investigate or inspect any of SMUD's equipment or part of SMUD's system; or (b) if SMUD determines that curtailment, interruption or reduction of receipt of energy from the customer's Facility is necessary because of emergencies, forced outages, force majeure or compliance with prudent electrical practices.

Notwithstanding any other provisions of this section, if at any time SMUD, in its sole discretion determines that either (a) the Facility may endanger SMUD personnel or members of the general public, or (b) the continued operation of the customer's Facility may impair the integrity of SMUD's electrical distribution system, SMUD shall have the right to disconnect the customer's Facility from SMUD's electrical distribution system. The customer's Facility shall remain disconnected until such time as SMUD is satisfied that the condition(s) referenced in (a) or (b) of this paragraph have been corrected and SMUD shall not be obligated to compensate the customer for any loss of use of generation of energy during any and all periods of such disconnection.

Customer-owned Generation Rule and Regulation 21

4. CONDITIONS OF FACILITY OPERATIONS

The customer shall deliver energy from the Facility to SMUD at SMUD's meter.

The customer, and not SMUD, shall be solely responsible for all legal and financial obligations arising from the construction, installation, design, operation and maintenance of the Facility in accordance with all applicable laws and regulations.

The customer, at the customer's sole expense, shall obtain and possess all permits and authorizations in accordance with all applicable laws and regulations for the construction, installation, design, operation and maintenance of the Facility.

SMUD may meter, at its expense, the customer's energy usage using one or more meters.

The customer shall not connect the Facility, or any portion of it, to SMUD's distribution system, until the Facility has passed SMUD inspection. Such approval shall not be unreasonably withheld. SMUD shall have the right to have representatives present at the initial testing of the customer's Facility.

The customer may reconnect its Facility to the SMUD system following normal operational outages and interruptions without notifying SMUD unless SMUD has disconnected service, or SMUD notifies customer that a reasonable possibility exists that reconnection would pose a safety hazard.

If SMUD has disconnected Service to the Facility, or SMUD has notified the customer that a reasonable possibility that reconnection would pose a safety hazard, the customer may call SMUD at 1-888-742-SMUD (7683) to request authorization to reconnect the Facility.

5. PHOTOVOLTAIC INTERCONNECTION DESIGN STANDARDS

The customer Facility, and all portions of it used to provide or distribute electrical power and parallel interconnection with SMUD's distribution equipment shall be designed, installed, constructed, operated and maintained in compliance with these provisions. Compliance with this section is mandatory unless prior written SMUD approval is provided for those specific items not in compliance. Exemptions shall be in writing, signed by SMUD and will amend these provisions.

The customer shall conform to applicable National Electric Code (NEC) Standards [NEC 690] and applicable building codes.

The customer shall have a dedicated circuit from the inverter to electrical service panel with a circuit breaker or fuse [NEC 690-64(b) (1)].

The customer's over-current device at the service panel shall be marked to indicate photovoltaic power source [NEC 690-64(b) (4)].

The customer's inverter shall have the following minimum specifications for parallel operation with SMUD:

- Inverter output shall automatically disconnect from SMUD source upon loss of SMUD voltage and not reconnect until SMUD voltage has been restored by SMUD [NEC 690-611].
- Inverter shall meet the requirements of IEEE 1547, "Standard for Interconnecting Distributed Resources with Electric Power Systems" and Underwriters Laboratories (UL) 1741, "Standard for Static Inverters and Charge Controllers for Use in Photovoltaic Power Systems."

6. MAINTENANCE AND PERMITS

The customer shall: (a) maintain the Facility and Interconnection facilities in a safe and prudent manner and in conformance with all applicable laws and regulations including, but not limited to, requirements of Section 5.0 above and (b) to the extent that future requirements may dictate, obtain any government authorizations or permits required for the operation of the Facility. The customer shall reimburse SMUD for any and all losses, damages, claims, penalties or liability SMUD incurs as a result of the customer's failure to obtain or maintain any government authorizations and permits required for construction and operation of the customer's Facility.

Customer-owned Generation Rule and Regulation 21

7. ACCESS TO PREMISES

SMUD may enter the customer's premises without prior notice (a) to inspect at all reasonable hours the customer's protective devices and read or test any meter for the Facility and (b) to disconnect, at any time, without notice, the Facility if, in SMUD's sole opinion, a hazardous condition exists and that immediate action is necessary to protect persons, or SMUD's facilities or property of others from damage or interference caused by (1) the customer's Facility or (2) the customer's failure to comply with requirement of these provisions; and (c) monthly to read the bi-directional digital meter for billing purposes. Self-reads and reads from adjacent properties are not permitted.

8. INDEMNITY AND LIABILITY BY CUSTOMER

The customer shall indemnify and hold SMUD, its directors, officers, agents and employees harmless against all loss, damages, expense and liability to third persons for injury to, or death of persons or injury to property caused by the customer's engineering, design, construction, installation, ownership, maintenance or operations of, or the making of replacements, additions or betterments to or by failure of, the Facility in connection with these provisions by reason or omission or negligence, whether active or passive. The customer shall, on SMUD's request, defend any suit asserting a claim covered by the indemnity. The customer shall pay all costs that may be incurred by SMUD in enforcing this indemnity.

Nothing in these provisions shall be construed to create any duty to, any standard or care with reference to, or any liability to, any person not a Party to these provisions. Neither SMUD, its officers, agents or employees shall be liable for any claims, demands, costs, losses, causes or action, or any other liability of any nature or kind, arising out of the engineering, design, construction, ownership, maintenance or operation of, or making of replacements, additions or betterment to, the customer Facility except to the extent actually caused by the sole and gross negligence of SMUD.

Neither SMUD, its officers, agents or employees shall be liable for damages of any kind to the Facility caused by any electrical disturbance of the SMUD system or on the system of another, whether or not the electrical disturbance results from the negligence of SMUD or not.

D. Provisions for Interconnection of Eligible Generation Facilities of 5 Megawatts or Less under the Feed-in Tariff (FIT)

1. Eligible renewable generation and Combined Heat and Power (CHP) facilities interconnecting to SMUD under the FIT, are required to execute a Purchase Power Agreement (PPA) with SMUD. Feed-in Tariff guidelines are available in SMUD Policy and Procedure 8-04 and are posted at smud.org.
2. Eligible renewable generation and Combined Heat and Power (CHP) facilities interconnecting to SMUD under the FIT, are required to execute an Interconnection agreement with SMUD. Interconnection Guidelines are available in SMUD Policy and Procedure 11-01 and are posted at smud.org.
3. The customer interconnecting an eligible facility under the FIT shall be responsible for all costs associated with Interconnection Facilities owned by the customer. The customer shall also be responsible for any costs reasonably incurred by SMUD in providing, operating, or maintaining the Interconnection Facilities and SMUD System modifications required solely for the Interconnection of the customer's Generating Facility with SMUD's System.

(End)