



Redding Electric Utility

SCHEDULE OF RATES – SECTION A

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GENERAL TERMS AND CONDITIONS FOR REDDING ELECTRIC UTILITY SERVICE

AVAILABILITY

The electric services provided herein are available throughout the entire City of Redding (Redding) service area where the facilities of the Redding Electric Utility (REU) are available, of adequate capacity, and adjacent to the premises.

Certain services, as specified below, are available only to existing customers and other new customers meeting specific operating and use criteria, as presented within each electric service definition.

TAX CLAUSE

Any and all adjustments, necessary as a part of any applicable, proportionate taxes or governmental imposition, which are or may in the future be assessed on the basis of gross revenues of Redding and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder, shall be added to the charges computed under the charges included herein, under all applicable service rate schedules.

PAYMENT

Bills for all electric service will be rendered monthly. A typical meter reading period will not be less than 25 days or more than 35 days. A typical billing period will not be less than 27 days or more than 33 days.

At the option of Redding, residential service meters may be read bimonthly; whereupon, the bill for the alternate month will be calculated using an estimation of kilowatt-hour (kWh) consumption.

Bills will be deemed delinquent if unpaid 20 days after the date of mailing pursuant to Chapter 14.20 of the City of Redding Municipal Code.

Special payment provisions for specific service schedules will be included in the respective schedule outlines.

EFFECTIVE DATES

Certain rates, fees, and/or schedules contained herein are represented with effective dates, such as, March 4, 2016, or January 1, 2018. Any such representation is to be interpreted as the respective rate, fee, and/or schedule and is effective in the first billing cycle within the given month's revenue period.

RESIDENTIAL SERVICE – (E1)

CHARGES

This service will be billed monthly at the following rates, plus or minus any adjustments incorporated in this rate schedule or supplemented hereto:

	Effective Date	
	<u>March 4, 2016</u>	
Network Access Charge	\$15.00	per meter
Energy Charge	\$0.1528	per kWh for all kWh in billing period

APPLICABILITY

This service is applicable to all single-phase residential electric service provided for any single-family dwelling, apartment, or mobile home separately metered by Redding.

Service for dwellings where home care for six or fewer handicapped persons or elderly is provided and such facilities comply with Sections 5115 - 5116 of the California Welfare and Institutions Code and Sections 1569.84 - 1569.85 of the California Health and Safety Code, shall be served under this rate for Residential Service.

All use of this service other than as specified above, except as provided for with a Home Occupation Use Permit (Chapter 18.08.030, Subpart E, of the City of Redding Municipal Code), will qualify the total service for a commercial rate.

This Residential Service shall not be applicable to or available for three-phase service, resale for profit, temporary construction service, standby or auxiliary service, service to any single motor exceeding a nameplate rating of 7½ horsepower, or any equipment which will cause excessive voltage fluctuations.

CHARACTER OF SERVICE

This service is characterized as single-phase, 60 hertz, three-wire, and nominal 120/240 volts (or three-wire, 120/208 volts at certain locations as are now or hereafter may be established by REU.)

Residential Bill Calculation Example	
Billing Period	01/01/18 - 01/31/18
Total Energy Use	850 kWh
Energy Rate (\$/kWh)	\$0.1528 /kWh
Total Energy Charge	\$129.88
Network Access Charge	\$15.00 /month
TOTAL CHARGES	\$144.88

RESIDENTIAL ENERGY DISCOUNT – (E1LP)

AVAILABILITY

The Residential Energy Discount is only available to Redding residents that are customers of REU that meet the qualifications outlined below and can be applied to only one location per qualified applicant.

DISCOUNT

The Residential Energy Discount will be a \$10 reduction of the applicable monthly Network Access Charge and a 35% reduction of the Energy Charge for the first 450 kWh of energy used in each billing period, as computed using the Residential Network Access and Energy charges in effect at the time of billing.

Residential Energy Discount Bill Calculation Example			
Billing Period 04/01/18 - 04/30/18			
Total Energy Use		450 kWh	Or 900 kWh
Base Energy Rate (\$/kWh)	\$0.1528	\$ 68.76	\$ 137.52
Energy Discount kWh	(450 kWh max)	450 kWh	450 kWh
Energy Discount Credit	35% (\$0.0535)	(\$24.08)	(\$ 24.08)
Total Energy Charge		\$ 44.68	\$ 113.44
Base Network Access Charge		\$ 15.00 /mo.	\$ 15.00 /mo.
Network Access Charge Credit		(\$10.00) /mo.	(\$10.00) /mo.
Network Access Charge		\$ 5.00 /mo.	\$ 5.00 /mo.
TOTAL CHARGES		\$ 49.68	\$ 118.44

APPLICABILITY

This service is available to individually metered single-phase electric residential service provided to any single-family dwelling, apartment, or mobile home upon completion of the qualification process described below.

Any service that is master-metered shall have the option to enter into a separate agreement with the City, which provides that any credit would be fully passed on to the qualifying household(s) within the master-metered service. Such services would include, but not be limited to: mobile home parks, senior housing residence, and non-profit housing of qualified households.

The Residential Energy Discount will become effective at the beginning of the billing period after qualification is met.

RESIDENTIAL ENERGY DISCOUNT (continued)

QUALIFICATIONS

Total gross annual income for all persons in the applicant’s household may not exceed **sixty (60) percent** of Shasta County median income, as published by the State of California’s Housing and Community Development Department. The table below presents the most recent data, currently in effect.

Maximum Annual Household Income Levels for 2017/18¹

Number of Persons in Household	60% of Median Income	
	Monthly	Annual
1	\$2,165	\$25,980
2	\$2,475	\$29,700
3	\$2,785	\$33,420
4	\$3,090	\$37,080
5	\$3,340	\$40,080
6	\$3,585	\$43,020
7	\$3,835	\$46,020
8	\$4,080	\$48,960
each additional person	\$247	\$2,966

A customer shall be removed from the Residential Energy Discount and not eligible to re-apply for a period of twelve months for any of the following reasons:

1. Any evidence of service tampering or meter tampering.
2. Failure to re-certify qualification at any time requested to do so by the City of Redding.
3. Provision of false information during qualification or recertification.

A customer subject to removal from the Residential Energy Discount program can appeal that removal by requesting a review by the REU Director or his designee.

This Residential Energy Discount shall not be applicable to or available for three-phase service, resale for profit, temporary construction service, standby or auxiliary service, service to any single motor exceeding a nameplate rating of 7 ½ horsepower, or any equipment which will cause excessive voltage fluctuations.

Customers participating as of March 20, 2018, in either Lifeline program will automatically be enrolled in the new Residential Energy Discount program under their existing eligibility. Recertification for Lifeline applicants will remain at Lifeline’s **seventy-five (75) percent** of Shasta County median income threshold. Recertification for Lifeline Plus applicants will increase to the Residential Energy Discount program’s **sixty (60) percent** of Shasta County median income threshold.

¹ Updated (6/15/17) by the State of California-HUD
REU Electric Service

RESIDENTIAL MASTER METERED SERVICE – (E5)

CHARGES

This service will be billed monthly at the following rates, plus or minus any adjustments incorporated in this rate schedule or supplemented hereto:

	Effective Date	
	<u>March 4, 2016</u>	
Network Access Charge	\$70.00	per meter
Energy Charge	\$0.1528	per kWh for all kWh in billing period

APPLICABILITY

This service is applicable to facilities that are served through master meters and provide single-phase, sub-metered, residential electric service to all individual tenants.

CHARACTER OF SERVICE

This service is characterized as single-phase or three-phase, 60 hertz, and at one standard nominal voltage as mutually agreed by REU and the customer and subject to availability at the point of delivery. Primary metering may be used by mutual agreement. However, any available primary service discount shall not apply to such service.

Miscellaneous electrical loads, such as general lighting, laundry room, general maintenance and other similar usage incidental to the operation of a multifamily residential complex or accommodation will be considered as domestic usage and supplied in accordance with the applicable service rate.

Residential Master Metered Bill Calculation Example	
Billing Period	01/01/18 - 01/31/18
Total Energy Use	5,000 kWh
Energy Rate (\$/kWh)	\$0.1528 /kWh
Total Energy Charge	\$ 764.00
Network Access Charge	\$70.00 /mo.
TOTAL CHARGES	\$ 834.00

SMALL COMMERCIAL SERVICE – (E2)

CHARGES

This service will be billed monthly at the following rates, plus or minus any adjustments incorporated in this rate schedule or supplemented hereto:

	Effective Date	
Network Access Charge	<u>March 4, 2016</u>	
	\$25.00	per meter
Energy Charge	\$0.1679	per kWh for all kWh in billing period

APPLICABILITY

Commercial services with energy usage in the monthly billing period that does not exceed **25 kW** for 6 months out of the previous 12-month period or **75 kW** in any month out of the previous 12-month period.

This service is applicable to all general power and lighting service, including temporary construction service, when all energy is supplied at one point of delivery through one metered service. This service is not applicable to or available for resale, standby, or auxiliary service.

CHARACTER OF SERVICE

The service is characterized by single-phase or three-phase, 60 hertz, and at one standard nominal voltage as mutually agreed by REU and the customer, subject to availability at the point of delivery.

Small Commercial Bill Calculation Example	
Billing Period	01/01/18 - 01/31/18
Total Energy Use	12,000 kWh
Energy Rate (\$/kWh)	\$0.1679 /kWh
Total Energy Charge	\$2,014.80
Network Access Charge	\$25.00 /mo.
TOTAL CHARGES	\$2,039.80

LARGE COMMERCIAL SERVICE – (E7) or (E8)

CHARGES

This service will be billed monthly at the following rates, plus or minus any adjustments to this rate schedule or supplement hereto:

	Effective Date <u>January 1, 2018</u>	
Network Access Charge	\$ 140.00	per meter
Energy Charges	\$ 0.0980	per kWh for all kWh in billing period
Demand Charge	\$ 20.00	per kW

APPLICABILITY

Commercial services with energy usage in the monthly billing period that exceed **25 kW** for 6 months out of the previous 12-month period or **75 kW** in any month out of the previous 12-month period.

This service is applicable to all facilities providing general power and lighting service, including temporary construction service, when all energy is supplied at one point of delivery through one metered service. This service is not applicable or available for electric resale, standby, or auxiliary service.

CHARACTER OF SERVICE

The service is characterized by single-phase or three-phase, 60 hertz, and at one standard nominal voltage as mutually agreed by REU and the customer and subject to availability at the point of delivery.

LARGE COMMERCIAL SERVICE (continued)

BILLING DEMAND

The maximum demand in any month shall be the average power taken during any 15-minute interval in the current month as indicated or recorded by instruments installed, owned, and maintained by REU.

When the power usage is intermittent or subject to violent fluctuations, REU may base the billing demand upon a 5-minute interval.

PRIMARY/TRANSMISSION SERVICE DISCOUNT – (E*P3)

When delivery is made and energy is metered at a primary or transmission voltage, the following discount shall be applied to the sum of the demand and energy charges. Service at 2,400 volts is not available to new customers requesting service after September 21, 1993.

<u>Discount</u>	
Service at 115,000 volts.....	10%
Service at 12,000 volts.....	3%
Service at 2,400 volts.....	3%

POWER FACTOR ADJUSTMENT – (E8)

When the billing demand has exceeded 500 kW for 3 consecutive months and thereafter until it has fallen below 300 kW for 12 consecutive months, bills will be adjusted for weighted monthly average power factor as follows: That portion of the monthly charge comprising the Demand Charge and the Energy Charge, including the Primary Service Discount, if applicable, will be decreased or increased, respectively, by 0.25 percent for each 1 percent that the average power factor of customer's load in the month was greater or less than 95 percent, such average power factor (to the nearest whole percent) is to be computed from the ratio of lagging kilovolt-ampere-hours to kilowatt-hours consumed in the month. All expenses for the installation and/or modification of the customers' facilities to accommodate VAR-hour metering shall be paid by the customer.

Large Commercial Service Bill Calculation Examples			
Billing Period		01/01/18 – 01/31/18	
Energy Use (kWh)	25,000 kWh	Or	200,000 kWh
Monthly Demand (kW)	100 kW		500 kW
Energy Rate (\$/kWh)	\$ 0.0980 /kWh		\$ 0.0980 /kWh
Total Energy Charges	\$ 2,450.00		\$19,600.00
Demand Charge (\$/kW)	\$ 20.00 /kW		\$ 20.00 /kW
Total Demand Charges	\$ 2,000.00		\$10,000.00
Network Access Charge	\$ 140.00 /mo.		\$ 140.00 /mo.
TOTAL CHARGES	\$ 4,590.00		\$29,740.00

FIXED USAGE SERVICE – (E9)

AVAILABILITY

After April 1, 1985, this rate is only available for existing continuous usage rate services. New, decorative, sign, or other night-lighting services shall have metering equipment installed and be served under the applicable rate.

CHARGES

This service will be billed monthly at the following rate plus or minus any adjustments incorporated in this rate schedule or supplement hereto:

	Effective Date <u>March 4, 2016</u>	
Energy Charge	\$0.2647	per kWh for all kWh in billing period
Minimum monthly bill	\$ 20.75	

The monthly energy usage for applicable services shall be calculated by multiplying the maximum nameplate load rating of the device being served by either:

- a. 730 hours for continuous usage service; or
- b. 333 hours for dusk to dawn service.

APPLICABILITY

This service is applicable to electric service where metering equipment is not installed. Usage must be at a fixed rate or be subject to a flat-rate contract.

CHARACTER OF SERVICE

The service is characterized as single-phase or three-phase, 60 hertz, and at one standard nominal voltage as mutually agreed by REU and the customer and subject to availability at the point of delivery.

STREETLIGHT (NIGHTLIGHT) SERVICE – (E9EL)

CHARGES

This service will be billed monthly at the following flat rate plus or minus any adjustments to this rate schedule or supplement hereto:

<u>Lamp Size</u>	<u>Effective Date</u>	Cost per lamp if installed by:	
		<u>City</u>	<u>Customer</u>
	<u>03/04/16</u>	<u>03/04/16</u>	
70 watts high-pressure sodium		\$19.87	\$ 6.46
100 watts high-pressure sodium		\$28.12	\$ 8.24
150 watts high-pressure sodium		\$29.54	\$10.60
200 watts high-pressure sodium		\$32.05	\$12.73
250 watts high-pressure sodium		\$34.38	\$14.87
400 watts high-pressure sodium		\$38.14	\$21.15

<u>Lamp Size</u>	<u>Effective Date</u>	Cost Per City <u>Installed Lamp</u>
	<u>03/04/16</u>	
175 watts mercury vapor		\$30.62
250 watts mercury vapor.....		\$34.38
400 watts mercury vapor		\$38.14
1,000 watts mercury vapor		\$54.03
1,500 watts mercury vapor		\$73.70

Mercury vapor lamps described above are no longer available for new installations. For lighting efficiency and energy conservation, all existing mercury vapor lamps will be replaced with comparable high-pressure sodium vapor lamps when servicing is necessary.

APPLICABILITY

This service is applicable to all unmetered outdoor lights maintained by REU on streets and highways and for all individual customers who request night lighting on private property where adequate City-owned facilities for light fixture mounting already exist.

CHARACTER OF SERVICE

This service is characterized as single-phase, 60 hertz, three-wire, nominal 120/240 volts (or three-wire, 120/208 volts at certain locations as are now or hereafter may be established by REU. The lamp, luminaries, control device, bracket, and pole/standard will be maintained by REU. A lamp will be controlled to operate from dusk to dawn each night giving approximately 333 hours of lighting service per month.

STANDBY DEMAND SERVICE

APPLICABILITY

This service is applicable, at REU's option, to all customers on the Large Commercial Service rate schedule who utilize their own generation to meet any portion of their electrical supply needs with an electric generation resource that is: 1) installed on the Customer's side of the delivery point; 2) and interconnected with load that REU may be required to serve on an as needed basis. The customer's generation system will be used to offset the customer's energy and if applicable, demand requirements, supplied by REU to the customer. REU reserves the right to limit the number of Customers allowed to interconnect generation systems and equipment on an individual electric circuit or substation.

CHARGES

The customer will be billed for all energy service purchased from REU under the applicable rate schedule. In addition, the Standby Demand charge shown below will be included on each of the Customer's periodic utility bills:

Effective Date

03/04/2016

\$6.35 per kW

This charge will be a monthly charge based on the Standby Demand as determined below.

CHARACTER OF SERVICE

The service is characterized by single-phase or three-phase, 60 hertz, and at one standard nominal voltage as mutually agreed by REU and the Customer and subject to availability at the point of delivery.

STANDBY DEMAND

The highest monthly recorded demand reading for a 12-month period directly preceding the customer's transition to the Standby Demand Service regardless of the time of day or the day of week of the reading. If monthly demand readings are not available for each of the 12 months preceding the customers transition to the Standby Demand Service, REU will estimate the maximum demand based on the customer's existing kwh usage and/or comparison of similar loads within the REU system. REU will reevaluate this Standby Demand on an annual basis and will increase or decrease the Standby Demand as appropriate.

ECONOMIC DEVELOPMENT SERVICE

APPLICABILITY

This service is applicable to any customer whose monthly maximum demand is expected to exceed 100 kW for 3 months out of a consecutive 12-month period or to any existing customer whose monthly maximum demand is expected to increase by 100 kW for 3 months out of a consecutive 12-month period.

For the purpose of this service, a customer is defined as a business bringing entirely new electric load into the City. A business that changes location within the service territory or a business enterprise under ownership does not qualify as new a business.

This service is not applicable to or available for resale, standby, or auxiliary service.

Qualified customers will be eligible for any and all service discounts available to commercial service customers including, but not limited to, the Primary/Transmission Service Discount and the Power Factor Adjustment.

EDS DISCOUNT

The monthly bill at the commercial rate, plus or minus any adjustments incorporated in this rate schedule or supplement hereto will be discounted as follows:

Discount:	Year 1	(Billing cycle 1 through 12)	= 25%
	Year 2	(Billing cycle 13 through 24)	= 20%
	Year 3	(Billing cycle 25 through 36)	= 15%
	Year 4	(Billing cycle 37 through 48)	= 10%
	Year 5	(Billing cycle 49 through 60)	= 5%

The Discount will end after 60 billing cycles.

In no event shall the cost of power to the customer fall below REU's average cost to supply power to that customer.

SPECIAL CONDITIONS

The customer will be required to sign a 5-year contract. If a customer covered under this schedule leaves before the expiration of the contract, penalties as established in the Council Policy regarding electric incentives for economic development shall apply.

A customer wishing to avail themselves of this service must apply for service within one year of becoming eligible, or lose that eligibility.

CHARACTER OF SERVICE

The service is characterized as single-phase or three-phase, 60 hertz, and at one standard nominal voltage as mutually agreed by REU and the customer and subject to availability at the point of delivery. All meter-recording equipment shall be supplied and maintained by REU. Any expense to modify the customer's facilities to accommodate the meter-recording equipment shall be paid by the customer.

ECONOMIC ATTRACTION SERVICE

APPLICABILITY

This service is applicable to any customer who is considered a manufacturing or industrial company, and who is expected to use at least **25 kW** for 6 months out of a 12-month period or **75 kW** in any month out of a 12-month period. In addition, the Economic Attraction Service is not designed for those customers in a retail sales business.

Not applicable to, or available for, resale, standby, or auxiliary service.

CHARGES

A monthly bill will be provided at a rate mutually agreed upon by the company and the REU Director. This rate is negotiated and shall include all costs incurred in serving this customer. The rate shall include all relevant distribution and transmission-related costs, including fixed costs and power supply.

In no event shall the cost of power to the customer fall below the incremental cost of power to REU calculated on a per-kWh basis.

SPECIAL CONDITIONS

A customer on this schedule will be required to sign a contract. The length of the contract is negotiable. The intention of the Economic Attraction Service is to create a relationship with the customer, and for both parties to honor the terms of the negotiated contract. If, however, a customer covered under this schedule does not honor the terms of the contract, and leaves the REU system for another supplier, the customer may be required to pay a Competitive Transition Charge (CTC).

A customer who wishes to be serviced under this schedule must apply for service within one year of becoming eligible or lose that eligibility.

CHARACTER OF SERVICE

The service is characterized as single-phase or three-phase, 60 hertz, and at one standard nominal voltage as mutually agreed by REU and the customer and subject to availability at the point of delivery. All meter-recording equipment shall be supplied and maintained by REU. Any expense to modify the customer's facilities to accommodate the meter-recording equipment shall be paid by the customer.

NET METERING SERVICE – (E*NET)

APPLICABILITY

Effective January 1, 2020, this rate is no longer available for new generators.

The renewable resource net metering tariff is applicable to residential customers and commercial customers where a part or all of the electrical requirements of the customer can be supplied from a solar, wind, or other eligible customer generator as defined in SB489 and SBX1 2 of not more than 1,000 kilowatts that is owned and operated by the customer. The generator must be connected for parallel operation with the service of REU, it must be located on the customer's premises, and it must be intended to offset part or all of the customer's electrical requirements.

Customers on this tariff will be net metered. Net energy metering is measuring the difference between the electricity supplied through the electric grid and the electricity generated by an eligible customer-generator and fed back to the grid over a 12-month period.

Customers whose solar and/or wind power production source's rated capacity or capability exceeds 10 kW, up to 1,000 kW or 1 megawatt, could require development of a co-metering tariff with REU, per statutory requirements, at the sole discretion of REU.

CHARGES

A monthly statement on the applicable residential or commercial service, energy and demand charges will be established for all customers operating under the Net Metering Tariff, plus or minus any adjustments incorporated in this rate schedule or supplement hereto.

The eligible customer-generator shall be billed each month for the applicable monthly network access charges. Residential and small commercial customers operating under this service will receive an estimate of net energy charges and/or demand charges due to REU. At the end of the twelve (12) billing cycles following the date of the generator's final interconnection with the Utility's system and at the end of each successive twelve (12) billing cycles thereafter, the customer shall receive a bill for any applicable charges for electricity used during the previous 12 month period that are unpaid. The customer-generator shall be compensated for any net surplus energy transmitted during the previous 12 month period per Special Conditions #3 below. Large Commercial customers will be provided monthly bills for all applicable services, per State Law.

SPECIAL CONDITIONS

1. Generation Interconnection Agreement: An interconnection agreement with the customer is required for service under this schedule. The customer must comply with conditions and terms set forth by REU for the safe and efficient interconnection of equipment with the REU electrical system.
2. Net Energy: Net energy is E_S minus E_F where E_S is energy supplied by REU and E_F is energy generated by the customer and fed back into REU's system at such times as customer generation exceeds customer requirements. If the net energy value resulting from the above computation is positive, an energy charge shall be applied at the rates specified above. If the calculation of net energy yields a negative result, all such net surplus energy shall be considered net surplus energy transmitted and shall be treated as stated in Special Condition No. 3 below. The components of net energy, E_S and E_F , shall be determined by the use of metering equipment best suited for each facility

or location, as determined by REU. All necessary labor, equipment, materials, and related facilities costs in addition to, or in substitution for, standard City facilities that are required in order to take and sell power through one meter socket, will be at the customer's expense.

3. Net Surplus Energy Transmitted: Net energy transmitted occurs when the cumulative value of E_F exceeds the cumulative value of E_S during the entire billing period and is the amount by which the energy generated by the customer and fed back into REU's system exceeds the energy supplied by REU over an entire billing period. In the event the energy generated exceeds the energy consumed during the 12-month period, payment will be made for the net surplus energy delivered to REU's grid. This compensation will be based on REU's current avoided cost for energy. This was initially set at 5.5 cents per kWh and is updated administratively on an annual basis.
4. Payment: Statements of any and all monthly service costs will be provided monthly and bills for service will be rendered annually to customers receiving service under the Residential or Small Commercial tariffs outlined herein, per State Law. However, such customers operating under this rate schedule will be allowed to provide periodic (e.g. monthly or bi-monthly) payments for services rendered, if applicable, to avoid an unbudgeted utility expense. Large Commercial customers will be provided monthly bills for all services received under this service, per State Law.

ZERO NET ENERGY SERVICE – (E*ZNE)

CHARGES

This service will be billed monthly at the applicable residential or commercial service and net of a credit applied for any surplus energy transmitted (based on based on the current value of solar). Surplus energy transmitted occurs when on-site generation exceeds on-site consumption and energy is transmitted to the grid (real-time customer energy generation exceeds real-time customer energy consumption). When a customer's on-site generation meets their on-site consumption, the customer avoids the full utility retail rate. When a customer's on-site generation does not meet their on-site consumption, the customer is charged at the full retail rate.

APPLICABILITY

The net metering successor tariff is applicable to residential customers and commercial customers where a part or all of the electrical requirements of the customer can be supplied from a solar, wind, or other eligible customer generator as defined in SB489 and SBX1 2 of not more than 1,000 kilowatts that is owned and operated by the customer. The generator must be connected for parallel operation with the service of REU, it must be located on the customer's premises, and it must be intended to offset part or all of the customer's electrical requirements.

Customers whose solar and/or wind power production source's rated capacity or capability exceeds 10 kW, up to 1,000 kW or 1 megawatt, could require development of a co-metering tariff with REU, per statutory requirements, at the sole discretion of REU.

CHARACTER OF SERVICE

Each service is characterized by the applicable residential or commercial service.

SPECIAL CONDITIONS

Generation Interconnection Agreement: An interconnection agreement with the customer is required for service under this schedule. The customer must comply with conditions and terms set forth by REU for the safe and efficient interconnection of equipment with the REU electrical system.

POWER COST ADJUSTMENT – (PCA)

PURPOSE

The purpose of this adjustment is to appropriately adjust for increases in REU's wholesale power costs due to the Revenue Adjustment Clause (RAC) associated with purchases by REU from the Department of Energy, Western Area Power Administration (Western).

APPLICATION OF POWER COST ADJUSTMENT

The monthly Power Cost Adjustment (PCA) dollar amount to be added to each bill shall be obtained by multiplying the number of kilowatt-hours for which the bill is rendered by the applicable monthly PCA Factor. This has not been used since the Interim Rate Surcharge was implemented in 1997.

CALCULATION OF THE POWER COST ADJUSTMENT FACTORS

1. The PCA Factor will be calculated and made effective every June 15 and December 15 to reflect any changes in Western's RAC.
2. If Western's RAC amount, in dollars, is a debit (monies owed to Western by Redding), then:
 - a. Western's RAC debit will be adjusted by:
 - (1) Subtracting any amount, in dollars, that is over the PCA Balancing Account's minimum balance of \$300,000 as recorded 2 months prior to the effective date of the PCA Factor being calculated; however,
 - (2) If the 2 months' prior balance of the PCA Balancing Account is below \$300,000, then the necessary dollar amount required to restore the account to \$300,000 will be added to Western's RAC debit.
 - b. The adjusted debit dollar amount (as referenced in Section 2.a.) will be divided by the adjusted sum of all retail kilowatt-hour sales for the 6-month period beginning 12 months prior to the effective date of the PCA Factor.
 - c. The adjusted sum of retail kilowatt-hour sales (as referenced in Section 2.b.) will be determined by multiplying the historical total kilowatt-hour sales by a historical 3-year average annual energy growth factor to reflect REU's rate of growth in kilowatt-hour sales.
 - d. The PCA Factor resulting from the calculations in Section 2.b. will be applied as a charge to all retail kilowatt-hour sales on a monthly billing-cycle basis beginning with the effective date of the PCA Factor being calculated.

POWER COST ADJUSTMENT (continued)

- e. If the calculation of the PCA Factor results in a debit of less than 0.01 cents per kilowatt-hour, then the PCA Factor will be 0.00 cents per kilowatt-hour. The RAC debits from Western will be paid from the PCA Balancing Account.
3. A PCA Balancing Account shall be maintained as an operating account for the purposes of accommodating the cash-flow fluctuations inherent in the PCA process.
- a. Each month when a power bill is rendered from Western, which includes any adjustment for Western's RAC, the account's balance will be calculated as follows:
 - (1) Subtract Western's monthly RAC charge, in dollars, from the balance which existed at the end of the prior month.
 - (2) Add the amount, in dollars, recovered from the application of the PCA Factor, which was effective during the prior month. Such amount shall be the product of kilowatt-hours of energy billed during the month and the applicable PCA Factor.
 - (3) Add the amount, in dollars, of all interest earned on the average balance of the funds in the PCA Balancing Account.
 - (a) Funds from the monthly collection of the PCA will be invested by the City along with the City's other cash accounts and, therefore, will accrue interest at the average monthly rate paid on the City's variable investment account.
 - b. Best efforts will be made to maintain a minimum balance in the PCA Balancing Account of \$300,000.

FEDERAL ENVIRONMENTAL SURCHARGE – (FES)

APPLICABILITY

This surcharge is applicable to the entire City of Redding service area for all kilowatt-hours billed under all rate schedules.

PURPOSE

The purpose of this surcharge is to appropriately adjust for increases and decreases in the REU's wholesale power costs due to the Federal Environmental Surcharge (FES) imposed by HR429 of the 1993 statutes, which is associated with purchases by the City of Redding from the Department of Energy, Western Area Power Administration (Western).

SURCHARGE

The monthly FES dollar amount to be added to or subtracted from each bill, shall be obtained by multiplying the number of kilowatt-hours for which the bill is rendered by the applicable monthly FES Rate. The FES Rate will become effective the first day of the month for which Western imposes the FES and will change from time to time thereafter, when changes in the FES are imposed by Western.

CALCULATION OF THE SURCHARGE

1. The FES Rate will be determined by multiplying the retail kilowatt-hour purchases of Western energy for the following 6-month period as defined in Section 1.A. by the FES rate charged by Western, then by subtracting from the resultant product the FES Balancing Account as defined in Paragraph 2, the difference will then be divided by the total projected retail kilowatt-hour sales as defined in Section 1.A.
 - a. Projected kilowatt-hour sales and purchases for FES calculation purposes shall be those amounts projected most recently by REU.
 - b. If the calculation of the FES Rate results in a surcharge of less than 0.01 cents per kilowatt-hour, then the FES Rate will be 0.00 cents per kilowatt-hour.
2. An FES Balancing Account shall be maintained as an operating account for the purposes of accommodating the cash-flow fluctuations inherent in the FES process.

Each month when a power bill is rendered from Western, which includes any adjustment for Western's FES, the account's balance will be calculated as follows:

- a. Subtract Western's monthly FES charge, in dollars, from the balance which existed at the end of the prior month.

FEDERAL ENVIRONMENTAL SURCHARGE (continued)

- b. Add the amount, in dollars, recovered from the application of the FES Rate which was effective during the prior month. Such amount shall be the product of kilowatt-hours of energy billed during the month and the applicable FES Rate.
- c. Add the amount, in dollars, of all interest earned on the average balance of the funds in the FES Balancing Account.

Funds from the monthly collection of the FES will be invested by the City along with the City's other cash accounts and, therefore, will accrue interest at the average monthly rate paid on the City's variable investment account.

STATE REGULATORY SURCHARGE – (STATE)

PURPOSE

The State Regulatory surcharge or Energy Commission tax was established in 1975 by the State Board of Equalization, pursuant to Sections 40031 et seq., of the Revenue and Taxation Code of the State of California, to provide funding for the California Energy Commission.

SURCHARGE

The monthly dollar amount to be added to or subtracted from each bill shall be obtained by multiplying the number of kilowatt-hours for which the bill is rendered by the applicable monthly State surcharge rate. The State surcharge rate will become effective the first day of the month for which the State imposes the surcharge, and will change from time to time thereafter when changes to the rate are made by the State.

The surcharge was initially set at \$0.0002 per kWh. As of January 2017, the surcharge is set at \$0.00029 per kWh.

This rate is subject to revision from time to time by the California State Board of Equalization. The surcharge does not apply to electric service for federal government and certain other agencies. (E*US)

GLOSSARY OF TERMS

- Demand** The average rate over a given period of time that a customer requires delivery of electric energy from the Utility system. **Demand** is another term for **power**.
- Electric Current** The movement of charged particles (e.g. electrons) in a material (e.g. power lines). **Current** is measured in units called **Amperes** or **Amps**.
- Kilowatt (kW)** One thousand (1,000) watts. **Kilowatt** is a nominal or standard measurement/rating of the capacity of electric lines or equipment and **demand** or **power**.
- Kilowatt-hour (kWh)** **Kilowatt-hour** is the standard measurement of electric energy. One **kilowatt-hour** is the amount of energy it takes to run a 100 watt light bulb for 10 hours. (100 watts X 10 hours = 1,000 watt-hours = 1 kilowatt-hour.)
- Load** Any device that can convert the energy from electric current into some other useful form of energy, such as light, heat, sound, or mechanical motion. In electrical terms, **load** also refers to the amount of electric **demand** or **power** that the device uses or is rated to use.
- Load Factor** The ratio of the actual energy consumed and the maximum potential energy available during a specified time period, usually expressed as a percentage.
e.g.
$$\frac{10,000 \text{ kWh/mo}}{20 \text{ kW Demand} \times 720 \text{ hours/mo}} = \frac{10,000 \text{ kWh/mo}}{14,400 \text{ kWh/mo Load Factor}} = 69.4\%$$
- Network Access Charge** The monthly charge established for each customer for access to the electric distribution system. This includes the costs of installing and maintaining the electric lines and transformers necessary to provide electricity to the customer's location. This charge also includes the costs of installing, maintaining and reading the meter, as well as all other billing and customer service related functions provided by the Utility.
- Power** The rate at which electric energy is delivered by an electric current. **Power** is equal to the product of voltage and current (**Volts X Amps = Watts**).
- Voltage** The force that moves charged particles (e.g. electrons) in material. It is measured in units called **Volts**.
- Watt (W)** The standard measurement of electric power. One hundred **watts** is the rate of energy transfer equal to 10 amps flowing under the influence of 10 volts.