

RESOLUTION NO. 18-09-09

WHEREAS, on June 21, 2018, the Chief Executive Officer and General Manager released the “Chief Executive Officer & General Manager's Report and Recommendation on Rates and Services” (the GM Report), which is incorporated by reference herein; and

WHEREAS, by Resolution 18-06-07, adopted June 21, 2018, a public hearing on the GM Report was scheduled for August 16, 2018; and

WHEREAS, notice of the hearing was duly published, the public hearing was held on August 16, 2018 at 6:00 p.m. at SMUD’s customer service center (6301 S St., Sacramento, CA 95817), and all interested persons were given an opportunity to comment and submit testimony; and

WHEREAS, pursuant to SMUD Ordinance No. 15-1, SMUD conducted the two required public workshops on July 17, 2018 and July 26, 2018 to receive and respond to customer comments and questions; and

WHEREAS, SMUD directly engaged with approximately 100 community and business organizations through public outreach meetings to receive and respond to customer comments and questions, and notified 47 elected officials with rate action information and offers for an in-person presentation; and

WHEREAS, 10 state legislators whose districts include portions of the SMUD service area were offered informational meetings including information on the rate proposals; and

WHEREAS, SMUD provided customers with information about the rate proposal via numerous communication channels, including email, mail, newsletters, advertising, social media, SMUD's website and community presentations; and

WHEREAS, SMUD received from members of the public written questions, as well as comments and alternative recommendations to the rate changes proposed; and

WHEREAS, pursuant to SMUD Ordinance No. 15-1, a draft resolution was introduced on August 16, 2018 by this Board of Directors to be circulated for a minimum of ten calendar days for public review, input and comment; and

WHEREAS, the GM Report set forth in detail the reasons supporting the proposed rate action, including:

- a. To retain, recruit, and grow commercial and industrial customers and incentivize new development to promote load growth which will reduce upward rate pressure on existing customers; and
- b. To prorate residential System Infrastructure Fixed Charge (SIFC) when the billing period is shorter than 27 days to prevent charging customers the full SIFC twice in a billing period; and
- c. To more accurately reflect the value of hydro generation in the Hydro Generation Adjustment (HGA) calculations; and

WHEREAS, the recommendations in the GM Report include modifying the Economic Development Rate (EDR) by:

- a. Increasing the discount; and
- b. Offering companies two discount structure options to choose from; and
- c. Offering a larger discount for companies that locate within a disadvantaged community; and
- d. Lengthening the term of the contract from five years to ten years; and
- e. Removing the North American Industrial Classification System (NAICS) designation requirements; and
- f. Removing the minimum jobs requirement; and
- g. Requiring third party verification by a leading Sacramento area economic development organization to validate the legitimacy of the attraction, retention or expansion effort; and
- h. Removing the requirement that companies take full service from SMUD; and

WHEREAS, the recommendations in the GM Report include creating a demand-based (\$/kW) offset to the Rule and Regulation 16 Extension of Facilities to Nonresidential Premises (Rule 16) costs for extensions of service and upgrades for projects with a diversified load of at least 300 kW; and

WHEREAS, the recommendations in the GM Report include prorating the residential System Infrastructure Fixed Charge when the billing period is shorter than 27 days; and

WHEREAS, the recommendations in the GM Report include

- a. Increasing the cap on the Hydro Rate Stabilization Fund (HRSF) from 5% to 6% of the budgeted annual gross retail revenue; and
- b. Allowing the Board to direct any funds exceeding the HRSF cap to be refunded to customer or used for another purpose; and
- c. Capping precipitation at 80 inches when calculating the HGA transfer; and

WHEREAS, the recommendation in the GM Report to modify the Economic Development Rate (EDR) supports Strategic Direction 13, Economic Development, through assisting in retaining, recruiting and growing commercial and industrial rate-paying customers; and

WHEREAS, the recommendation in the GM Report regarding modifications to Rule 16 supports Strategic Direction 13, Economic Development, by aligning SMUD's economic development activities with regional economic development initiatives and growing commercial and industrial rate-paying customers; and

WHEREAS, the recommendation in the GM Report modifying the HGA calculation supports Strategic Direction 3, Access to Credit Markets by sending a positive financial signal to credit rating agencies; and

WHEREAS, the recommendation in the GM Report modifying the residential SIFC proration supports Strategic Direction 2, Competitive Rates by offering flexibility and options, and equitably allocating costs across customers; and

WHEREAS, in light of the adoption of Proposition 26 on November 2, 2010, which precludes certain new fees, levies or charges but is not retroactive as to local governments, this Board of Directors desires to maintain certain pre-Proposition 26 rates. This Board of Directors understands that Proposition 26 does not vitiate legislation adopted prior to November 3, 2010, and any changes in rates since this date are cost-justified under the analysis in the respective Chief Executive Officer and General Manager's Report and Recommendation on Rates and Services that supported the adoption of the rates; and

WHEREAS, the recommendation in the GM Report to modify the EDR and provide a Rule 16 offset to the cost to extend SMUD services raise no Proposition 26 issue because SMUD historically has over-recovered costs from rates paid by commercial and industrial customers with a demand of at least 300 kW and its policy to do so is pre-Proposition 26 legislation that is grandfathered by the measure. SMUD's existing rates for the commercial and industrial customers with at least 300 kW eligible for the EDR and Rule 16 offset all exceed the cost of service consistent with the pre-Proposition 26 policy, and therefore comply with Proposition 26. Because the proposed rate changes decrease the extent to which newly eligible customers pay more than cost of service (i.e. bringing them closer to service cost), they do not violate Proposition 26; and

WHEREAS, furthermore, while the Rule 16 offset reflects cost of service principles, fees assessed as a condition of property development, such as SMUD's Rule 16 fees, are not subject to Proposition 26; and

WHEREAS, the proposed proration of the residential SIFC on customer bills when the billing period is shorter than 27 better reflects the cost of service, therefore this recommendation does not violate Proposition 26; and

WHEREAS, because the HRSF is a reserve that is used to stabilize rates in the event of a drought, it may be funded by rate revenue as a cost of service. As the proposed HGA modifications reflect a good faith, reasonable estimate of a cost to provide service, it may be recovered from rates consistently with Proposition 26; and

WHEREAS, this Board of Directors has carefully considered the GM Report, public comment, input, public rate workshops, the noticed public hearing, alternative proposals, and comments received by mail, telephone and email; and

WHEREAS, this Board of Directors finds that the proposed action is reasonable and in the best interests of the public and SMUD's customers; **NOW, THEREFORE,**

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

Section 1. ECONOMIC DEVELOPMENT RATE: Effective no later than December 31, 2019, update the Rate Schedule EDR as follows, and when effective it replaces the 2019 Rate Schedule EDR at that time:

a. Amend Section I in Rate Schedule EDR by replacing the last sentence with the following:

This Rate Schedule EDR is effective no later than December 31, 2019, and when effective it replaces the 2019 Rate Schedule EDR at that time.

b. Replace Section II, Subsection B in Rate Schedule EDR with the following language:

B. Third party verification by a leading Sacramento area economic development organization will validate the legitimacy of the attraction, retention or expansion effort. The following criteria may be considered in the decision process:

- 1. Alternative locations under consideration (within and outside of California)*
- 2. Workforce requirements*
- 3. Other tax or cash incentives*
- 4. Logistical requirements*
- 5. Infrastructure or site improvement costs*
- 6. Timeline for creating new load and jobs*

c. Amend Section II in Rate Schedule EDR by deleting Subsections C and D.

d. Amend Section III, Pricing Structures of Rate Schedule EDR as follows:

- A. Eligible customers will **have two options (either Option A or B)** to receive a reduction of the System Infrastructure Fixed Charge, Site Infrastructure Charge, Summer Super Peak Infrastructure Demand*

- f. Modify Section IV Conditions of Service, Subsection A in the EDR tariff

as follows:

IV. Conditions of Service

- A. *Customers must execute an Economic Development Rate (EDR) Option Agreement ~~to receive full service from SMUD for five~~ **ten** years commencing on the agreement effective date.*

- g. Modify Section IV Conditions of Service, Subsection D in the EDR tariff

as follows:

IV. Conditions of Service

- D. Retention customers will require the execution of ~~an affidavit~~ **certificate** by a company executive **and/or owner certifying that the company is exploring other locations and electricity costs are a factor in its decision to do business in a location. The certification and** requires review and verification by **a senior executive of the Greater Sacramento Area Economic Council (Greater Sacramento) a leading Sacramento area economic development organization.***
- Retention customers specify in the Economic Development Rate Option Agreement the date when the existing load will be retained with only the portion of load deemed likely to relocate or cease operations qualifying for the EDR. The effective start date is the first billing period with the EDR following the specified date of the retained load.*

Revisions described above are detailed in the attached Rates, Rules and Regulations.

Section 2. RULE 16 – EXTENSION OF FACILITIES TO

NONRESIDENTIAL PREMISES: Effective September 21, 2018, update Rule 16 as

follows:

a. Modify Section IV, Subsection d of Rule and Regulation 16 Extension of Facilities to Nonresidential Premises as follows:

d. The developer will deposit with SMUD 100 percent of the ~~Estimated~~ Cost of SMUD-installed facilities upon completion of the system design and prior to system installation. At the discretion of SMUD, ~~Estimated~~ Cost may be determined by application of standard unit costing or by job specific estimates. Standard unit costing may be reviewed and updated at SMUD's discretion. SMUD may extend at its option, financing terms for no longer than 12 months for no more than 50 percent of the ~~required deposit~~ Cost. Availability of the financing option will depend on the financial viability and credit-worthiness of the firm, as determined by SMUD. These costs are limited to SMUD's costs of providing distribution facilities within the boundaries of the development and the development-related distribution facilities adjacent to the development. For customers with connected loads of 1 megawatt and greater, these costs will include costs related to the last transformation before delivery to the customer, whether that transformation is from an off-site distribution substation or an on-site SMUD-dedicated substation. SMUD will supply, install, own, and

maintain all conductors, switchgear, transformers, and related equipment for the secondary and primary distribution system.

b. Add Section V to Rule and Regulation 16 Extension of Facilities to Nonresidential Premises as follows:

V. SMUD Cost for Distribution Systems

The developer of a non-residential development with an estimated demand of at least 300kW as determined by SMUD is eligible for certain offsets of costs in accordance with the following specifications:

- a. Based on Section IV(D), SMUD will supply, install, own, and maintain all conductors, transformers, and related equipment for the secondary and primary distribution system.***
- b. SMUD will apply a Per kW Offset Amount to offset the developer Cost for the SMUD-installed facilities and distribution system.***
- c. The estimated kW demand for the Per kW Offset Amount will be determined by SMUD based on diversified load.***
- d. The developer furnished and installed underground duct system (including necessary conduits, ducts, manholes, vaults, equipment, pads, and concrete encasement of conduit where required), are not eligible for the Per KW Offset Amount.***

e. The developer will not receive an offset of more than 100% of the SMUD total cost for the SMUD-installed facilities and distribution system.

f. The Per kW Offset Amount is determined by SMUD annually based on system impact and budget.

c. Qualified customers who apply under Rule 16 on or after September 21, 2018 will receive the offset.

Revisions described above are detailed in the attached Rates, Rules and Regulations.

Section 3. RESIDENTIAL TIME-OF-DAY RATE CHANGE: Effective no later than December 31, 2019, amend Section VI of Rate Schedule R-TOD as follows, and when effective it replaces the 2019 Rate Schedule R-TOD at that time:

VI. Billing

A. Proration of Charges

*The electricity usage charge and the monthly System Infrastructure Fixed Charge will not be prorated, regardless of the number of days in the billing period or the spanning of multiple seasons. **Effective as early as June 1, 2019 and no later than December 31, 2019, the monthly System Infrastructure Fixed Charge will be prorated when the bill period is shorter than 27 days as shown in the following table is determined by the billing period end date.***

<i>Billing Circumstance</i>	<i>Basis for Proration</i>
<i>Bill period is shorter than 27 days</i>	<i>Relationship between the length of the billing period and 30 days.</i>

Revisions described above are detailed in the attached Rates, Rules and Regulations.

Section 4. RESIDENTIAL RATE CHANGE: Effective no later than December 31, 2019, amend Section V of Rate Schedule R as follows, and when effective it replaces the 2019 Rate Schedule R at that time:

V. Billing

*KWh usage may be prorated for nonstandard billing periods, when billing period spans a price change, and/or when the billing period spans more than one season. **Effective as early as June 1, 2019 and no later than December 31, 2019, the monthly System Infrastructure Fixed Charge SIFC will be prorated when the bill period is shorter than 27 days.***

The following table shows the basis for the proration in these circumstances. ~~The monthly System Infrastructure Fixed Charge will not be prorated, regardless of the number of days in the billing period or the spanning of multiple seasons. The monthly System Infrastructure Fixed Charge is determined by the billing period end date.~~

Billing Circumstance	Basis for Proration
<i>Bill period is shorter than 27 days (SIFC and kWh)</i>	<i>Relationship between the length of the billing period and 30 days.</i>
<i>Bill period is longer than 34 days (kWh)</i>	
<i>Seasons overlap and price changes within bill period</i>	<i>Relationship between the length of the billing period and the number of days that fall within the respective season or pricing periods.</i>

Revisions described above are detailed in the attached Rates, Rules and Regulations.

Section 5. 2019 ENERGY ASSISTANCE PROGRAM RATE CHANGE:

Effective no later than December 31, 2019, amend Section VIII of the 2019 Rate Schedule EAPR as follows, and when effective it replaces the 2019 Rate Schedule EAPR at that time:

VIII. Billing

*The effective date of EAPR will be the beginning of the billing period in which the request is approved. If participation is terminated, the effective termination date will be the beginning of the billing period in which the request is received or the cancellation date. The maximum **electricity usage discount** ~~EAPR discount~~ will not be prorated, regardless of the number of days in the billing period or the spanning of multiple seasons. The discount may be reflected on the customer's bill with a rate-based identifier code or line item description. **Effective as early as June 1, 2019 and no later than December 31, 2019, the monthly System***

Infrastructure Fixed Charge discount will be prorated for bill periods shorter than 27 days as shown in the table below.

<i>Billing Circumstance</i>	<i>Basis for Proration</i>
<i>Bill period is shorter than 27 days</i>	<i>Relationship between the length of the billing period and 30 days.</i>

Revisions described above are detailed in the attached Rates, Rules and Regulations.

Section 6. 2020 AND 2021 ENERGY ASSISTANCE PROGRAM RATE CHANGE: Effective January 1, 2020, amend Section VIII of the 2020 Rate Schedule EAPR and 2021 Rate Schedule EAPR as follows:

VIII. Billing

*The effective date of EAPR will be the beginning of the billing period in which the request is approved. If participation is terminated, the effective termination date will be the beginning of the billing period in which the request is received or the cancellation date. The maximum **electricity usage discount** ~~EAPR discount~~ will not be prorated, regardless of the number of days in the billing period or the spanning of multiple seasons. The discount may be reflected on the customer's bill with a rate-based identifier code or line item description. **The monthly System Infrastructure Fixed Charge discount will be prorated for bill periods shorter than 27 days as shown in the table below.***

<i>Billing Circumstance</i>	<i>Basis for Proration</i>
<i>Bill period is shorter than 27 days</i>	<i>Relationship between the length of the billing period and 30 days.</i>

Revisions described above are detailed in the attached Rates, Rules and Regulations.

Section 7. HYDRO GENERATION ADJUSTMENT: Effective January 1, 2019, modify language in the HGA Rate Schedule as follows:

- a. Amend Section II of Rate Schedule HGA as follows:
 - A. *SMUD estimates that each inch of precipitation results in 35,000 megawatt hours (MWh) of generation.*
 - B. *The HGA precipitation period begins April 1 of the previous year and ends on March 31 of the current year (**Water Year**).*
 - C. *The actual **inches of precipitation (AP)** for each period shall be measured at the National Weather Service Pacific House Cooperative Observer measuring station or suitable replacement.*
 - D. *The ~~actual precipitation~~ **AP** will be compared to the 50-year median (midpoint) ~~for~~ **inches of precipitation (MP)** measured at Pacific House.*
 - E. *The price of power delivered into the area designated as North Path 15 (NP15) will be used to determine the dollar impact of any excess or shortfall of energy. If NP15 is no longer available, then a suitable replacement will be used.*

F. The AP will be capped at a maximum of 80 inches per Water Year to accommodate for spill.

- b. Amend Section III, Subsection A of Rate Schedule HGA with the following:

A. Precipitation Variance

Inches of Precipitation Variance (\pm IPV) = MP – AP

The variance of precipitation equals the difference between the 50-year median and the actual inches of precipitation.

- c. Amend Section IV of Rate Schedule HGA as follows:

*The ~~Budget Impact (BI)~~ will first be compared to the Hydro Rate Stabilization Fund (HRSF), ~~which was initially funded in 2008 at \$30 million. Any excess funds from~~ **In Water Years with** above median ~~hydro generation~~ **precipitation, funds shall be deposited to the HRSF from Operating Revenues until the HRSF reaches a maximum of 56% of budgeted annual gross retail revenue, at which time subsequent excesses may be returned to the customer through the Hydro Generation Adjustment (HGA). The HRSF will be drawn down to **In Water Years with below median precipitation, funds will be withdrawn from the HRSF and applied to Operating Revenues until the HRSF balance reaches zero before, at which time the HGA will be levied as a surcharge on electricity usage.*****

- d. Amend Section V of Rate Schedule HGA as follows:

*The BI will not exceed ± 4 percent of budgeted **annual gross** retail revenue.*

- e. Amend Section VI, Subsection A of Rate Schedule HGA as follows:

A. If Calculated HRSF is < 0

*The Accountant will transfer the remaining **balance of the HRSF** to ~~customer revenue~~ **Operating Revenues** and the HGA will be set at:*

$$- \frac{\text{Calculated (HRSF-BI)}}{\text{Budgeted annual retail kWh sales}} = \text{HGA}$$

~~The Accountant will defer purchase power expense into the next calendar year equal to minus 27 percent of the Calculated HRSF.~~

- f. Amend Section VI, Subsection B of Rate Schedule HGA as follows:

*If Calculated HRSF is ≥ 0 and ≤ **56** percent of budgeted **annual gross** retail revenue:*

*The Accountant will transfer the positive BI out of the HRSF and **into Operating Revenues** and transfer the negative BI into the HRSF **from Operating Revenues.***

- g. Amend Section VI, Subsection C of Rate Schedule HGA as follows:

*C. If the Calculated HRSF is > **56** percent of budgeted **annual gross** retail revenue:*

*The Accountant will transfer **the negative BI** into the HRSF ~~from customer revenue~~ **up to (56 percent of budgeted **annual gross** retail revenue.** – HRSF) and **The Board may authorize the HGA or direct the funds for another purpose. At the Board's direction, the HGA will be set at:***

$$- \frac{(\text{Calculated HRSF} - \mathbf{56\% \text{ of budgeted annual gross retail revenue}})}{\text{Budgeted annual retail kWh sales}} = \text{HGA}$$

~~The Accountant will defer customer revenues into the next calendar year equal to 27 percent of (Calculated HRSF — 5 percent of budgeted retail revenue).~~

- h. Amend Section VII of Rate Schedule HGA as follows:

~~The Hydro-Generation Adjustment **HGA** became effective July 1, 2008.~~

~~**The HGA is recalculated for each Water Year** Each subsequent year the calculated **HGA and** will be applied to the rate schedules ~~April 10~~ **May 1** until April 30 of the following year.~~

Revisions described above are detailed in the attached Rates, Rules and Regulations.

Section 8. ALTERNATIVE RECOMMENDATION: SMUD received the following written recommendations from a member of the public on alternatives to the rate changes proposed in the Report:

- a. *Action requested on EDR*
1. *Limit customers to those who have a sustainable energy use plan that will advance SD-7 goals and Sacramento County greenhouse gas reduction goals.*
 2. *Match load increases with delivered renewable energy to decrease Sacramento County power plant emissions.*
 3. *Publish real-time energy source data so all customers can help reduce Sacramento County's carbon footprint.*
 4. *Full Material Resource Plan discrete simulation of EDR using SAP or other MRP system instead of analog modeling such as E3 RESOLVE, PATHWAYS and PLEXOS.*

This Board of Directors has considered this alternative recommendation and has determined not to adopt the alternative recommendation for the following reasons:

1. All customers that qualify for the new EDR will help lower costs to current customers, not just those that have sustainable energy use plans. The main purpose of this rate process is to promote load growth and increase the number of customers to reduce upward rate pressure. Staff's proposal eliminates a number of limiting requirements including specific industry and job creation/retention criteria. Customers may pursue their sustainable energy plans and receive the EDR if they qualify. This alternative recommendation will limit the benefit of the EDR to a specific segment of the commercial population.
2. SMUD has an integrated resource plan and policies to address the mix of resources needed to meet state mandates and this Board's directives and targets. Matching load increases with delivered renewable energy is inconsistent with this Board's direction and would not affect a customer's eligibility for the EDR.
3. Publishing real-time energy source data would not affect a customer's eligibility for the EDR.
4. SMUD uses industry standard models for our resource planning and does not believe additional models are needed. SMUD's resource planning models were not utilized in the EDR proposal.

b. Action requested on Prorating service charge

- 1. Adjust daily prorated charge to 10% below PG&E's Delivery Minimum Bill Amount (\$ per meter per day) of \$0.32854 (E-1).*

This Board of Directors has considered this alternative recommendation and has determined not to adopt the alternative recommendation because it would create a revenue reduction of approximately \$75 million per year which is significant and would require a rate increase to offset this loss.

c. Action requested on HRSF

- 1. Do away with the fund, it is fundamentally flawed.*
- 2. Reliably increase the value of hydro power by directly marketing its environmental attributes to Sacramento County customers in a tracible "value for what you pay" (SD-5) way.*
- 3. Do this by "soft metering" the power to electric vehicle owners who want to show in real-time their commitment to reducing Sacramento County greenhouse gas and toxic emissions without subsidization.*
- 4. Full Material Resource Plan discrete simulation for Hydro power using SAP or other MRP system instead of analog modeling such as E3 RESOLVE, PATHWAYS and PLEXOS.*

This Board of Directors has considered this alternative recommendation and has determined not to adopt the alternative recommendation for the following reasons:

1. The HRSF is a mechanism to manage the risk of years with low precipitation. The benefit to customers of providing predictable rates and protecting them against sudden changes in the cost of power outweigh the potential burden of using funds from one period in another period.
2. SMUD's hydro power benefits all customers because it reduces overall Greenhouse Gas (GHG) emissions. SMUD uses these environmental attributes to comply with state environmental mandates. As SMUD and the rest of the state reach towards higher levels of RPS and GHG reduction, hydro power's environmental attributes become more valuable to SMUD as compliance instrument costs (i.e. carbon allowances and offsets) are expected to rise dramatically over the next decade. Maintaining ownership of all of SMUD's hydro power attributes ensures a reliable system, cleaner environment, and translates to lower costs for all of our customers.
3. SMUD currently has no plans to "soft meter" hydro power to electric vehicle customers but may explore concepts around green energy for electric vehicle charging in the future.
4. SMUD uses industry standard models for our resource planning and does not believe additional models are needed. SMUD's resource planning models were not utilized in the HGA proposal.

Section 9. MODIFICATIONS: The Chief Executive Officer and General Manager, or his or her designee, is authorized to make non-substantive revisions to the Rates, Rules and Regulations

Section 10. ENVIRONMENTAL COMPLIANCE:

1.0 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.

2.0 This Board of Directors finds and declares:

- (A) That all revenue produced by each and every one of the rate actions set forth in this Resolution shall 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 these rate modifications shall be used for any other purpose. Therefore, all of the foregoing rate actions are exempt from CEQA.

(B) The above findings are based on information set forth in the GM Report.

Section 11. The new and revised Rate Schedules and Rules and Regulations referenced in this Resolution are attached and incorporated herein as Attachment F.

Section 12. To the extent there is a discrepancy between this Resolution and the new and revised Rate Schedules and Rules and Regulations attached hereto, the new and revised Rate Schedules and Rules and Regulations shall control.

Approved: September 20, 2018

INTRODUCED: DIRECTOR SHIROMA				
SECONDED: DIRECTOR KERTH				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
FISHMAN	X			
ROSE				X
BUI-THOMPSON	X			
SHIROMA	X			
KERTH	X			
TAMAYO	X			
SLATON				X

2018-2021 Rates, Rules and Regulations

Table of Contents

The following listed sheets contain all effective rates, rules and regulations affecting rates and service, and information relating thereto, in effect on and after the date indicated. All rates are applicable to the territory served by SMUD.

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Economic Development Rate Schedule EDR

I. Applicability

This Rate Schedule EDR is available to qualifying commercial customers locating, expanding, or retaining business in SMUD’s service territory with a maximum demand of at least 300 kW on a single meter that meet all eligible criteria. This Rate Schedule EDR is effective no later than December 31, 2019, and when effective it replaces the 2019 Rate Schedule EDR at that time.

II. Eligibility

- A. Eligible customers are those taking service under Rate Schedules GS-TOU1, GS-TOU2 or GS-TOU3.
- B. Third party verification by a leading Sacramento area economic development organization will validate the legitimacy of the attraction, retention or expansion effort. The following criteria may be considered in the decision process:
 - 1. Alternative locations under consideration (within and outside of California)
 - 2. Workforce requirements
 - 3. Other tax or cash incentives
 - 4. Logistical requirements
 - 5. Infrastructure or site improvement costs
 - 6. Timeline for creating new load and jobs

III. Pricing Structures

- A. Eligible customers have two options (either Option A or B) to receive a reduction of the System Infrastructure Fixed Charge, Site Infrastructure Charge, Summer Super Peak Demand Charge and electricity usage charges on their bill, based on the table below.

<i>Economic Development Discount</i>										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Option A	6.0%	6.0%	6.0%	6.0%	6.0%	5.0%	4.0%	3.0%	2.0%	1.0%
Option B	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%

- B. Eligible customers locating in areas of high unemployment and poverty as determined by the Disadvantaged Community designation under the California Office of Environmental Health and Hazard Assessment have two options (either Option C or D) to receive a reduction of the System Infrastructure Fixed Charge, Site Infrastructure Charge, Summer Super Peak Demand Charge and electricity usage charges on their bill, based on the table below.

<i>Disadvantaged Communities Economic Development Discount</i>										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Option C	8.0%	8.0%	8.0%	8.0%	8.0%	6.5%	5.0%	3.5%	2.0%	0.5%
Option D	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%

IV. Conditions of Service

- A. Customers must execute an Economic Development Rate (EDR) Option Agreement for ten years commencing on the agreement effective date.

Economic Development Rate Schedule EDR

- B.** New customers must apply for the EDR option prior to commencement of service with SMUD. Temporary service is not eligible for the EDR option. Applicants will have 12 months from the agreement date to reach the maximum demand of at least 300 kW load requirement. The effective start date for the EDR for new customers is the date of the first meter read for billing after three consecutive months with a maximum demand of at least 300 kW.
- C.** Existing customers must apply for the EDR option prior to the installation of new load with only additional load qualifying for the EDR. Existing customers specify in the Economic Development Rate Option Agreement the date when the new load will be added. The effective start date of the EDR is the first billing period following the specified date of load addition.
- D.** Retention customers will require the execution of a certificate by a company executive and/or owner certifying that the company is exploring other locations and electricity costs are a factor in its decision to do business in a location. The certification requires review and verification by a senior executive of a leading Sacramento area economic development organization. Retention customers specify in the Economic Development Rate Option Agreement the date when the existing load will be retained with only the portion of load deemed likely to relocate or cease operations qualifying for the EDR. The effective start date is the first billing period with the EDR following the specified date of the retained load.

(End)

Extension of Facilities to Nonresidential Premises Rule and Regulation 16

I. Conditions of Service

Applicants for new and upgraded electric service will be required to provide SMUD sufficient advance notice so that service can be rendered by the time such service is desired. By applying for or accepting service from SMUD, a customer agrees to abide by all of SMUD's rates, rules and regulations concerning such service, to provide any rights of way across the customer's own property that SMUD may deem necessary to supply such service, and to cooperate with SMUD in its construction and maintenance of the facilities needed for such service. SMUD may bill the customer for any costs resulting from the customer's failure to comply with the provisions of this paragraph. This rule and regulation shall also apply to public agencies and developments with both nonresidential and residential mixed-use electric service.

II. Extensions of SMUD Distribution Facilities

Line extensions of electric distribution facilities to the boundary of a nonresidential development (at standard voltages specified in Rule and Regulation 2) will normally be constructed, owned, and maintained by SMUD at its expense. Line extensions will be subject to the provisions of SMUD's rules and regulations and the provisions of the applicable rates.

III. Overhead Distribution Facilities within a Development

Generally, overhead facilities will not be extended into new developments. However, when they are extended SMUD will construct, own, and maintain all necessary overhead facilities required to provide service.

IV. Underground Distribution Facilities within a Development

The developer of a nonresidential development will, in accordance with SMUD's specifications:

- a. Perform all necessary excavating and backfilling, including furnishing of any imported backfill material required.
- b. Furnish and install the underground duct system (including necessary conduits, ducts, manholes, vaults, switchgear, pads, and concrete encasement of conduit where required).
- c. Transfer ownership of such facilities to SMUD upon acceptance by SMUD. In the case of approved residential high rise construction, ownership and maintenance of secondary to final service voltage equipment within the customer's building will remain the responsibility of the customer. The customer shall provide open and free access to SMUD meters in designated panel locations throughout the building.
- d. The developer will deposit with SMUD 100 percent of the Cost of SMUD-installed facilities upon completion of the system design and prior to system installation. At the discretion of SMUD, Cost may be determined by application of standard unit costing or by job specific estimates. Standard unit costing may be reviewed and updated at SMUD's discretion. SMUD may extend at its option, financing terms for no longer than 12 months for no more than 50 percent of the Cost. Availability of the financing option will depend on the financial viability and credit-worthiness of the firm, as determined by SMUD. These costs are limited to SMUD's costs of providing distribution facilities within the boundaries of the development and the development-related distribution facilities adjacent to the development. For customers with connected loads of 1 megawatt and greater, these costs will include costs related to the last transformation before delivery to the customer, whether that transformation is from an off-site distribution substation or an on-site SMUD-dedicated substation. SMUD will supply, install, own, and maintain all conductors, switchgear, transformers, and related equipment for the secondary and primary distribution system.
- e. If the applicant does not, within 12 months from the date on which SMUD provided a commitment for service, complete construction so that SMUD facilities can be installed, work authorizations under this rule may be canceled along with any related jobs. The on-site development cost shall be subject to increase in accordance with any change in this rule.
- f. Pay SMUD a nonrefundable design fee at the time of project submittal to SMUD. SMUD may require additional fees as needed to accommodate change-orders or unanticipated design costs.

Extension of Facilities to Nonresidential Premises Rule and Regulation 16

V. SMUD Cost for Distribution Systems

The developer of a non-residential development with an estimated demand of at least 300kW as determined by SMUD is eligible for certain offsets of costs in accordance with the following specifications:

- a. Based on Section IV(D), SMUD will supply, install, own, and maintain all conductors, transformers, and related equipment for the secondary and primary distribution system.
- b. SMUD will apply a Per kW Offset Amount to offset the developer Cost for the SMUD-installed facilities and distribution system.
- c. The estimated kW demand for the Per kW Offset Amount will be determined by SMUD based on diversified load.
- d. The developer furnished and installed underground duct system (including necessary conduits, ducts, manholes, vaults, equipment, pads, and concrete encasement of conduit where required), are not eligible for the Per kW Offset Amount.
- e. The developer will not receive an offset of more than 100% of the SMUD total cost for the SMUD-installed facilities and distribution system.
- f. The Per kW Offset Amount is determined by SMUD annually based on system impact and budget.

VI. Service at Secondary Voltage

A. Overhead Service

In those areas where it has been determined that SMUD will continue to serve its customer's overhead distribution and where SMUD's distribution pole line is located on a street, highway, lane, alley, road, or private easement immediately contiguous to the customer's premises, SMUD will, at its expense, furnish and install a service drop from its pole line to the nearest point of attachment to the customer's building or other permanent support provided by the customer, at a point to be approved by SMUD.

B. Underground Service

In designated underground areas, SMUD will connect to underground service runs furnished and installed by the customer, at the customer's expense, at a service location specified by SMUD. Service run facilities shall include conductor to reach the service location, shall be subject to applicable City and County ordinances, and shall be subject to approval by SMUD as to design and specifications. No customer will be required to install facilities beyond a location in the public utility right of way adjacent to his or her property. Cost recovery of underground distribution facilities within a development will conform to the provisions of section IV. of this Rule and Regulation.

VII. Service at Primary or Subtransmission Voltage

Wherever adequate service to a customer requires and where, in SMUD's judgment, it is desirable and practicable to do so, SMUD will install on the customer's premises a primary or subtransmission voltage supply line. This supply line will extend to the metering installations or other terminal point, as designated by SMUD.

A. Overhead Conductors

Where the supply line is to be overhead, SMUD will, at its expense, furnish and install the entire line and will make the necessary connections.

B. Underground Conductors

Where the customer requests and SMUD agrees, or where SMUD determines that the primary or subtransmission voltage supply line be underground or otherwise in conduit, in whole or in part, the customer shall furnish and install the entire conduit system including manholes, pull boxes, and pull wires as designated by SMUD. All such facilities shall be subject to approval by SMUD as to design and specifications. No customer will be required to install facilities beyond a location in the public utility right of way adjacent to the customer's property. SMUD will furnish and install the electrical conductors and make the necessary connections. Cost recovery of underground distribution facilities within a development will conform to the provisions of section IV. of this Rule and Regulation.

Extension of Facilities to Nonresidential Premises Rule and Regulation 16

VIII. Service Connections

SMUD will not connect to any one building more than one service for each voltage classification, either overhead or underground, except for SMUD's operating convenience, or where, in SMUD's judgment, such additional services may be warranted because of the load requirements, or where the customer is required by law to install emergency lighting facilities. Connections of such service to or disconnection of such service from SMUD's lines shall be made only by authorized SMUD employees.

IX. Requests for Change in Service Voltage

Where the customer requests and SMUD consents, a change in service voltage may occur provided that all SMUD costs including unrecovered costs less salvage value, relocation costs, and site restoration costs are at the requesting customer's expense. Such change may involve all voltage level classes as defined under the applicable general service rate schedule.

X. Extensions for Temporary Service

Extension for temporary service will be made under the provisions of Rule and Regulation 13, Temporary Service.

XI. SMUD Ownership of Facilities, Right of Access, and Right of Way

All facilities installed on a customer's premises, including but not limited to conductors, transformer, poles, meters, etc., which SMUD furnishes in order to render electric service, shall remain the sole property of SMUD. SMUD will maintain such facilities and shall have the right of access to the customer's premises, without payment of any charge or rent therefore, at all reasonable hours for any purpose related to the furnishing of electric service. This shall include but is not limited to meter reading, testing, inspection, construction, maintenance, and repair of facilities. Upon termination of service, and for a reasonable period thereafter, SMUD shall have the right of access to the customer's premises to remove its facilities installed thereon. The customer shall grant to SMUD rights of way and rights of access, satisfactory to SMUD, for the installation and maintenance of the necessary electrical conductors and their connections.

XII. Service to Annexation Customers

SMUD will maintain existing service conductor previously installed by Pacific Gas and Electric Company to commercial/industrial services until such time as the customer modifies, alters, or changes the existing electrical service equipment. It will be the customer's responsibility to provide additional duct when necessary.

XIII. Customer Responsibility for Facilities

A. SMUD Facilities

The customer shall exercise reasonable care to prevent facilities of SMUD installed on the customer's premises from being damaged or destroyed and shall refrain from tampering or interfering with such facilities, and if any defect therein is discovered by the customer, the customer shall promptly notify SMUD thereof.

B. Customer Facilities

The customer shall be solely responsible for the transmission and delivery of all electric energy over or through the customer's wires and equipment, and SMUD shall not be responsible for any loss or damage occasioned thereby. The customer shall be responsible for the installation and maintenance of all facilities not transferred to SMUD ownership, including customer-owned conduits, manholes, and vaults.

(End)

Residential Service Rate Schedule R

I. Applicability

This Rate Schedule 1-R applies to single- and three-phase service for the following types of residential premises:

1. Individually metered residences including single-family homes, duplexes, apartments, and condominiums; and
2. General farm service where the meter also serves the residence or additional meters on a farm where the electricity consumed is solely for domestic purposes; and
3. Master-metered service to a qualifying multifamily accommodation or mobile home park that is submetered to all single-family units or individual mobile homes.

For the purposes of this schedule a “month” is considered to be a single billing period of 27 to 34 days.

A. Fixed Rate (rate category RF01)

1. The Fixed Rate is the alternative rate to SMUD’s Time-of-Day (TOD) (5-8 p.m.) Rate (rate category RT02) under Rate Schedule R-TOD.
2. The Fixed Rate is required for customers serviced with analog meters and digital non-communicating meters. These customers will transition to the Fixed rate as determined by SMUD no later than December 31, 2019
3. Customers who have an eligible renewable electrical generation facility under Rate Schedule 1-NEM that was approved for installation by SMUD after December 31, 2017 are not eligible to enroll in the Fixed Rate.
4. Customers who have master meters, including those enrolled on the RSMM rate category, are not eligible to enroll in the Fixed Rate.

B. Legacy Rate (rate categories RSCH, RWCH, RSEH, RWEH, RSGH and RWGH) Closed

1. The Legacy Rate is closed for enrollment to all residential customers who do not have an eligible renewable electrical generation facility under Rate Schedule 1-NEM that was approved for installation by SMUD before January 1, 2018.
2. The Legacy rate will no longer be an available rate option to residential customers once a customer has been transitioned to the TOD (5-8 p.m.) Rate. Eligible customers can elect the Fixed Rate under Rate Schedule R as an alternative rate.
3. Customers who have an eligible renewable electrical generation facility under Rate Schedule 1-NEM that was approved for installation by SMUD before January 1, 2018, and are enrolled on the Legacy Rate may remain on this closed rate until December 31, 2022. If an eligible generation facility customer in this rate category elects an open rate, the customer cannot return to the Legacy Rate.
4. Customers in the Legacy Rate who do not have an eligible renewable electrical generation facility under Rate Schedule 1-NEM, will gradually transition as determined by SMUD to the TOD (5-8 p.m.) Rate (rate category RT02) under Rate Schedule R-TOD, if eligible, as early as September 1, 2018, and no later than December 31, 2019.
5. All other existing customers not eligible for Rate Schedule R-TOD will transition to the alternative Fixed Rate under this Rate Schedule R no later than December 31, 2019.
6. Customers with wells will begin transitioning to Rate Schedule R-TOD in January 2019.

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

1. This rate is closed to new customers unless SMUD determines that it is not reasonable or feasible to provide service and meter the individual units directly.

Residential Service Rate Schedule R

2. The master-metered customer's electricity consumption will be billed using the total kWh usage of the master-meter divided by the number of occupied single-family accommodations. The billing calculation will include applicable discounts to all kWh Usage Charges and System Infrastructure Fixed Charge (SIFC) for qualifying energy assistance and medical equipment discount program participants. The customer must advise SMUD within 15 days following any change in the number of occupied single-family accommodations wired for electric service.
3. Master-metered customers on the Legacy Rate (rate categories RSCH, RWCH, RSEH, RWEH, RSGH and RWGH) will be transitioned to the new rate category RSMM no later than December 31, 2019.

II. Firm Service Rates

A. Fixed Rate Customers (rate categories RF01)

Non-Summer Season* – October 1 through May 31

System Infrastructure Fixed Charge per month	\$20.30
Electricity Usage Charge:	
All kWh usage per month \$/kWh	\$0.1032

Summer Season – June 1 through September 30

System Infrastructure Fixed Charge per month	\$20.30
Electricity Usage Charge:	
All kWh usage per month \$/kWh	\$0.1649

* Non-Summer Season includes Fall (Oct 1 – Nov 30), Winter (Dec 1 – Mar 31) and Spring (Apr 1 – May 31) periods.

B. Legacy Rate Customers (rate categories RSCH, RWCH, RSEH, RWEH, RSGH, RWGH) Closed

Winter Season* – October 1 through May 31

System Infrastructure Fixed Charge per month	\$20.30
Electricity Usage Charge:	
All kWh usage per month \$/kWh	\$0.1145

Summer Season – June 1 through September 30

System Infrastructure Fixed Charge per month	\$20.30
Electricity Usage Charge:	
All kWh usage per month \$/kWh	\$0.1310

* All seasons with the exclusion of summer (June 1 – September 30), include the following residential Smart Pricing Pilot rate categories: RSCH_SP, RSEH_SP, RSGH_SP, RWCH_SP, RWEH_SP, and RWGH_SP. Winter Season includes Fall (Oct 1 – Nov 30) and Spring (Apr 1 – May 31) periods for Electric Heat rate customers (RSCH, RWCH, RSEH, RWEH).

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

Non-Summer Season* – October 1 through May 31

System Infrastructure Fixed Charge per month	\$20.30
Electricity Usage Charge:	
All kWh usage per month \$/kWh	\$0.1145

Residential Service Rate Schedule R

Summer Season – June 1 through September 30

System Infrastructure Fixed Charge per month \$20.30

Electricity Usage Charge:

All kWh usage per month \$/kWh \$0.1310

* Non-Summer Season includes Fall (Oct 1 – Nov 30), Winter (Dec 1 – Mar 31) and Spring (Apr 1 – May 31) periods.

III. Electricity Usage Surcharges

Refer to the following rate schedules for details on electricity usage surcharges that apply to all kWh.

A. Hydro Generation Adjustment (HGA). Refer to Rate Schedule 1–HGA.

IV. Rate Option Menu

A. Energy Assistance Program. Refer to Rate Schedule 1–EAPR.

B. Medical Equipment Discount Program. Refer to Rate Schedule 1–MED.

C. Joint Participation in Medical Equipment Discount and Energy Assistance Programs. Refer to Rate Schedule 1–MED.

D. Time-of-Day Rate. Refer to Rate Schedule 1- R-TOD.

E. Generator Standby Service Option

Generator Standby Service applies when all of the following conditions are met:

1. The customer has generation, sited on the customer’s premises, that serves all or part of the customer’s load; and
2. The generator(s) are not fueled by a renewable resource; and
3. The generator(s) have a combined nameplate rating of less than 100 kW; and
4. The generator(s) are connected to SMUD’s electrical system; and
5. SMUD is required to have resources available to provide supplemental service, backup electricity and/or to supply electricity during generator(s) maintenance service.

Generator Standby Charge January 1 through December 31

\$/kW of Contract Capacity per month\$6.67

In addition to the Generator Standby Charge, SMUD will continue to bill for all applicable charges under this rate. These charges include SIFC and electricity usage charges for SMUD-provided power.

The Generator Standby Charge will be waived for qualifying net metered generation. Refer to Rate Schedule 1-NEM.

F. Net Energy Metering Option. Refer to Rate Schedule 1-NEM.

G. Green Pricing Options

1. SMUD Community Solar Option

Under this premium service option, customers elect to contribute monthly payments toward opportunities to use solar power to educate our community about the importance of renewable energy through partnering with schools, non-profit

Residential Service Rate Schedule R

organizations and low-income housing. Refer to the SMUD website, www.smud.org, for further information on monthly contribution options and currently identified projects.

2. SMUD Renewable Energy Option

Customers electing power service will receive an additional monthly electricity usage charge of no less than 1/4 cent and no greater than 3 cents per kWh. SMUD may offer multiple rate options representing various blends of renewable resources and/or renewable energy credits within the rate range. The actual prices will be published each November on www.smud.org 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 at or below the 3 cent limit.

3. Fixed Greenergy® Fee Options

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

Greenergy Partner Plus – 100%	\$6.00
Greenergy Partner Plus – 50%	\$3.00

H. Special Metering Charge

For customers who purchase and install additional equipment and software identified by SMUD meter specialists as necessary for load data collection and transfer to electronic media outside SMUD, SMUD will charge a monthly service fee to cover maintenance, software support and licensing fees. Payment for this nonstandard equipment and service will be made through provisions in Rule and Regulation 2, Section IV. Special Facilities. The fee schedule is available at SMUD’s website, www.smud.org.

I. Plug-In Electric Vehicle (PEV) Option. Refer to Rate Schedule 1-R-TOD.

J. Residential Three-Phase Service Option

This option is open to customers located in areas where three-phase service is available. A Special Facilities fee is charged to cover the additional costs for providing this service. This charge is in addition to the SIFC.

Three-Phase Service – January 1 through December 31

Special Facilities fee per month.....	\$43.60
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V. Billing

KWh usage may be prorated for nonstandard billing periods, when billing period spans a price change, and/or when the billing period spans more than one season. Effective as early as June 1, 2019 and no later than December 31, 2019, the monthly SIFC will be prorated when the bill period is shorter than 27 days. The following table shows the basis for the proration in these circumstances.

Billing Circumstance	Basis for Proration
Bill period is shorter than 27 days (SIFC and kWh)	Relationship between the length of the billing period and 30 days.
Bill period is longer than 34 days (kWh)	
Seasons overlap and price changes within bill period	Relationship between the length of the billing period and the number of days that fall within the respective season or pricing periods.

(End)

Residential Time-of-Day Service Rate Schedule R-TOD

I. Applicability

This Rate Schedule 1-R-TOD applies to single- and three-phase service for the following types of residential premises:

1. Individual or dual metered residences with digital communicating meter installed, including single-family homes, duplexes, apartments, and condominiums; and
2. General farm service where the meter also serves the residence or additional meters on a farm where the electricity consumed is solely for domestic purposes.

Master-metered service to a qualifying multifamily accommodation or mobile home parks are not eligible for Time-of-Day rates under rate schedule R-TOD.

For the purposes of this schedule a “month” is considered to be a single billing period of 27 to 34 days.

A. Time-of-Day (5-8 p.m.) Rate (rate category RT02)

1. The TOD (5-8 p.m.) Rate is the standard rate for SMUD’s residential customers. Customers who have an eligible renewable electrical generation facility under Rate Schedule 1-NEM that was approved for installation by SMUD after December 31, 2017 must be on the TOD (5-8 p.m.) Rate.
2. Existing eligible customers on the Legacy Rate, with rate categories RSCH, RWCH, RSEH, RWEH, RSGH and RWGH under Rate Schedule R, will gradually transition as determined by SMUD to the TOD (5-8 p.m.) Rate beginning the first full billing cycle in January 2019, and complete transition no later than December 31, 2019.
3. After being transitioned to the TOD (5-8 p.m.) Rate, eligible customers can elect the Fixed Rate under Rate Schedule R as an alternative rate.
4. Customers who move-in or transfer service to premises with an eligible renewable electrical generation facility after December 31, 2017 must be on the TOD (5-8 p.m.) Rate.
5. This rate has five kilowatt-hour (kWh) prices, depending on the time-of-day and season as shown below. Holidays are detailed in Section V. Conditions of Service.

Summer (Jun 1 - Sept 30)	Peak	Weekdays between 5:00 p.m. and 8:00 p.m.
	Mid-Peak	Weekdays between noon and midnight except during the Peak hours.
	Off-Peak	All other hours, including weekends and the holidays ¹ .
Non-Summer (Oct 1 - May 31)	Peak	Weekdays between 5:00 p.m. and 8:00 p.m.
	Off-Peak	All other hours, including weekends and holidays ¹ .

¹ See Section V. Conditions of Service

B. Optional Time-of-Day (4-7 p.m.) Rate (rate category RT01) Closed

1. The TOD (4-7 p.m.) Rate is closed for enrollment to residential customers who did not have an eligible renewable electrical generation facility under Rate Schedule 1-NEM that was approved for installation by SMUD before January 1, 2018.
2. Customers who have an eligible renewable electrical generation facility under Rate Schedule 1-NEM that was approved for installation by SMUD before January 1, 2018, and are enrolled on the TOD (4-7 p.m.) Rate may remain on this closed rate until December 31, 2022.
3. The TOD (4-7 p.m.) Rate will terminate for customers with an eligible renewable electrical generation facility under Rate Schedule 1-NEM on their first full billing cycle that closes in 2023, and customers will then transition to SMUD’s residential standard rate.
4. If a customer with an eligible renewable electrical generation facility under Rate Schedule 1-NEM on this rate category elects an open rate, the customer cannot return to the TOD (4-7 p.m.) Rate.

Residential Time-of-Day Service Rate Schedule R-TOD

5. Existing customers who have an eligible renewable electrical generation facility under Rate Schedule 1-NEM that was approved for installation by SMUD before January 1, 2018 may enroll in the TOD (5-8 p.m.) Rate at any time; however, once enrolled in the TOD (5-8 p.m.) Rate, the customer cannot return to the TOD (4-7 p.m.) Rate.
6. Existing customers on the TOD (4-7 p.m.) Rate who do not have an eligible renewable electrical generation facility under Rate Schedule 1-NEM will transition as determined by SMUD to the TOD (5-8 p.m.) Rate no later than December 31, 2019 and will no longer be eligible for the TOD (4-7 p.m.) Rate.
7. This rate has three kilowatt-hour (kWh) prices, depending on the time-of-day and season as shown below. Holidays are detailed in Section V. Conditions of Service.

Jun 1 - Sep 30	Summer Super Peak	Weekdays between 4:00 p.m. and 7:00 p.m.
Year-round (Jan 1 - Dec 31)	Peak	Weekdays between 9:00 a.m. and 9:00 p.m. except during the Summer Super Peak hours.
	Off-Peak	All other hours, including weekends and the holidays ¹ .

¹ See Section V. Conditions of Service

II. Firm Service Rates

A. Time-of-Day (5-8 p.m.) Rate	Rate Category RT02
System Infrastructure Fixed Charge per month	\$20.30
Non-Summer Prices* – October 1 through May 31	
Electricity Usage Charge	
Peak \$/kWh	\$0.1338
Off-Peak \$/kWh	\$0.0969
Summer Prices - June 1 through September 30	
Electricity Usage Charge	
Peak \$/kWh	\$0.2835
Mid-Peak \$/kWh	\$0.1611
Off-Peak \$/kWh	\$0.1166

* Non-Summer Season includes Fall (Oct 1 – Nov 30), Winter (Dec 1 – Mar 31) and Spring (Apr 1 – May 31) periods.

B. Optional Time-of-Day(4-7 p.m.) Rate	Rate Category RT01
System Infrastructure Fixed Charge per month	\$20.30
Winter Prices – October 1 through May 31	
Electricity Usage Charge	
Peak \$/kWh	\$0.1481
Off-Peak \$/kWh	\$0.0853
Summer Prices - June 1 through September 30	
Electricity Usage Charge	
Summer Super Peak \$/kWh	\$0.3704
Peak \$/kWh	\$0.1481
Off-Peak \$/kWh	\$0.0853

Residential Time-of-Day Service Rate Schedule R-TOD

C. Plug-In Electric Vehicle Credit (rate categories RT02 and RT01)

This credit is for residential customers who have a licensed passenger battery electric plug-in or plug-in hybrid electric vehicles.

Credit applies to all electricity usage charges from midnight to 6:00 a.m. daily

Electric Vehicle Credit..... **-\$0.0150/kWh**

III. Electricity Usage Surcharges

Refer to the following rate schedules for details on these surcharges.

A. Hydro Generation Adjustment (HGA). Refer to Rate Schedule 1–HGA.

IV. Rate Option Menu

A. Energy Assistance Program. Refer to Rate Schedule 1-EAPR.

B. Medical Equipment Discount Program. Refer to Rate Schedule 1-MED.

C. Joint Participation in Medical Equipment Discount and Energy Assistance Program. Refer to Rate Schedule 1-MED.

D. Generator Standby Service Option

Generator Standby Service applies when all of the following conditions are met:

1. The customer has generation, sited on the customer’s premises, that serves all or part of the customer’s load; and
2. The generator(s) are not fueled by a renewable resource; and
3. The generator(s) have a combined nameplate rating less than 100 kW; and
4. The generator(s) are connected to SMUD’s electrical system; and
5. SMUD is required to have resources available to provide supplemental service, backup electricity and/ or to supply electricity during generator(s) maintenance service.

Generator Standby Service – January 1 through December 31

\$/kW of Contract Capacity per month.....\$6.67

In addition to the Generator Standby Service Charge, SMUD will continue to bill for all applicable charges under the selected residential TOD rate. These charges include System Infrastructure Fixed Charges and electricity usage charges for SMUD-provided power. All energy provided to the customer by SMUD will be billed at the applicable residential TOD rates.

The Generator Standby Service Charge will be waived for qualifying net metered generation. Refer to Rate Schedule 1–NEM.

D. Net Energy Metering Option. Refer to Rate Schedule 1-NEM for further details.

E. Green Pricing Options

1. SMUD Community Solar Option

Under this premium service option, customers elect to contribute monthly payments toward opportunities to use solar power to educate our community about the importance of renewable energy through partnering with schools, non-profit organizations and low-income housing. Refer to the SMUD website, www.smud.org, for further information on monthly contribution options and currently identified projects.

2. SMUD Renewable Energy Option

Customers electing power service will receive an additional monthly electricity usage charge of no less than 1/4 cent and no greater than 3 cents per kWh. SMUD may offer multiple rate options representing various blends of renewable resources and/or renewable energy credits within the rate range. The actual prices will be published each November on www.smud.org 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 at or below the 3 cent limit.

Residential Time-of-Day Service Rate Schedule R-TOD

3. Fixed Greenergy® Fee Options

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

Greenergy Partner Plus – 100%	\$6.00
Greenergy Partner Plus – 50%	\$3.00

F. Special Metering Charge

For customers who purchase and install additional equipment and software identified by SMUD meter specialists as necessary for load data collection and transfer to electronic media outside SMUD, SMUD will charge a monthly service fee to cover maintenance, software support and licensing fees. Payment for this nonstandard equipment and service will be made through provisions in Rule and Regulation 2, Section IV. Special Facilities. The fee schedule is available at SMUD’s website, www.smud.org.

G. Residential Three-Phase Service Option

This option applies to customers located in areas where three-phase service is available. A Special Facilities fee is charged to cover the additional costs for providing this service. This charge is in addition to the System Infrastructure Fixed Charge.

Three-Phase Service – January 1 through December 31

Special Facilities fee per month	\$43.60
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V. Conditions of Service

A. Time-of-Day Billing Periods

Off-Peak pricing shall apply during the following holidays:

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

VI. Billing

A. Proration of Charges

The electricity usage charge will not be prorated, regardless of the number of days in the billing period or the spanning of multiple seasons. Effective as early as June 1, 2019 and no later than December 31, 2019, the monthly System Infrastructure Fixed Charge will be prorated when the bill period is shorter than 27 days as shown in the following table.

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

(End)

Residential and General Service Energy Assistance Program Rate Schedule EAPR

I. Applicability

This Rate Schedule 1-EAPR applies to customers receiving service under residential or general service rates who meet specific eligibility requirements.

II. Eligibility for Residential Customers

Eligibility for the Energy Assistance Program (EAPR) is determined by the following:

- A. The total gross household income must conform to the Income Guidelines as specified on the application;
- B. The customer must not be claimed as a dependent on another person's income tax return; and
- C. The service address on the application must be the customer's primary residence.

III. Discount for Residential Customers

Eligible residential customers will receive a discount based on qualifying federal poverty level income guidelines beginning as early as the first full bill cycle in 2019. The EAPR discount will include two components:

- 1. A \$10 System Infrastructure Fixed Charge discount per month; and
- 2. An additional discount is applied as a 100% reduction in the electricity usage cost per kilowatt hour up to the maximum discount according to the following income guidelines:

Federal Poverty Level	2019 Maximum Electricity Usage Discount
0-50%	\$40
>50 to 100%	\$30
>100 to 150%	\$20
>150 to 200%	\$20

IV. Eligibility for Nonprofit Organizations

To be eligible for EAPR the nonprofit organization must meet the following requirements:

- A. The organization's qualifying site takes service directly from SMUD; and
- B. The organization meets the qualifications for a nonprofit public or private organization, as specified on the application; and
- C. The organization operates the qualifying site as residential unit(s) whose residents meet EAPR income guidelines.
 - 1. The primary function of the site shall be to provide a home (sleeping quarters) for low-income residents who would otherwise meet the residential EAPR guidelines defining low-income if permanently residing in a residence.
 - 2. In support of the primary function that is provided by the nonprofit organization, associated facilities that provide daytime services for the homeless (such as personal hygiene facilities, laundry facilities, kitchen and/or dining facilities, etc.) may also qualify for the discount. At least 75 percent of the facility's square footage must be directly related to meeting these functions.

An energy survey of the residential unit(s) is recommended at the time of being placed on this program and implementation of recommended cost-effective energy efficiency measures is encouraged.

V. Discount for Nonprofit Organization

All eligible non-profit organization accounts on a residential rate will receive the maximum residential discount.

Eligible commercial customers will receive discounts as follows:

Residential and General Service Energy Assistance Program Rate Schedule EAPR

- A. All eligible commercial customers will receive a discount of 15 percent of the Electricity Usage Charge (kWh), Site Infrastructure Charge (kW) and summer super peak demand charge (kW) each billing period.
- B. The GSN_T System Infrastructure Fixed Charge will receive a discount of 35 percent each billing period.
- C. The GSS_T System Infrastructure Fixed Charge will receive a discount of 35 percent each billing period.
- D. The General Service rate schedules GS-TOU1, GS-TOU2, GS-TOU3 System Infrastructure Fixed Charge will receive a 15 percent discount applied each billing period.

VI. Electricity Usage Surcharges

Refer to the following rate schedules for details on electricity usage surcharges that apply to all kWh.

- A. **Hydro Generation Adjustment (HGA).** Refer to Rate Schedule 1–HGA.

VII. Conditions of Service

A. Application

To qualify for EAPR, the customer must complete a SMUD application and submit requested supporting documents. Applications are processed by SMUD or SMUD’s designated agent.

Residential applications are available at SMUD’s website, www.smud.org, or by calling SMUD customer service at 1-888-742-7683.

Nonprofit organizations must provide a copy of a valid determination or ruling letter from the Internal Revenue Service attesting to their charitable nonprofit status. Nonprofit Organization applications are available by calling SMUD customer service at 1-888-742-7683.

B. Verification

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

VIII. Billing

The effective date of EAPR will be the beginning of the billing period in which the request is approved. If participation is terminated, the effective termination date will be the beginning of the billing period in which the request is received or the cancellation date. The maximum electricity usage discount will not be prorated, regardless of the number of days in the billing period or the spanning of multiple seasons. The discount may be reflected on the customer’s bill with a rate-based identifier code or line item description. Effective as early as June 1, 2019 and no later than December 31, 2019, the monthly System Infrastructure Fixed Charge discount will be prorated for bill periods shorter than 27 days as shown in the table below.

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

(End)

Residential and General Service Energy Assistance Program Rate Schedule EAPR

I. Applicability

This Rate Schedule 1-EAPR applies to customers receiving service under residential or general service rates who meet specific eligibility requirements.

II. Eligibility for Residential Customers

Eligibility for the Energy Assistance Program (EAPR) is determined by the following:

- A. The total gross household income must conform to the Income Guidelines as specified on the application;
- B. The customer must not be claimed as a dependent on another person's income tax return; and
- C. The service address on the application must be the customer's primary residence.

III. Discount for Residential Customers

Eligible residential customers will receive a discount based on qualifying federal poverty level income guidelines beginning as early as the first full bill cycle in 2020. The EAPR discount will include two components:

- 1. A \$10 System Infrastructure Fixed Charge discount per month; and
- 2. An additional discount is applied as a 100% reduction in the electricity usage cost per kilowatt hour up to the maximum discount according to the following income guidelines:

Federal Poverty Level	2020 Maximum Electricity Usage Discount
0-50%	\$50
>50 to 100%	\$31
>100 to 150%	\$15
>150 to 200%	\$10

IV. Eligibility for Nonprofit Organizations

To be eligible for EAPR the nonprofit organization must meet the following requirements:

- A. The organization's qualifying site takes service directly from SMUD; and
- B. The organization meets the qualifications for a nonprofit public or private organization, as specified on the application; and
- C. The organization operates the qualifying site as residential unit(s) whose residents meet EAPR income guidelines.
 - 1. The primary function of the site shall be to provide a home (sleeping quarters) for low-income residents who would otherwise meet the residential EAPR guidelines defining low-income if permanently residing in a residence.
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- 1. A \$10 System Infrastructure Fixed Charge discount per month; and
- 2. An additional discount is applied as a 100% reduction in the electricity usage cost per kilowatt hour up to the maximum discount according to the following income guidelines:

Federal Poverty Level	2021 Maximum Electricity Usage Discount
0-50%	\$60
>50 to 100%	\$32
>100 to 150%	\$10
>150 to 200%	\$0

IV. Eligibility for Nonprofit Organizations

To be eligible for EAPR the nonprofit organization must meet the following requirements:

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- B. The organization meets the qualifications for a nonprofit public or private organization, as specified on the application; and
- C. The organization operates the qualifying site as residential unit(s) whose residents meet the EAPR income guidelines.
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VIII. Billing

The effective date of EAPR will be the beginning of the billing period in which the request is approved. If participation is terminated, the effective termination date will be the beginning of the billing period in which the request is received or the cancellation date. The maximum electricity usage discount will not be prorated, regardless of the number of days in the billing period or the spanning of multiple seasons. The discount may be reflected on the customer’s bill with a rate-based identifier code or line item description. The monthly System Infrastructure Fixed Charge discount will be prorated for bill periods shorter than 27 days as shown in the table below.

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

(End)

Hydro Generation Adjustment Rate Schedule HGA

I. Applicability

This Rate Schedule 1-HGA applies to all customers receiving retail electric service from SMUD. Annually, SMUD will calculate how the yearly variation of precipitation affects hydro generation from the Upper American River Project (UARP) and impacts the SMUD budget.

II. Conditions

- A. SMUD estimates that each inch of precipitation results in 35,000 megawatt hours (MWh) of generation.
- B. The HGA precipitation period begins April 1 of the previous year and ends on March 31 of the current year (Water Year).
- C. The actual inches of precipitation (AP) for each period shall be measured at the National Weather Service Pacific House Cooperative Observer measuring station or suitable replacement.
- D. The AP will be compared to the 50-year median (midpoint) inches of precipitation (MP) measured at Pacific House.
- E. The price of power delivered into the area designated as North Path 15 (NP15) will be used to determine the dollar impact of any excess or shortfall of energy. If NP15 is no longer available, then a suitable replacement will be used.
- F. The AP will be capped at a maximum of 80 inches per Water Year to accommodate for spill.

III. Budget Impact Determination

The following calculations will be used to determine SMUD's budget impact (BI) from precipitation variances:

A. Precipitation Variance

$$\text{Inches of Precipitation Variance } (\pm \text{IPV}) = \text{MP} - \text{AP}$$

The variance of precipitation equals the difference between the 50-year median and the actual inches of precipitation.

B. Generation Conversion

$$\pm \text{IPV} \quad \times \quad 35,000 \text{ MWh/inch} \quad = \quad \pm \text{MWh}$$

The variance of hydro generation, in megawatt hours, equals the inches of precipitation variance x 35,000 MWh/inch.

C. Calculation of Budget Effects

The market cost of energy is the simple average of the actual first quarter monthly NP15 prices as of April 1 and the second, third and fourth quarters monthly forecast NP15 prices. If NP15 is no longer available, then a suitable replacement will be used.

$$\pm \text{MWh} \quad \times \quad \text{market cost of energy } (\$/\text{MWh}) \quad = \quad \pm \text{budget impact } (\$)$$

IV. Hydro Rate Stabilization Fund

The BI will first be compared to the Hydro Rate Stabilization Fund (HRSF). In Water Years with above median precipitation, funds shall be deposited to the HRSF from Operating Revenues until the HRSF reaches a maximum of 6% of budgeted annual gross retail revenue, at which time subsequent excesses may be returned to the customer through the Hydro Generation Adjustment (HGA). In Water Years with below median precipitation, funds will be withdrawn from the HRSF and applied to Operating Revenues until the HRSF balance reaches zero, at which time the HGA will be levied as a surcharge on electricity usage.

V. Budget Impact Limitations

SACRAMENTO MUNICIPAL UTILITY DISTRICT
Resolution No. XX-XX-XX adopted September 20, 2018

Sheet No. 1-HGA-1
Effective: **January 1, 2019**
Edition: **January 1, 2019**

Hydro Generation Adjustment Rate Schedule HGA

The BI will not exceed ± 4 percent of budgeted annual gross retail revenue.

VI. Rate Charges

The HGA deposits into or transfers out of the Hydro Rate Stabilization Fund will be calculated as follows:

HRSF – BI = Calculated HRSF

- A. If Calculated HRSF is < 0

The Accountant will transfer the remaining balance of the HRSF to Operating Revenues and the HGA will be set at:

$$- \frac{\text{Calculated HRSF}}{\text{Budgeted annual retail kWh sales}} = \text{HGA}$$

- B. If Calculated HRSF is ≥ 0 and ≤ 6 percent of budgeted annual gross retail revenue:

The Accountant will transfer the positive BI out of the HRSF and into Operating Revenues and transfer the negative BI into the HRSF from Operating Revenues.

- C. If the Calculated HRSF is > 6 percent of budgeted annual gross retail revenue:

The Accountant will transfer the negative BI into the HRSF up to 6 percent of budgeted annual gross retail revenue. The Board may authorize the HGA or direct the funds for another purpose. At the Board's direction, the HGA will be set at:

$$- \frac{(\text{Calculated HRSF} - 6\% \text{ of budgeted annual gross retail revenue})}{\text{Budgeted annual retail kWh sales}} = \text{HGA}$$

VII. Application

The HGA became effective July 1, 2008. The HGA is recalculated for each Water Year and will be applied to the rate schedules May 1 until April 30 of the following year.

(End)