

Billing, Payment of Bills, and Credit Rule and Regulation 6

I. Billing Period

Customer bills will normally be rendered for scheduled billing periods of approximately one month. For the purposes of prices, a "month" is considered to be a single billing period of 27 to 34 days. Bills for electric service will be based upon 1) electronic meter data, 2) meter readings where the customer has opted-out of smart metering, or 3) estimates as provided in section II. below.

II. Metering for Billing Purposes and Use of Estimated Consumption

Data from two or more meters will not be combined for billing purposes unless SMUD determines it is necessary or convenient to do so.

Where the monthly consumption of electricity is consistently small or can be predetermined with reasonable accuracy by reference to the capacity of equipment served and the hours of operations, SMUD may, with customer's consent, calculate electricity consumed in lieu of providing metering equipment. The calculated electricity consumption will be billed at the average of the Nondemand Rate (GSN_T) annual electricity usage charges (Rate Category GFN).

Where metering equipment fails or an accurate meter reading is not obtained, SMUD may estimate demand or energy, or both, for the period of service involved and use such estimates in computing a bill, in accordance with Rule and Regulation 17.

III. Use of Contract Capacity for Billing

Where a customer has requested dedicated service, or is utilizing less than 50 percent of equipment sized specifically to meet the customer's load, or requires service of 10 MW or greater, SMUD may, at its sole discretion, ensure cost recovery (or marginal cost recovery for equipment utilization of less than 50 percent) of the distribution facilities capacity by billing the Site Infrastructure Charge based on the applicable Contract Capacity.

IV. Payment of Bills

All customer bills are payable upon presentation to the customer. Payment shall be made 1) at the office of SMUD, or 2) at any of the pay stations that SMUD may designate, or 3) to any of its duly authorized collectors, or 4) by customer initiated electronic means, or 5) by SMUD customer assisted electronic means. Customer bills, with the exception of public entities, that remain unpaid 19 business days from the date of issuance will be regarded as delinquent. SMUD may thereafter discontinue service for unpaid electric service bills in accordance with Rule and Regulation 11 or take such other appropriate action as may be necessary. Payments are first applied to all electric service bill amounts owing and then to non-electric bill amounts. Special bills or bills rendered to persons discontinuing service or vacating the premises shall be paid on presentation.

Public entity customer bills that remain unpaid 30 business days from the date of issuance will be regarded as delinquent.

"Public entity" includes Federal agencies, State of California, University of California, California State University, a county, city, district, special district, public authority, public agency and any other political subdivision of the State of California.

V. Payment of Delinquent Bills Required Before Service Is Supplied

Service may be refused or discontinued pursuant to Rule and Regulation 11 until all unpaid charges for electric service to applicant at all locations have been paid or have otherwise been discharged, or have been barred by the statute of limitations, except that residential service may not be refused or discontinued because of nonpayment of bills for other classes of service or nonelectric bill amounts.

VI. Establishment of Credit

A. Residential Customers

Residential credit will be deemed established without benefit of a cash deposit, pursuant to Rule and Regulation 3, until such time as the residential customer fails to maintain credit to SMUD's satisfaction.

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B. Commercial Customers

Commercial customers may:

1. Pay a cash deposit; or
2. Furnish a bond satisfactory to SMUD; or
3. Provide evidence of previous commercial utility service in the exact same name with either SMUD or a gas or another electric utility within the last 12 months where credit was established and maintained within SMUD's criteria. If such evidence is not supplied within 10 days of the service start date or if SMUD determines that it is not accurate, SMUD can require a deposit as a condition of further service.

VII. Maintenance of Credit

A customer's credit may be deemed to be no longer maintained to SMUD's satisfaction if such customer has 1) one or more delinquent bill payments during the last 12 months, 2) one or more returned payments in the last 12 months, 3) been disconnected for nonpayment, 4) defaulted on an installment, or 5) an unpaid closed account. Identification information, including social security numbers, of customers with delinquent accounts may be reported to credit reporting agencies as part of the customary collection practice.

A customer receiving service may be required to re-establish credit in the event conditions of service or conditions affecting the customer's credit have materially changed.

VIII. Deposit Required Where Credit Not Established or Maintained

Where a customer or an applicant for service does not satisfactorily establish and maintain credit in accordance with sections VI. and VII. a deposit may be required as security for the payment of bills. SMUD may, in accordance with Rule and Regulation 11, discontinue service if the customer fails to make such deposit as requested by SMUD. The amount of such deposit for residential and commercial customers shall be the greater of 1) twice the highest estimated monthly bill or twice the highest actual customer bill; or 2) twice the average residential class monthly bill for the preceding three years, rounded to the nearest \$10, as determined and set annually by SMUD.

IX. Deposit Retention and Interest

Deposits will normally be held for a minimum of 12 months for residential and nonresidential classes of service. Deposits will be credited to the customer's account at the end of the deposit period, or earlier, at SMUD's option, if the customer has maintained credit to SMUD's satisfaction as outlined in section VII.

For active deposits, interest will be credited to the customer's account annually. The deposit must be active for 180 calendar days before interest is paid. Each February, May, August, and November the interest rate will be recalculated to the nearest full percentage below the average Six-Month U.S. Treasury Bill yield for the previous three months. Interest is prorated based on the interest rate(s) in effect from the effective date of the deposit or from the last interest paid date, whichever is later, to the review date.

Upon termination of service, SMUD will return the deposit and any accrued interest less the amount of any unpaid charges. Interest on deposits will be paid on the date of the return of the deposit or on the date of its application to the customer's account.

X. Dishonored Payments

When checks or electronic funds transfers are received as payment for electric bills, deposits or other charges, and are subsequently dishonored or rejected by the bank, SMUD may require a fee in addition to redemption of the amount of the original check or electronic funds transfer. Dishonored payments and related charges must be redeemed and paid immediately in certified funds or SMUD may thereafter discontinue service in accordance with Rule and Regulation 11 or take other appropriate action as necessary. SMUD reserves the right to determine the form of acceptable payment. SMUD will set the fee for dishonored payments annually based on average costs.

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Certified funds to include, but may not be limited to:

- Cash
- Credit card payment authorized by credit card provider
- Cashier's check
- Money order

XI. Late Payment Charge

A one-time late fee of 1.5 percent may be applied to the current amount due portion of a customer's bill if the customer's full payment is not received by the end of the third business day after the due date indicated on the customer bill. The total unpaid balance must be equal to or greater than \$10.00 before a late fee is applied.

XII. Delinquent Accounts

In the event a SMUD representative must make a field call or mail a disconnection notice to effect collection of a delinquent electric service bill, deposit or other charges, the customer may be required to pay a field service charge in addition to the delinquent amount. Service may be discontinued pursuant to Rule and Regulation 11 if this charge is not paid at the time of collection or by the due date of the disconnection notice. Upon restoration of a service disconnected for non-payment, the past due amount, in addition to any other related charges, must be paid in certified funds only. SMUD reserves the right to consider other payment methods as deemed appropriate. SMUD will annually set the charge for field service on delinquent accounts based on average costs.

XIII. Subordination Fee

The cost of subordination will be charged to the property owner for each subordination required in a real estate transaction where SMUD has a recorded UCC-1 filing resulting from a SMUD energy efficiency loan. The subordination fee will be established to recover SMUD's average cost of subordination and may be revised from time to time to reflect changes in subordination costs.

XIV. Customer Service Assisted Payment Fee

A customer service assisted payment is the result of a SMUD representative drafting customer bill payment(s) from a credit card, checking account or savings account. When a customer requests for the payment of any bill owed to SMUD a customer service assisted payment there will be a transaction fee. The transaction fee is based on the average cost of providing such service. Fee schedules are available at the SMUD website, www.smud.org.

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