

SMUD BOARD POLICY

Category: Strategic Direction	Title: COMPETITIVE RATES
	Policy Number: SD-2
Date of Adoption: May 1, 2003	Resolution No. 03-05-08
Revision Date: October 16, 2003	Resolution No. 03-10-14
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Revision Date: January 21, 2010	Resolution No. 10-01-09

Maintaining competitive rates is a core value of the District.

Therefore:

- a) The Board establishes a rate target of 18 percent below Pacific Gas & Electric Company's published rates on a system average basis. In addition, the Board establishes a rate target of at least 10 percent below PG&E's published rates for each customer class.
- b) SMUD's rate of change for both rates and bills shall be competitive with other local utilities on a system average basis.
- c) In addition, SMUD's rates shall be designed to balance and achieve the following goals:
 - i) Reflect the cost of energy when it is used;
 - ii) Reduce use on peak;
 - iii) Encourage energy efficiency and conservation;
 - iv) Minimize "sticker" shock in the transition from one rate design to another;
 - v) Offer flexibility and options;

- vi) Be simple and easy to understand;
- vii) Meet the needs of people with fixed low incomes and severe medical conditions; and
- viii) Equitably allocate costs across and within customer classes.

Monitoring Method: GM Report
Frequency: Annual