

CITY OF VICTORVILLE – NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT the Victorville City Council shall conduct a public hearing on August 20, 2024, at 6:00 p.m. (or as soon thereafter as the matter may be heard), for the purposes of hearing arguments for and against amending the Electric Service Rules and Regulations (“Rules”) to update and revise certain administrative procedures and definitions in said Rules. If adopted, the revised Electric Service Rules detailed in Attachment 1 of proposed Resolution No. 24-076 would become effective on September 1, 2024.

RESOLUTION NO. 24-076

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VICTORVILLE AMENDING AND REVISING THE ELECTRIC RULES, REGULATIONS AND RATE SCHEDULES (TARIFFS) FOR ELECTRIC SERVICES PROVIDED TO CUSTOMERS OF VICTORVILLE MUNICIPAL UTILITY SERVICES (“VMUS”) PURSUANT TO CHAPTER 10.10 OF THE VICTORVILLE MUNICIPAL CODE.

Proposed Resolution No. 24-076, the revised Electric Service Rules (Attachment 1 thereto) will be available for inspection beginning on August 9, 2024, at Victorville City Hall, located at 14343 Civic Drive, Victorville, California in the City Clerk’s office, or online at <https://www.victorvilleca.gov/government/legally-required-postings>.

Any person may appear at the hearing and be heard in support of, or in opposition to Proposed Resolution No. 24-076 Persons having concerns or questions regarding this hearing may contact VMUS customer service at (760) 243-6340, utilityservices@victorvilleca.gov, or visit VMUS customer service at Victorville City Hall during normal business hours. Comments may be made via email to cityclerk@victorvilleca.gov no later than 4 p.m. on August 20, 2024; by mail prior to or during the meeting, but before the close of the public hearing, to City Clerk, 14343 Civic Drive, Victorville, CA 92392.

Any persons wishing to challenge the decision on the above item in court may be limited to raising only those issues they or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City of Victorville, or prior to, the public hearing.

Publish: August 9, 2024, and August 16, 2024

Jennifer Thompson, City Clerk

RESOLUTION NO. 24-076

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VICTORVILLE AMENDING AND REVISING THE ELECTRIC SERVICE RULES, REGULATIONS AND RATE SCHEDULES (TARIFFS) FOR ELECTRIC SERVICES PROVIDED TO CUSTOMERS OF VICTORVILLE MUNICIPAL UTILITY SERVICES (“VMUS”) PURSUANT TO CHAPTER 10.10 OF THE VICTORVILLE MUNICIPAL CODE.

WHEREAS, on January 19, 2010, the City Council of the City of Victorville (“City”) adopted Ordinance No. 2240, which, among other things, amended, revised and codified the Electric Service Rules, Regulations and Rate Schedules of Victorville Municipal Utility Services (“VMUS”) in Chapter 10.10 of the Victorville Municipal Code (“VMC”); and

WHEREAS, the Electric Service Rules, Regulations and Rate Schedules of VMUS were set forth in Attachment 1 of Ordinance No. 2240 and incorporated by reference into VMC Section 10.10.010(a); and

WHEREAS, Ordinance No. 2240 further provided that the Electric Service Rules, Regulations and Rates could be amended by resolution of the City Council under the procedures set forth therein; and

WHEREAS, VMC Sections 10.10.010 and 10.10.020 authorizes the City Council to amend the Electric Service Rules, Regulations and Rate Schedules set forth in Attachment 1 of Ordinance No. 2240, following publication of advance notice and the holding of a public hearing; and

WHEREAS the City Council desires City Staff to regularly review VMUS electric utility operations to ensure that electric rates cover all prudent business costs, as well as current and future obligations, but do not exceed the amount necessary for the same; and

WHEREAS, as a municipal electric utility, the City is generally subject to the legislative and regulatory requirements applicable to local publicly owned electric utilities (“POUs”), as defined in California Public Utilities Code § 224.3; and

WHEREAS, California Public Utilities Code § 2827 requires POUs to offer a standard tariff for net energy metering to eligible customer-generators, upon request, on a first-come-first-served basis until the total rated generating capacity used by eligible customer-generators exceeds five percent of the POU's aggregate customer peak demand; and

WHEREAS, California Public Utilities Code § 2827(a)(4)(A) defines an “eligible customer generator” as a residential, small commercial, commercial, industrial, or agricultural customer who uses a renewable electrical generation facility, with a total capacity of not more than one megawatt, that is located on the customer's owned, leased, or rented premises, and is interconnected and operates in parallel with the electrical grid, and is intended primarily to offset part or all of the customer's own electrical requirements; and

WHEREAS, if an eligible customer generator produces more electricity than it consumes over a twelve-month period, then the amount of generation that exceeds its consumption is considered “net surplus energy;” and

WHEREAS, California Public Utilities Code § 2827(h)(5)(A) directs each POU governing board to establish a net surplus energy compensation rate at a level that will provide the eligible customer generator just and reasonable compensation for the value of its net surplus energy, while leaving other ratepayers unaffected; and

WHEREAS, in order to implement the requirements of California Public Utilities Code § 2827, it is necessary for the City to establish, as part of a public proceeding, the net surplus energy compensation rate; and

WHEREAS, on August 20, 2024, the City Council conducted a duly noticed public hearing concerning the adoption of this Resolution, Attachment 1 to this Resolution and Appendix B thereto; and

WHEREAS, copies of this Resolution, Attachment 1 to this Resolution and Appendix B thereto, were made available for public review in City Clerk’s office and on the VMUS web page beginning August 9, 2024; and

WHEREAS, based upon the Staff Report, testimony, and other evidence submitted at the public hearing held on August 20, 2024, the City Council hereby finds and determines that: the proposed revision of Attachment 1 to this Resolution and rates set forth in Appendix B (which upon adoption shall be part of Attachment 1 of the VMUS Electric Service Rules, Regulations and Rate Schedules) reflect the City’s reasonable and prudent costs associated with operation of VMUS and do not establish unfair, unreasonable, discriminatory or excessive rates that exceed the City’s reasonable costs providing electricity services to its customers; and

WHEREAS, the City Council has reviewed the adoption of this Resolution pursuant to the requirements of the California Environmental Quality Act of 1970, as amended (“CEQA”), and determined that the adoption of the revised Electric Service Rate Schedules has no foreseeable potential to result in a significant impact upon the environment and is exempt from CEQA review pursuant to State CEQA Guidelines Section 15061(b)(3). Further, the City Council has determined that the approval of the fees and rates is exempt from substantive environmental review under Section 15273(a)(1) of the State CEQA Guidelines as such fees and rates are for the purposes of meeting the operating expenses of the municipal electricity enterprise; and

WHEREAS, in order to comply with California Public Utilities Code § 2827, the City Council desires to adopt this Resolution making the Schedule NEM 1.0 and Schedule ERG (Eligible Renewable Generators) in Appendix B effective as of September 1, 2024.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF VICTORVILLE DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That the recitals and findings set forth above are true and correct and are hereby

incorporated in their entirety by this reference.

Section 2. That the VMUS Electric Service Rules and Regulations set forth in Attachment 1 of Resolution No. 24-076 shall remain in full force and effect.

Section 3. That the proposed Schedules set forth in the attached Appendix B, which is incorporated and made part of this Resolution by this reference and made effective September 1, 2024.

Section 4. As of September 1, 2024, an updated copy of the VMUS Electric Service Rules, Regulations and Rates shall be retained at City Hall by the City Clerk and/or VMUS customer service, together with the currently existing version of the VMUS Electric Service Rules, Regulations and Rates adopted by Resolution 24-076, and shall be available for public inspection upon request.

Section 5. The City Clerk shall certify to the adoption of this Resolution.

ATTACHMENT 1

to

Ordinance No. 2240 (Originally adopted on January 19, 2010)

Victorville Municipal Utility Services
Electric Service Rules, Regulations and Rate Schedules

Electric Service Rules and Regulations

(Revised on June 18, 2013 per City Council Resolution No. 13-014)
(Revised on August 1, 2017 per City Council Resolution No. 17-040)
(Revised on August 1, 2018 per City Council Resolution No. 18-044)
(Revised on August 1, 2020 per City Council Resolution No. 20-053)
(Revised on October 1, 2022 per City Council Resolution No. 22-092)
(Revised on September 1, 2024 per City Council Resolution No. 24-076)

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Victorville Municipal Utilities Services
P.O. Box 5001, Victorville, CA 92393-5001

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Rule 1 – Definitions

For the purpose of these Tariff Schedules, the terms and expressions listed below shall have the meaning set forth opposite them:

Added or Special Facilities: The facilities provided by the Utility at the request of the Customer or Applicant which are over and above the Utility's standard facilities which the Utility would normally install or use and which represent additional costs to the Utility over normally installed facilities to provide electric service.

Applicant: The person requesting the Utility to supply electric service and/or to provide electric facilities required to serve any Premises.

Billing Demand: The load or demand used for computing charges under rate schedules based on the size of the customer's load or demand. It may be the connected load, the measured maximum demand, or a modification of either, as provided for by applicable rate schedule.

Billing Period: The time interval between two consecutive meter readings that are taken for billing purposes.

Cabling: Conductors (including cable-in-conduit, if used), connectors, switches, as required by the Utility for primary, secondary, and service installations. The total trench footage used for calculating cabling costs is determined by adding the total length of all new and existing trenching for the installation of underground primary and secondary Distribution Lines designed to supply two (2) or more services. (Excluding service trench footage under Rule 16).

City: The City of Victorville.

City Council: The City Council of the City of Victorville. The City Council is the governing body for the Utility.

City Manager: The City Manager of the City of Victorville.

Conduit: Ducts, pipes, or tubes of certain metals, plastics or other materials acceptable to the Utility (including pull wires and concrete encasement where required) for the installation and protection of electric wires and cables.

Connected Load: The sum of the rated capacities of all of the customer's equipment that can be connected to the Utility's lines at one time as more completely described in the Rate Schedules.

Contribution: In-kind services and the value of all property conveyed to the Utility at any time during the Utility's work on an extension that is part of the Utility's total estimated installed cost of its facilities, or cash payments.

Customer: The person in whose name service is rendered as evidenced by the signature on the application, contract, or agreement for that service, or, in the absence of a signed instrument, by the receipt and payment of bills regularly issued in such name regardless of the identity of the actual user of the service.

Customer's Mailing Address: The address specified in a Customer's application or contract, or any other address subsequently given to the Utility by the Customer, by which any notice or other communication is to be mailed.

Date of Presentation: The date upon which a bill or notice is mailed or emailed, or otherwise delivered by the Utility to the Customer.

Days: Any reference to days will be considered calendar days unless specified otherwise.

Director of Utilities: The Director of Utilities for the City of Victorville or their duly authorized designee. The Director of Utilities is responsible for the management and operation of the Utility for the businesses of the City of Victorville in accordance with these Rules, Regulations and Rate Schedules and any other such policies or direction adopted by the City Council.

Distribution Line(s): The Utility's underground facilities that are operated at distribution voltages as set forth in the Utility's Rule 2 and are designed to supply two (2) or more services.

Distribution Line Extension: A new distribution facility of the Utility that is a continuation of, or branches from, the nearest available existing permanent Distribution Line (including any facility rearrangements and relocations necessary to accommodate the Distribution Line Extension) to the point of connection of the last service.

Distribution System: Those distribution facilities owned, controlled, and operated by the Utility that are used to provide distribution service under the Tariff Schedules.

Excavation: All necessary trenching, backfilling, and other digging to install Distribution Line or Service Extension facilities, including furnishing of any imported backfill material and disposal of spoil as required, surface repair and replacement, landscape repair and replacement.

Feeder Conduit: Conduit for such uses as part of a backbone system to provide for future anticipated load growth and to provide the flexibility and versatility of modifying or supplying emergency backup power to the area involved.

Line Extension: All facilities, excluding transformers, service connections, and meters required to extend electric service from the Utility's existing permanent Distribution System to the point of delivery to the customer.

Mailed: Any notice or other communication will be considered "mailed" when it is enclosed in a sealed envelope, properly addressed, and deposited in any United States post office box, postage prepaid.

Maximum Demand: The average kilowatts during the specified time interval when the Customer's use is greatest during the billing period as indicated or recorded by the Utility's meter.

Meter: The instrument used for measuring the electricity delivered to the Customer.

Metering Facilities: The necessary meter, instruments, transformers, test facilities, data communication equipment, and other associated metering equipment.

National Electric Safety Code (NESC): Sets the ground rules and guidelines for practical safeguarding of utility workers and the public during installation, operation, and maintenance of electric supply, communication lines, and associated equipment.

Nominal Voltage: The nominal voltage of a circuit is the approximate voltage between conductors in a circuit or system of a given class, assigned for the purpose of convenient designation. For any specific nominal voltage, the operating voltage actually existing at various points and at various times on the system is subject to normal distribution variation.

Payment: Cash payment made to the Utility prior to the initiation of any work done by the Utility under Rules 15 and 16.

Permanent Service: Electric service, which in the opinion of the Utility, is of a permanent and established character. Permanent Service may be continuous, intermittent, or seasonal in nature.

Person: Any individual, partnership, corporation, public agency, or other organization operating as a single entity.

Point of Delivery: The point where conductors of the Utility are connected to the conductors of the Customer, regardless of the location of the Utility's meters or transformers. Utility conductors may be owned, leased, or under license by the Utility, and the conductors of the customer may be owned, leased, or under license by the Customer.

Power Factor: The ratio of the revenue producing current in a circuit to the total current in that circuit. In terms of power quantities, power factor is the ratio of kW (real power) to the total kVA (total power).

Power Service: Electric service to apparatus or equipment used for purposes other than lighting shall be considered as Power Service. Lamps or lights used for purposes, which in the opinion of the Utility, are not general illumination purposes are classed as Power Service, such as the following: motion picture projection, motion picture and television production, production of chemical reactions, sterilizing, drying, radiant heating, therapeutic, photographic processing, stimulating the growth or yield of agricultural products, pilot or indicating lights on power control equipment, and lighting used as an aid in the operation of a motor-driven production machine for the purpose of checking tool settings or dial readings, measuring or inspecting the product while on the machine when the lamps are installed as an integral part of the machine and energized from its power supply.

Premises: All of the real property and apparatus employed in a Single Enterprise on an integral parcel of undivided land, except in the case of industrial, agricultural, oil field, resort enterprises, and public or Quasi-public Institutions, by a dedicated street, highway, or other public thoroughfare, or railway. Automobile parking lots constituting a part of and adjacent to a Single Enterprise may be separated by an alley from the remainder of the Premises served.

Protective Structures: Fences, retaining walls (in lieu of grading), sound barriers, posts, or barricades and other structures as required by the Utility to protect distribution equipment.

Pull Box: An enclosure for joining conductors, which also provides by its size, arrangement, and location of the necessary facilities for pulling the conductors into place. This term as used here includes structures also known as “manhole,” “handhold,” and “switch board pull section.”

Quasi-public Institutions: Public utilities, educational institutions, and hospitals, whether publicly or privately owned, where the property, campus or hospital grounds extend over relatively large areas through which public streets may run.

Rate Charges: Charges in the Rate Schedules may include the following:

Added Facilities Charge: The fee collected by the Utility for the installation and use of Added Facilities equipment.

Customer Charge: That portion of the charge for service that is a fixed amount without regard to connected load, demand, or energy consumption in accordance with the applicable Rate Schedule.

Demand Charge: That portion of the charge for service which varies with the billing demand in accordance with the applicable Rate Schedule.

Energy Charge: That portion of the charge for service which varies with the quantity of energy consumed in accordance with the Rate Schedule.

Minimum Charge: The least amount for which service will be rendered in accordance with the applicable Rate Schedule.

Service Charge: That portion of the charge for service, which is a fixed amount based on connected load in accordance with the applicable Rate Schedule.

Rate Schedule: May be one or more tariff pages setting forth the charges and conditions for a particular class or type of service at a given location. A Rate Schedule, as referred to herein, shall include all the wording on the applicable Tariff Page or pages, including without limitation the following: Class of Service, Character or Applicability, Territory, Rates, Conditions, and reference to Rules.

Rules: Tariff Pages which set forth the application of all rates, charges and service when such applicability is not set forth in and as a part of the Rate Schedules.

Rules and Regulations: The Victorville Municipal Utility Services Electric Service Rules, Regulations and Rate Schedules set forth herein, including the Rate Schedules set forth in Appendix A. Also referred to as “Tariff Schedules”.

Service Delivery Point: Where the Utility’s service facilities are connected to either Applicant’s conductors or other service termination facility designated and approved by the Utility.

Service Wires or Connections: The group of conductors, whether overhead or underground, necessary to connect the service entrance conductors of the Customer to the Utility’s Distribution System, regardless of the location of the Utility’s meters or transformers. Because the Utility is an underground utility, Service Wires or Connections are underground.

Service Extension: Consists of the Service Wires or Connections as above defined (including, but not limited to Utility-owned service facilities and Applicant-owned service facilities) extending from the point of connection at the Distribution Line to the Service Delivery Point.

Single Enterprise: A separate business or other individual activity carried on by a Customer. The term does not apply to associations or combinations of Customers.

Standby Service: Electric service supplied to Customers who normally obtain their power requirements from sources other than the Utility. Under this service, the Utility provides a permanent service connection to supply the Customer’s contracted load in accordance with the provisions of the standby schedule.

State Surcharge Tax: A surcharge tax imposed on all Customers, based upon the quantities of kilowatt-hours consumed and paid to the California Department of Taxes and Fee Administration.

Street Lighting Service: Electric service to any lighting apparatus used primarily for the illumination of streets, alleys, highways, or other public ways.

Substructures: The surface and subsurface structures which are necessary to contain or support the Utility's electric facilities. This includes, but is not limited to splice boxes, Pull Boxes, equipment vaults and enclosures, foundations or pads for surface-mounted equipment.

Tariff Page: An individual page of the Tariff Schedules.

Tariff Schedules: The entire body of effective rates, rentals, charges, and Rules collectively of the Utility, as set forth herein, including the Rate Schedules and these Rules.

Temporary Service: Electric service for enterprises or activities that are temporary in character or where it is known in advance that service will be of limited duration. Service, which in the opinion of the Utility, is for operations of a speculative character or the permanency of which has not been established, also is considered Temporary Service.

TOU: Time of Use.

Trenching: See Excavation.

Utility: The City of Victorville Municipal Utility Services.

Utility's Operating Convenience: The term refers to the utilization, under certain circumstances, of facilities or practices not ordinarily employed which contribute to the overall efficiency of the Utility's operations; it does not refer to Customer convenience nor to the use of facilities or adoption of practices required to comply with applicable laws, ordinances, rules or regulations or similar requirements of public authorities.

Violence: Types of violence include without limitation: death or injury with a weapon, inflicting bodily harm, allowing animals to attack, physically detaining an employee against their will, and/or tearing employee's clothing.

Rule 2 – Description of Electric Service

A. GENERAL

1. The character of service available at any particular location should be ascertained by inquiry at the Utility office.

2. The Rate Schedules included herein are applicable for service where the Customer purchases its entire electrical requirement from the Utility, except where such schedules specifically provide otherwise, and are not applicable where a part of the Customer's electrical requirements are supplied from some other source.

3. The Rate Schedules included herein are applicable for service provided from the Utility's permanent, existing Distribution System or in accordance with the provisions of Rules 15 and 16, except where schedules specifically provide otherwise.

4. Alternating current service of approximately 60-cycle frequency will be supplied.

5. Voltages referred to in the Tariff Schedules are nominal voltages and in some few instances, reasonable variations may occur.

6. Service will be supplied at one standard voltage for each class of service. Each service shall have a service main disconnecting device with an ampere rating equal to, or less than the ampere rating of the underground pull section and the service conductors. The total ampere rating of the service main disconnecting devices, including taps to the underground pull section shall be equal or less than the ampere rating of the service conductors.

B. PHASE AND VOLTAGE SPECIFICATIONS

1. Standard nominal voltages of the Utility are as follows:

a. Distribution voltages: 277/480, 4160, 6900 and 12,000 volts.

b. Voltages of 33,000 volts and higher are transmission voltages. For its operating convenience, the Utility may elect to supply a Customer from transmission voltage lines. In such case, the Customer may select as a standard delivery voltage one of the following: 2400, 4160, 6900, 12000 volts or such other voltage as the Utility may approve.

c. All Customer-owned utilization equipment must be designed and rated in accordance with utilization voltages specified by the American National Standard C84.1 for Customer equipment to perform satisfactorily.

Rule 2

d. The utility system is designed and maintained to provide service voltage levels at the Customer’s main switch as specified by the American National Standard C84.1. The Utility has no control over the Customer’s utilization voltage that results from voltage drop in Customer’s wiring.

e. While average voltages are maintained as described, it must be recognized that short term voltage excursions (transients) exceeding these levels can occur as the result of normal system operations (circuit stitching, motor start-up, etc.). Equipment containing microprocessors or other sensitive electronic components can be damaged or otherwise rendered inoperative by such transients. It is the Customer’s responsibility to determine the suitability of the supplied power and to provide any necessary power conditioning equipment.

2. Single-Phase Service

a. General

Voltage	Minimum Load Required	Maximum Load Allowed
120 volts	None	1-15 amp and 1-20 amp branch circuit
120/240 or 240 volts	None	400 amp main switch
240/480 volts	15 kVa	200 amp main switch
2,400 volts or over	Varies with location	40 amp main switch

b. The maximum size 120-volt, single-phase motor allowed is 1 hp and the maximum size 240 volt or higher voltage, single-phase motor allowed is 10 hp.

3. Three-Phase Service

a. General

Voltage	Minimum Connected Load	Maximum Demand Load Required Switch	Maximum Main
240 volts	3 kVa	75kVa	400 A
120/208 volts	45 kVa	1000 kVa	4000 A
277/480 volts	45 kVa	3750 kVa	4000 A
12,000 volts*			

* Contact the Utility.

b. Service to all loads of 1,000-kVA maximum demand or over, must be approved by the Utility as to adequacy of facilities for service.

c. Loads on three-phase service must be balanced between phases in accordance with good engineering practice.

d. Three-phase service may be supplied to installations having a proposed main service switch in excess of the switch capacities specified above provided approval of the Utility first has been obtained as to the number and size of switches, circuits and related facilities. Such service will be supplied from two separate service connections at one location from one transformer location. Energy so supplied will be measured through one meter. The loads will be balanced as closely as practicable between the services.

4. Combined Single-phase Service and Three-phase Service

a. Service may be supplied at 120/208 volts, four-wire, wye-connected where the Utility does not maintain four-wire secondary mains, provided (1) written application is made for such service by the Customer; (2) the Customer's load is of such a size as to require an individual transformer installation of not less than 45 kVA when supplied from an underground system. Transformer capacity is based on load diversity as determined by the Utility; and (3) the Customer provides space acceptable to the Utility on the premises to accommodate the installation of the Utility's facilities.

b. Service may be supplied at 277/480 volts, four-wire, wye-connected where the Utility maintains 120/208 volt or 240 volt secondary polyphase mains, provided: (1) written application is made for such service by the Customer; (2) the Customer's load is of such size as to require an individual transformer installation of 45 kVA when supplied from the underground system. Transformer capacity shall be based on load diversity as determined by the Utility; and (3) the Customer provides space acceptable to the Utility on the premises to accommodate the installation of the Utility's facilities.

c. Service may be supplied at 120/240 volts, four-wire, delta-connected where the utility does not maintain four-wire secondary mains, provided: (1) the Customer's load is of such a size as to require an individual transformer installation of not less than 15 kVA of transformer capacity, as determined by the Utility and complies with paragraph 3b above, if applicable; (2) the unbalance between phases is less than 100 kW; (3) the Customer provides space acceptable to the Utility on the premises to accommodate the installation of the Utility's facilities; and (4) maximum main switch capacity is 600 amps with 400 amp maximum fusing.

d. The maximum demand allowances for combined single-phase and three-phase are set forth in Section B.3.b above.

e. The minimum demand load for a three-phase pad-mounted transformer is 45 kVA for 120/208 volt service or 277/480 volt service.

Rule 2

f. All three-phase circuits not exceeding 250 volts shall have either a phase or neutral grounded and a four-wire polyphase service run to the Customer's service entrance main switch.

5. At the option of the Utility, the above voltage and phase specifications may be modified because of service conditions at the location involved.

C. MOTOR PROTECTION AND EQUIPMENT

1. Customer's motor equipment must conform to the following requirements:

a. Motors that cannot be subjected safely to full rated voltage on starting, or that drive machinery of such a nature that the machinery itself, or the product handles will not permit the motor to resume to normal speed upon the restoration of normal supply voltage shall be equipped with devices that will disconnect them from the line upon failure of supply voltage and that will prevent the automatic reconnection of the motors upon restoration of normal supply voltage.

b. All motors of 1 hp or larger shall be equipped with thermal relays, fuses, or other automatic over-current interrupting devices to disconnect completely such motors from the line as a protection against damage due to overheating.

c. Three-phase motors driving elevators, hoists, tramways, cranes, conveyers or other equipment, which would create hazard to life in the event of uncontrolled reversal of motor rotation, shall be provided with reverse-phase and open-phase protection to disconnect completely the motors from the line in the event of phase reversal or loss of one phase.

d. Wind machines thermostatically controlled with automatic re-closing switches must be equipped with suitable time-delay devices, such as hereinafter specified, at the Customer's expense, to permit the required adjustment of the time of re-closure after interruption of service.

2. A suitable time-delay device, within the meaning of this Rule, is a relay or other type of equipment that can be present to delay with various time intervals the re-closing of the automatic switches (and the consequent starting up of the electric motors on the wind machines) and to stagger the reconnection of the load on the Utility's system, and such device must be constructed so as effectively to permit a variable overall time interval of not less than five minutes with adjustable time increments of not greater than ten seconds. The particular setting to be utilized for each separate installation is to be determined by the Utility from time to time in accordance with its operating requirements, and the Customer is to obtain from the Utility the setting for each installation as thus determined.

D. ALLOWABLE MOTOR STARTING CURRENTS

1. The starting current drawn from the Utility’s lines shall be considered the nameplate locked rotor current or that guaranteed by the manufacturer.

At its option, the Utility may determine the starting current by test, using a stop ammeter with not more than 15 percent overswing or an oscillograph, disregarding the value shown for the first ten cycles subsequent to energizing the motor. If the starting current for a single motor exceeds the value stated in the following tables, reduced voltage starting or other suitable means must be employed, at the Customer’s expense, to limit the current to the value specified, except where specific exemptions are provided in Sections D.2, 3, and 4.

TABLE 1
 Alternating Current – Single-Phase Motors
 Allowable Locked Rotor Currents

Rated Size	120 Volts	240 Volts
1 hp and less	50 amperes	36 amperes
1-1/2 hp		48 amperes
2 hp		60 amperes
3 hp		80 amperes
5 hp		120 amperes
7-1/2 hp		170 amperes
10 hp		220 amperes

TABLE 2
 Alternating Current – Three-Phase Motors
 Allowable Locked Rotor Currents

Rated Size	240 Volts	480 Volts	2400 Volts
3 hp	64 amperes	32 amperes	
5 hp	92 amperes	46 amperes	
7-1/2 hp	127 amperes	63 amperes	
10 hp	162 amperes	81 amperes	
15 hp	232 amperes	116 amperes	
20 hp	290 amperes	145 amperes	
25 hp	365 amperes	183 amperes	
30 hp	435 amperes	218 amperes	
40 hp	580 amperes	290 amperes	
50 hp	725 amperes	363 amperes	70 amperes
60 hp		435 amperes	87 amperes
75 hp		535 amperes	107 amperes
100 hp		725 amperes	142 amperes
Over 100 hp – The Utility should be consulted for allowable locked rotor currents.			

Rule 2

2. Where service conditions permit, subject to Utility approval, reduced-voltage starters may be omitted in the original installation until such time as the Utility may order the installation of a reduced-voltage starter to be made, and, similarly, the Utility may at any time require starting current values lower than set forth herein where conditions at any point on its system require such reduction to avoid interference with service.

3. Reduced-voltage starters may be omitted on any motor of a group installation provided that its starting current does not exceed the allowable starting current of the largest motor of the group.

4. A reduced-voltage starter may be omitted on any motor in a group installation provided that its starting current does not exceed three times the maximum demand in amperes of the entire installation.

E. PROTECTIVE DEVICE COORDINATION

Customer's protective relays, fuses, circuit breakers and other protective devices must comply with the following requirements:

1. All Customer protective device operating times and circuit breaker trip element upper-bound trip times shall be a minimum of 0.25 seconds (15 cycles) less than the trip time of the Utility's feeder protective relay settings for all current values between the Customer service entrance rating and the maximum available fault current.

2. All Customer fuse maximum fault-clearing times shall be a minimum of 0.30 seconds (18 cycles) less than the trip time of the utility feeder protective relay settings for all current values between the Customer service entrance rating and the maximum available fault current.

3. Three-phase service Customers shall submit protective device characteristics and/or relay calibration data to the Utility for approval prior to establishment of service.

F. INTERFERENCE WITH SERVICE

1. Customers who operate equipment that causes detrimental voltage fluctuations (including without limitation, hoists, welders, radio transmitters, X-ray apparatus, elevator motors, compressors, and furnaces) must reasonably limit such fluctuations upon request by the Utility. The Customer will be required to pay for whatever corrective measures are necessary.

2. In the case of arc furnace installations not in excess of 100 kVA single-phase, or 300 kVA three-phase, the Utility may furnish energy at 240 or 480 volts, providing the Customer permanently installs suitable equipment to limit secondary short-circuit current values to 300

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percent of full load value. In the case of arc furnace installation in excess of 100 kVA, single-phase, or 300 kVA three-phase, the Utility may require the Customer to provide, at their own expense, special furnace type transformers and reactors sufficient to limit secondary short-circuit current values to 300 percent of full load value. In such cases, the Utility shall furnish energy at standard voltages over 5,000 volts.

3. Any Customer who superimposes a current of any frequency upon any part of their electrical system, other than the current supplied by the Utility, shall at their own expense, prevent the transmission of such current beyond their electrical system.

G. POWER FACTOR

The Utility may require the Customer to provide, at their own expense, equipment to correct the Customer's operating power factor to between 90 percent lagging and 90 percent leading.

H. WAVE FORM

The Utility may require that the wave form of current drawn by equipment of any kind be in conformity with good engineering practice.

I. ADDED FACILITIES

Added or Special Facilities are considered to be existing, enlarged, or new facilities installed and/or used by the Utility at the Customer's request in addition to, as enlargements of, as alternate to, or in substitution for, the standard facilities that the Utility would normally install or use, and which represent additional costs to the Utility over normally installed facilities. Except where provided otherwise by Rate Schedule, installation of Added Facilities will be made, provided the type of Added Facilities requested is acceptable to the Utility and the Utility agrees to the installation of the Added Facilities, under the following conditions:

1. The Applicant for Added Facilities is also an Applicant for permanent electric service or is a Customer for permanent electric service at same location.

2. The Applicant/Customer executes an Added Facilities Contract ("AF Contract") with Utility prior to the installation of the Added Facilities. In addition to providing for the payment of charges as determined under the appropriate schedule, the AF Contract will provide for one of the following conditions:

a. Prior to the Utility installing Added Facilities, the Applicant/Customer shall pay the Utility for the Added Facilities and the cost of the installation of such facilities. Thereafter, the Customer shall pay a monthly charge for the Added Facilities in an amount determined by the Utility based upon any maintenance as described in the AF Contract.

b. Prior to the Utility installing Added Facilities, the Applicant/Customer shall agree to pay a monthly charge to the Utility for the Added Facilities in the amount determined by the Utility based upon the added investment and maintenance of the facilities as described in the AF Contract.

3. In the event that the Added Facilities are abandoned prior to five years from the date service is first rendered from the Added Facilities, the Utility will charge the Applicant/Customer the balance owed on the cost of the installed Added Facilities, plus the cost of removal, less the estimated salvage of removable materials.

All monthly charges shall be reviewed and readjusted when changes occur in the Utility's cost for providing such service.

J. METERING FACILITIES AS ADDED FACILITIES.

Metering Facilities that meet the definition of Added Facilities will be installed, owned, and maintained under the terms of and conditions of an AF Contract between the Utility and the Customer.

Rule 3 – Application for Service

A. APPLICATION FOR SERVICE

Each Applicant for electric service may be required to sign an application on a form provided by the Utility and, upon request, will be required to furnish the following information:

1. Name of Applicant.
2. Date of application.
3. Location of Premises to be served.
4. Date applicant will be ready for service.
5. Purpose for which service is to be used.
6. Customer's mailing address.
7. Whether applicant is owner or tenant of, or agent for the Premises.
8. Information to establish credit of applicant.
9. Information pertinent to the design, installation, maintenance or operation of facilities.
10. Such other information as the Utility may reasonably require.

The above information may be supplied by the Applicant either in writing or telephone if the Applicant's signature is not required as specified in Rule 20.

Upon acceptance and approval of the application, the Utility agrees to furnish and the Applicant agrees to take electric service in accordance with the Utility's applicable Rate Schedule and the Rules and Regulations set forth herein. These Rules, Regulations and Rate Schedules constitute the terms and conditions of the agreement between the Utility and the Applicant/Customer for electric service provided by the Utility, unless agreed otherwise in writing.

The Utility may disconnect or refuse to provide service to the Applicant if the conditions upon the Applicant's Premises indicate that false, incomplete, or inaccurate information was provided to the Utility or the acts of the Applicant or anyone on the Premises creates an unsafe situation for the City's employees. The Utility shall provide the Applicant the reason for such refusal.

B. INDIVIDUAL LIABILITY FOR JOINT SERVICE

Two or more persons who join in one application or contract for service shall be jointly and severally liable thereunder and shall be billed by means of a single periodic bill mailed to the person designated on the application to receive the bill.

C. CHANGE IN CUSTOMER’S EQUIPMENT OR OPERATIONS

Customers shall give the Utility written notice of the extent and nature of any material change in the size, character, or extent of the utilizing equipment or operations for which the Utility is supplying service before making any such change.

D. SERVICE CONNECTION CHARGE

1. The Utility will charge a service connection charge for any service(s) established (connected) at any individual Premises.

2. The service connection charge provided for herein is in addition to the charges in accordance with the applicable Rate Schedule (see Appendix A) and may be charged each time an account is established. As used herein, “established” means each time an account is opened, including a turn on of electric service or a change of name that requires a meter reading.

3. In the event the Customer places a request for electric service to be established on a day when the maximum workload has been scheduled, an additional connection charge will be made.

4. The service connection charge is not applicable to Customers of the Utility to service rendered through submeters to tenants.

5. Rule 20 contains the above-referenced charges.

E. E-MAIL AS A MEANS OF CUSTOMER CONTACT

When a Customer provides an e-mail address to the Utility as a means of contact, the Utility may use such e-mail address to communicate with the Customer, absent instructions from the Customer to the contrary.

F. TELEPHONE AS A MEANS OF CUSTOMER CONTACT

When a customer provides a telephone number – mobile (i.e. cellular telephone) or landline - to the Utility as a means of contact, the Utility may use such telephone number to communicate with the Customer, absent instructions to the contrary. The Customer of record (i.e. the person in whose name service is rendered, as defined in Utility’s Rule 1, “Customer” definition) is presumed to be an authorized user of such telephone number, absent information provided by the Customer to the contrary. By providing a mobile number, absent instructions to the contrary, the Customer expressly consents to receiving calls or text messages (texts) from the Utility to such mobile number, including through an automatic telephone dialing system and/or an artificial voice or prerecorded message, for:

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1. Emergency purposes, which includes without limitation calls or texts providing notice of and status updates on planned and unplanned outages, calls or texts providing 24 or 48 hours' notice of credit or non-credit related service disconnections, and other types of calls or texts made necessary in any situation affecting the health and safety of consumers; and

2. Informational purposes, which includes without limitation calls or texts regarding credit or non-credit related service disconnections outside the 24 or 48 hour emergency window, non-emergency outage related calls or texts, calls or texts providing information on new rates, rate changes, available rate options, and service related account matters; and

3. The Utility will honor Customer requests to opt-out of receiving calls or texts from the Utility at such mobile number, except under certain emergency circumstances (at the Utility's sole discretion) or as otherwise authorized under the Utility's Tariffs.

Rule 4 - Contracts

A. WHEN SERVICE CONTRACTS ARE REQUIRED

Service contracts may be required by the Utility as a condition precedent to establishment of service:

1. Where required by provisions contained in the Tariff Schedules, in which case the terms and conditions of the Tariff Schedules and the service contract will both apply (with the terms and conditions of the service contract governing in the event of a conflict); or

2. Where it is necessary to install a Line Extension in excess of a normal installation, in which case a contract to take or pay for service for a period of three (3) years may be required; except, when Temporary Service is to be supplied under the provisions of Rule 13. The contract to take or pay for service will cover the period of contemplated operations, but in no event longer than a period of three (3) years.

B. WHEN FACILITIES CONTRACTS ARE REQUIRED

1. A contract or agreement to pay for the use, construction, installation or removal of facilities (“Facilities Contract”) will be required:

a. Where the provisions of the Tariff Schedules or these Rules (including, without limitation Rules 2, 15 and 16) so specify, in which case the terms and conditions of the Tariff Schedules and the appropriate Facilities Contract will both apply (with the terms and conditions of the Facilities Contract governing in the event of a conflict); or

b. Where any Applicant or Customer desires new or increased distribution facilities for Temporary Service, in which case the Utility may require such person to pay to the Utility, in advance or otherwise, the estimated installation cost, plus the estimated cost of removal, less the estimated salvage of the facilities necessary to provide and deliver service in accordance with provisions of Rule 13; or

c. Where a person, whether or not a Customer, desires to have the Utility modify, rearrange, relocate, or remove any of its facilities. The Utility, if it agrees to make such changes, shall require the person at whose request the changes are made, to pay, in advance or otherwise, the cost to the Utility of making the changes.

2. Prior to the commencement of any facilities construction, installation, removal, modification, rearrangement or relocation work (whether such work is to be performed by the Applicant, the Utility or both the Applicant and the Utility), all Applicants/Customers shall be required to execute a Facilities Contract in the form provided by the Utility. Such Facilities Contracts will specify the costs, payment arrangements, division of labor and/or responsibilities,

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design requirements, equipment, conveyance of ownership of facilities, contractor qualifications, and such other terms and conditions as the Utility may require.

Rule 5 – Special Information Required on Forms

A. UTILITY BILL

The following statements will be printed on each utility bill:

1. “Bill is due upon receipt.”
2. “PROCEDURES FOR PROCESSING PAYMENT OF DISPUTED UTILITY BILL

Should you have a question regarding this bill, please request an explanation from the Utility, within ten (10) business days after receiving the bill. Your request may be made by telephone (760-243-6340) or in writing (Customer Service Representative, Utility Services Department, P.O. Box 5001, Victorville, CA 92353-5001). If after you receive the explanation from Customer Service (which explanation may be given in writing or by telephone depending on the manner in which the request was made), you still believe you have been billed incorrectly, you have ten (10) business days from the date you receive the explanation from Customer Service to send your entire remittance (payable to the City of Victorville) with the bill and a written statement setting forth the reasons why you believe the bill is not correct to the Director or designee, City of Victorville, P.O. Box 5001, Victorville, California 92353-5001, to avoid discontinuance of service. Upon timely receipt of the written statement, the Director or designee will review the basis of the billed amount and communicate the results of the review and decision to you in writing. If the matter is not satisfactorily resolved by the Director or designee, you may request a review by the City Manager by sending a written statement to: City Manager, City of Victorville, P.O. Box 5001, Victorville, California 92393-5001, within five days after receiving the decision of the Director or designee. Upon timely receipt of this written statement, the City Manager will make their determination and communicate said determination to you in writing. If you are not satisfied with the findings of the City Manager, you may appeal to the City Council using the procedure set forth in Section G of Rule 10. In the absence of a timely filed appeal, the decision of the Director or designee will be final.”

B. DISCONTINUANCE OF SERVICE NOTICE (48-Hour Final Notice)

The following statements will be printed on each discontinuance of service notice:

“If payment is not received by 5:00 p.m. on the date shown above, your service may be disconnected without further notice. Full payment of the bill, plus any reconnection charges, will be required prior to any restoration of services. A deposit may be required to reestablish your credit, whether or not service is disconnected for non-payment.”

“Tampering with meter or unauthorized breaking of seal constitutes a misdemeanor. Charges for equipment replacement must be paid in advance of restoring the service.”

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C. DEPOSIT RECEIPTS

Each receipt for a cash deposit to establish or reestablish credit for service will contain substantially the following statements:

“Upon discontinuance of service, the Utility will refund the Customer's deposit or the balance in excess of any unpaid bills. After the Customer has paid bills for electric service before becoming past due for twelve months, the Utility will refund the deposit by applying it to the customer's unpaid bills or by check. Endorsement of a refund check will constitute acknowledgement of receipt of refund and release the Utility from any further claims against the deposit covered by this receipt.”

D. RULE 20 CONTAINS THE ABOVE REFERENCED CHARGES.

Rule 6 – Establishment and Reestablishment of Service

A. ESTABLISHMENT OF CREDIT – ALL CLASSES OF SERVICE

Each Applicant for electric service will be required to satisfactorily establish credit, which will be deemed established upon qualifying under any one of the following:

1. If Applicant makes a cash deposit to secure payment of bills for service in the amount prescribed in Rule 7; or
2. If Applicant has been a Customer of the Utility for a similar type of service within the past two years, service was not disconnected due to non-payment or theft of service, any closing bill was paid within 30 days of the date of issuance, and the last twelve consecutive billing periods of that prior service reflected a credit rating of “Good” (no more than one Final Notice), provided that the periodic bill for such previous service was equal to at least 50 percent of that estimated for the new service and provided further, that the credit of the applicant is unimpaired in the opinion of the Utility; or
3. If Applicant furnishes an acceptable alternative to a cash deposit, namely a certificate of deposit, or an irrevocable standby letter of credit, in an amount equal to or greater than the required deposit; or
4. If Applicant’s credit is otherwise established to the satisfaction of the Utility.

B. RE-ESTABLISHMENT OF CREDIT – ALL CLASSES OF SERVICE

1. An Applicant who previously has been a Customer of the Utility and whose service has been discontinued by the Utility one or more times during the past twelve (12) billing periods of that prior service because of nonpayment of bills, may be required to reestablish credit by depositing the amounts prescribed in Rule 7 for that purpose.
2. An Applicant who previously has been a Customer of the Utility and who failed to pay its closing bill within 30 days of the Date of Presentation may be required to re-establish credit by depositing the amounts prescribed in Rule 7 for that purpose.
3. A Customer who fails to pay bills before they become past due as prescribed in Section B of Rule 11, and further fails to pay such bills by the date indicated on a discontinuance of service notice for nonpayment of bills, may be required to pay said bills and re-establish credit by depositing the amount prescribed in Rule 7. This rule will apply regardless of whether or not service has been discontinued for such non-payment.

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4. A Customer may be required to re-establish credit in accordance with Section A of Rule 6 in case the conditions of service or basis on which credit was originally established have, in the opinion of the Utility, materially changed.

Rule 7 – Deposits

A. GENERAL

Deposits will be required when a Customer is otherwise unable to satisfactorily establish or re-establish credit as set forth in Rule 6.

B. AMOUNT OF DEPOSIT

The amount of deposit required to establish or re-establish credit for electric service is twice the maximum monthly bill as estimated by the Utility, but in no case shall the amount be less than the minimum deposit as set forth in Rule 20.

In the event that a Customer of the Utility has diverted electricity, a separate deposit shall be assessed. This deposit shall be twice the amount of the estimated loss to the Utility resulting from the diversion; but in no case shall the amount be less than the Minimum Diversion Deposit as set forth in Rule 20.

C. RETURN OF DEPOSIT

1. Upon discontinuance of service, the Utility will refund the Customer's deposit or the balance in excess of the unpaid bills for service, except the City shall not be required to refund any advanced deposit balance where the cost to the City for processing such refund, which is herewith determined to be five dollars (\$5.00) exceeds said advanced deposit balance.

2. After the Customer has paid bills for service for 12 months and has maintained a "Good" credit rating (no more than one Final Notice), or after 24 months and has maintained a Fair credit rating (no more than two Final Notices), or has an otherwise unimpaired credit rating the Utility will refund the deposit. If the Customer fails to meet the criteria for return of the deposit, the deposit will be held by the Utility until the Customer meets the criteria described above.

3. The Utility may return the deposit at any time upon request, provided the Customer's credit may otherwise be established in accordance with Rule 6.

Rule 8 – Notices

A. NOTICES TO CUSTOMERS

When notices from the Utility to a Customer are required, they will normally be given in writing, either mailed or e-mailed to the address specified in the Customer’s application for service or to any address subsequently specified by the Customer or delivered to him or posted in the local newspaper of record, except that in emergencies, the Utility may give notices in the manner most suitable under the existing conditions (telephone, etc.)

Where electric service is provided through a master meter, the Utility shall make every good faith effort to inform the actual users of the electric services when the account is in arrears that service will be discontinued in fifteen (15) days. A 10-day notice stating that service shall be discontinued shall be posted at the Premises by the Utility not more than five (5) days after the 15-day notice of discontinuance is mailed to the Customer of record. These notices shall also inform the actual users that they have the right to pay the amount due on the account in order to maintain service without interruption.

B. NOTICES FROM CUSTOMERS

Notices from a Customer to the Utility may be given by written communication mailed to the Utility’s office, or may be given orally by the Customer or the Customer’s authorized agent at the Utility’s office except when written notice is specifically required in Tariff Schedules or in any written agreement.

Rule 9 – Rendering and Payment of Bills

A. RENDERING OF BILLS

1. Billing Period.

Bills for electric service will be rendered monthly or as otherwise provided in the Tariff Schedules.

2. Metered Service.

a. Bills for metered service will be based on meter registrations. Meters will be read remotely as required for the preparation of regular bills, opening bills and closing bills.

b. If for any reason (other than a remote-reading failure that is caused by the Utility) a manual meter read must be provided to a Customer in order to render a bill, the Customer shall pay a charge for that service.

c. If, because of unusual conditions or for reasons beyond the Utility's control, the Utility is unable to read the meter on the scheduled reading date, the Utility may bill the Customer and/or those deriving the benefit of service, for estimated consumption during the billing period and make any necessary corrections when a reading is obtained.

Estimated consumption for this purpose will be calculated considering the Customer's prior usage, the Utility's experience with other Customers of the same general characteristics of the Customer's operations. Adjustments for any underestimation or overestimation of a Customer's consumption will be reflected on the first regularly scheduled bill rendered and based on an actual reading following any periods when estimation was required.

When a service start date can be reliably estimated, the undercharge can be computed back to that date, exclusive of Rule 17. Access to the meter, shall be provided by the Customer as a prerequisite to the Utility making any adjustment of consumption billed on an estimated basis.

3. Unmetered Service.

A flat rate may be applied upon request (in writing) where the applicant for service has a fixed connected load to be operated over a fixed number of hours during a billing period and where the following conditions are met:

a. Provision has been made to prevent any additional consumption on the service.

b. The point of interconnection of the service is approved by the Utility.

c. Such service may be supplied under any appropriate Rate Schedule at the Utility's Operating Convenience and all conditions of the Rate Schedule shall apply, including the Power Cost Adjustment.

4. Pro Rata Computation.

All bills for electric service rendered will be computed in accordance with the applicable Tariff Schedule, but for other than a monthly billing period, the amount of the Customer service demand or minimum charge, specified therein, will be prorated on the basis of the ratio of the number of days service has been rendered to the number of days in the month, unless otherwise provided in the Tariff Schedules.

5. Electronic Billing.

A bill presentment method that allows customers to receive and view bills electronically. All charges that would have appeared on the paper bill, along with all legal and mandated notices are provided with the electronic bill. However, all discontinuation of service notices are delivered separately in accordance with the provisions of Rule 8 and Rule 11.

6. Rule 21 addresses additional billing information related to Net Energy Metering,

B. READINGS OF SEPARATE METERS NOT COMBINED

For the purpose of billing, each meter upon the Customer's premises will be considered separately and the readings of two, or more meters will not be combined, except as follows:

1. Where combinations of meter readings are specifically provided for in the Tariff Schedules.

2. Where the Utility's Operating Convenience requires the use of more than one meter.

C. PAYMENT OF BILLS

1. All bills are due upon receipt and are considered past due if not paid within nineteen (19) days of the Date of Presentation. Accepted methods of payment include checks sent via the U.S. Mail to the address on the payment stub: checks, money orders or cash paid at the City of Victorville, Finance Department, or any other means mutually agreeable to the Utility and the Customer.

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2. Bills for connection or reconnection of service and payments for deposits or to reinstate deposits as required under the rules of the Utility shall be paid before service will be connected or reconnected.

D. RETURNED CHECK CHARGE

The Utility may require payment of a returned check charge as contained in Rule 20.

E. FUND VERIFICATION FEE

A Fund Verification Fee may be charged to Customers paying by personal check if the Utility deems it necessary to verify that the Customer has sufficient funds in their account when: the Customer has been disconnected for non-payment of service or has a history of non-sufficient funds in their account.

F. LATE PAYMENT CHARGE

A late payment charge as contained in Rule 20 may be applied to the total unpaid balance of a Customer account if the Customer's payment is not received by the date indicated on the Customer account bill or summary bill.

G. RULE 20 CONTAINS THE ABOVE REFERENCED FEES AND CHARGES.

Rule 10 – Billing Discrepancies

A. Customers who feel that their bill is in error will first contact Customer Service by phone or in writing within ten (10) business days after receiving the bill to attempt to resolve the disputed bill. Failure to do so will authorize discontinuance of service in accordance with Rule 11.

B. If, after contact with Customer Service, the Customer believes the bill is still incorrect, the Customer must, within ten (10) business days after receiving the explanation from Customer Service, send their remittance for the entire amount of the disputed bill (payable to the City of Victorville) along with a written statement setting forth the reasons why the Customer believes the bill is incorrect to the Director or designee, P.O. Box 5001, Victorville, CA 92353-5001. The explanation from Customer Service shall be provided in writing if the Customer makes a written inquiry and by phone if the Customer makes their bill inquiry by phone.

C. Failure of the Customer to file a written statement with the Director or designee within ten (10) business days after receipt of the explanation from Customer Service will constitute acceptance by the Customer of the bill as rendered, and authorize discontinuance of service in accordance with Rule 11.

D. Upon timely receipt of the written statement, the Director or designee will review the basis of the billed amount, and communicate the results of the review and decision to the Customer in writing.

E. If, before completion of the review by the Director or designee, additional bills become due that the Customer wishes to dispute, the Customer will not be required to file the dispute with Customer Service, as stated in Rule 10.A. above, but will be required to send their remittance (payable to the City of Victorville) for the entire amount of the additional bills disputed to the Director or designee and file additional written statements within ten (10) business days after receipt of such bills setting forth the reasons why the Customer believes the additional bills are incorrect. Failure to do so will authorize discontinuance of service in accordance with Rule 11.

F. If the billing dispute is not satisfactorily resolved with the Director or designee, the Customer may request a review by the City Manager by sending a written statement to: City Manager, City of Victorville, P.O. Box 5001, Victorville, California 92393-5001, within five (5) business days after receiving the written decision of the Director or designee. Upon timely receipt of this written statement, the City Manager will make their determination and communicate said determination to the Customer in writing.

G. If the Customer is not satisfied with the findings of the City Manager, the Customer may appeal to the City Council. The appeal must be submitted in writing to the Victorville City Clerk, together with the reasons for the dispute within ten (10) business days following mailing of the City Manager's determination. In the absence of a timely filed appeal, the City Manager's

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determination will be final. Upon receipt of a timely appeal, the matter will be reviewed by the City Council within 45 days of receipt. A written decision of the City Council shall be delivered to the Customer by personal delivery or certified mail within fifteen days following the appeal hearing.

Rule 11 – Discontinuance & Restoration of Service

A. PAST DUE BILLS

Bills rendered will be considered past due if not paid within nineteen (19) days after Date of Presentation.

B. DISCONTINUANCE OF SERVICE/SHUT OFF NOTICE

A Customer's service may be discontinued for nonpayment of a bill for service previously rendered to such Customer at any location served by the Utility, if such bill is not paid within fifteen (15) days after a notice is emailed to Customer advising that present service will be discontinued for nonpayment of such bill for prior service.

C. NONPAYMENT OF BILLS

1. When a bill for electric service has become past due and an overdue notice and final notice have been issued, service may be discontinued if the bill is not paid within the time required by such notice. A charge will be assessed if 48-hour notification is delivered.

2. Any Customer who contests a bill, and has initiated a complaint or requested an investigation within ten (10) business days of receiving said bill shall not have service discontinued for nonpayment during the pendency of an investigation by the Utility of such Customer's dispute or complaint, provided the Customer also keeps current the account for electric services as charges accrue in each subsequent billing period. Services shall not be discontinued for nonpayment for any Customer complying with an amortization agreement (payment plan) entered into with the Utility, provided the Customer also keeps current the account for electric services as charges accrue in each subsequent billing period. If a Customer fails to comply with an amortization agreement, the Utility will give a seven-day (7-day) discontinuance of service notice before discontinuing services, but such notice shall not entitle the Customer to further investigation by the Utility.

3. If a Customer is receiving more than one service, any or all services may be discontinued when any service, regardless of location, is discontinued for nonpayment.

4. Under no circumstances may service be discontinued for nonpayment of a bill to correct previously billed incorrect charges for a period in excess of the preceding three months, unless such incorrect charges have resulted from the Customer not abiding by the Tariff Schedules.

5. Bills collected on the Premises by a field Utility representative shall include a collection fee which is contained in Rule 20.

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6. On any Saturday, Sunday, legal holiday recognized by the City, or at any time during which the business office of the City is not open to the public, service will not be discontinued by reason of delinquency in payment for electric services.

D. UNSAFE EQUIPMENT

The Utility may refuse or discontinue service to a Customer if any part of the Customer's wiring or other equipment, or the use thereof, shall be determined by the Utility to be unsafe or in violation of applicable laws, ordinances, rules or regulations of public authorities, or if any condition existing upon the Customer's Premises shall be thus determined to endanger the Utility's service facilities, until it shall have been put in a safe condition or the violation remedied.

If there is an imminent service disconnection, the Utility may contact the Customer by telephone (including calls or text messages to mobile phones) under the emergency purpose provision described in Rule 3.F., or by e-mail when appropriate.

The Utility does not assume any responsibility of inspecting or repairing the Customer's wiring or other equipment or any part thereof and assumes no liability therefore.

E. SERVICE DETRIMENTAL TO OTHER CUSTOMERS

The Utility will not provide service to utilizing equipment, the operation of which will be detrimental to the service of the Utility or its other Customers, and will discontinue electric service to any Customer who shall continue to operate such equipment after having been given notice by the Utility to cease so doing.

F. UNAUTHORIZED USE

The Utility may discontinue service if the acts of the Customer or the conditions upon the Customer's Premises indicate intent to deny the Utility full compensation for services rendered, including, but not limited to, tampering or unauthorized use. Discontinuance of service for nonpayment of a bill for unauthorized use shall be in accordance with the provisions of Section 11.B of this Rule, "Discontinuance of Service/Shut Off Notice." A fee will be collected for the investigation of acts of unauthorized use or tampering, as referenced in Rule 20.

G. FAILURE TO ESTABLISH OR RE-ESTABLISH CREDIT

If, for an Applicant's convenience, the Utility should provide service before credit is established or should continue service to a Customer when credit has not been re-established in accordance with Rule 6, and the Customer fails to establish or re-establish credit, the Utility may discontinue service.

H. NONCOMPLIANCE

Except as otherwise specifically provided in this Rule 11, the Utility may discontinue service to a Customer for noncompliance with Tariff Schedules, if, after written notice of at least five (5) days, the Customer has not complied with the notice. The Utility may dispense with the giving of such notice in the event there exists, in the Utility's opinion, a dangerous condition thus rendering the immediate discontinuance of service to the premises imperative.

I. CUSTOMER'S REQUEST FOR SERVICE DISCONTINUANCE

When a Customer desires to terminate responsibility for service, the Customer shall give the Utility not less than two (2) days' notice of this intention, state the date on which the Customer wishes the termination to become effective, and provide the Utility with the address to which the closing bill should be mailed. A Customer may be held responsible for all service furnished at the Premises until two (2) days after receipt of such notice by the Utility or until the date of termination specified in the notice, whichever date is later.

J. RESTORATION – RECONNECTION CHARGE (SERVICE CALL FEE)

The Utility will require payment of a reconnection charge for each incident in which the service(s) were disconnected before restoring service that has been disconnected for nonpayment of bills or for failure otherwise to comply with Tariff Schedules. If service(s) has been illegally restored or damaged due to tampering, the Customer must pay all damage charges prior to reconnection. The Customer and/or beneficiary of service are responsible for all damage charges whether or not service is reconnected.

If the Customer requires service on a day when maximum workload has been scheduled, an additional charge will be made.

K. UNSAFE ENVIRONMENT

If the Customer or anyone on the premises inflicts Violence, as defined in Rule 1, or threatens with present ability to inflict Violence upon an employee of the Utility or its subcontractors, the Utility may discontinue service to a Customer after written notice of at least five (5) days. The discontinuance of service may be avoided if the Customer agrees to meet with the Director or designee and/or law enforcement and the Customer agrees to cease engaging in any act(s) of Violence.

L. RULE 20 CONTAINS THE ABOVE REFERENCED FEES AND CHARGES.

Rule 12 – Rates and Optional Rates

A. EFFECTIVE RATES

The rates charged by the Utility for electric service are those on file with the Utility, and legally in effect. A copy of the complete Tariff Schedules, as filed with the Utility, shall be maintained for public inspection on the Utility’s website.

B. OPTIONAL RATES

1. Where there are two or more Rate Schedules, rates, or optional provisions applicable to the class of service requested by the Applicant, the Utility or its authorized employees will call to Applicant’s attention, at the time application is made, the several schedules, and the Applicant must provide the estimated Billing Demand. When the Customer notifies the Utility of any material change in the size, character, or extent of their utilizing equipment or operations, in accordance with Section C of Rule 3, the Utility will, within a reasonable time, advise the Customer of the resulting rate. In the absence of the Notification provided for in Section C of Rule 3, the Utility assumes no responsibility for advising the Customer of lower optional rates under other existing schedules, rates, or optional provisions available as a result of the Customer’s changes in equipment or operations.

2. When an Applicant for new service has applied for service under a mutually agreed upon Rate Schedule, the Rate Schedule will remain in effect for a minimum of three (3) billing periods to determine the accuracy of the application of the rate.

C. NEW OR REVISED RATES

Should new or revised rates be established after the time application is made, the Utility will, within a reasonable time, use such means as may be practicable to bring them to the attention of those of its Customers who may be affected thereby.

D. CHANGE OF RATE SCHEDULE

1. A change to another applicable Rate Schedule, rate, or optional provisions will be made only or where, in the opinion of the Utility, another Rate Schedule is more applicable.

2. Should a Customer so elect, the Rate Schedule change will be made, provided:

a. A change has not been made effective during the past 12-month period;

or

b. The change is made to, or from, a new or revised Rate Schedule; or

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c. There has been a change in the Customer's operating conditions for that service which, in the opinion of the Utility, justifies the change; and

d. The change is not made more often than once in any twelve-month (12 month) period where service is being supplied under a Rate Schedule containing an annual fixed charge or an annual minimum charge; and

e. The Customer has made the request by written notice to the Utility.

3. The change will become effective for the billing period during which the Customer has requested the change and is not subject to a retroactive adjustment except when such change is the result of a Utility error, in accordance with Rule 17 C.1.

E. POWER COST ADJUSTMENT FACTOR (PCAF)

The PCAF is a charge per kWh which is used to adjust the Utility's electric rates for the actual cost of purchasing and generating electric power and energy to service the Utility's Customers and minimizes fluctuations in rates.

The energy charge per kWh in each Rate Schedule recovers the costs of purchasing and delivering power and energy from all suppliers of power and energy, other suppliers, and the cost of power from the Utility's owned generating resources.

The PCAF will reflect all changes in energy costs, including the following:

1. Changes in any component of the wholesale rate.
2. Changes in transmission and wheeling payments.
3. Changes in scheduling and dispatching payments.
4. Changes in contract incremental costs.
5. Changes in economy energy purchases.
6. Changes in take-or-pay obligations.

The PCAF as set forth in the Tariff Schedule shall be applied to kWh sold on and after the effective date, as also set forth below, and continuing thereafter until a new PCAF becomes effective. The amount to be added to or subtracted from each bill due to the PCAF shall be calculated by multiplying the number of kWh for which the bill is rendered by the applicable PCAF.

The PCAF, which may be either positive or negative, will be reviewed and revised quarterly to reflect actual changes in excess of a plus or minus ten percent (10%) of the amount stated in the energy charge included in the Tariff Schedule.

The City Council shall have responsibility for establishing the PCAF and its effective date.

F. CHANGE OF LAW ADJUSTMENT FACTOR (CLAF)

Change in Law means any change, modification, revision, or adoption of: (1) any law, rule, regulation, order, writ, judgment, decree, resolution, ordinance, or other legal or regulatory determination by any court, regulatory agency or governmental authority of competent jurisdiction; or (2) any law, rule, regulation, order, writ, judgment, decree, resolution, ordinance, or other legal or regulatory determination, or interpretation thereof, which has been adopted, enacted, released or promulgated, which results in either partial or wholly new or different application of a pre-existing law. The CLAF is a charge or credit per kWh which is used to adjust the Utility's electric rates for the impact of Changes in Law that would materially change the Utility's revenue or expenses.

The CLAF as set forth in the Tariff Schedule shall be applied to each kWh sold on and after the effective date, or also set forth below and continuing thereafter until a new CLAF becomes effective. The amount to be added to or subtracted from each bill due to the CLAF shall be calculated by multiplying the number of kWh for which the bill is rendered by the applicable CLAF.

The CLAF, which may be either positive or negative, will be reviewed and revised quarterly to reflect actual changes in excess of a plus or minus ten percent (10%) of the amount stated in the Tariff Schedule.

The City Council shall have the responsibility for establishing the CLAF and its effective date.

Rule 13 – Temporary Service

A. ESTABLISHMENT OF TEMPORARY SERVICE

If no undue hardship to its existing Customers will result there from, the Utility shall furnish Temporary Service under the following conditions:

1. The Applicant shall pay, in advance or otherwise required by the Utility, the estimated cost installed plus the estimated cost of removal, less the estimated salvage of the facilities necessary for furnishing service.

2. The Applicant shall establish credit as required by Rule 6, except that the amount of deposit prescribed in Rule 7 shall not exceed the estimated bill for the duration of service.

3. If service is requested to any structure not of a permanent construction with a foundation, or which can be classified as removable, such as trailers, billboards, sheds, signs, etc., they shall be determined to be temporary and applicable to the terms and conditions of the requirements above of this Rule.

4. Temporary service for construction purposes shall be discontinued to the Applicant and removed if it is used for other than the intended purpose. With the Utility's approval, a temporary service may be used for non-construction purposes when all applicable safety and construction codes are adhered to. If a non-utility approval power source is connected on the construction site, the Utility's temporary service shall be discontinued. Service may be suspended without notice to the Applicant as required by Section B of Rule 14.

Rule 14 – Variations in the Quality or Supply of Electricity

A. QUALITY

The Utility does not give any warranty, express or implied, as to the quality, adequacy, safety, or other characteristics of the electricity and/or electric service provided by the Utility.

B. SHORTAGES, BROWNOUTS, INTERRUPTIONS, SPIKES, SURGES

1. The Utility will exercise reasonable diligence to furnish a continuous and sufficient supply of electricity to its Customers and minimize the occurrence of shortages, brownouts, interruptions, spikes, surges, or other electricity delivery problems; however, the Utility cannot and does not guarantee a continuous or sufficient supply, or freedom from such conditions which may affect the quality of the electricity provided.

2. The Utility will not be liable for variations in the quality of electricity supplied, nor for failure to supply a continuous or sufficient supply of electricity, nor will it be liable for variations in the quality of electricity supplied, nor for damage or loss occasioned by such failure to supply, or by shortages, brownouts, interruptions, spikes, surges, or other electricity delivery problems.

3. Whenever, in the operation of the Utility's electric distribution properties, and/or systems, interruption in the delivery of electricity to Customers results from, or is occasioned by, causes other than the exercise by the Utility of its right to suspend temporarily the delivery of electricity for the purpose of making repairs or improvements to its system, notice of any such interruption will not be given to the Customers of the Utility, but the Utility will exercise reasonable diligence to reinstate delivery of electricity.

C. TEMPORARY SUSPENSION FOR REPAIRS

1. The Utility, whenever it shall find it necessary for the purpose of making repairs or improvements to its system, shall have the right to suspend temporarily the delivery of electricity. In all cases, as reasonable advance notice thereof as circumstances will permit will be given by Utility to the Customer, and the making of such repairs or improvements will be completed to the extent practicable and consistent with prudent utility practices will minimize the inconvenience to the Utility's Customers.

2. When it is necessary to suspend temporarily the delivery of electricity for repairs or improvements to the system in accordance with Rule 14.C.1 above, and the Customer requests that such suspension of service occur at other than during normal Utility working hours, the Utility reserves the right to receive, in advance, the total estimated labor-related costs to be incurred by the Utility for performing the work during non-regular Utility work hours. The Customer shall also pay any additional cost actually incurred in excess of the estimated costs.

D. APPORTIONMENT OF SUPPLY DURING TIME OF SHORTAGE

Should a shortage of supply ever occur, the Utility will apportion its available supply of electricity among its Customers as authorized or directed by the City Manager or their designee in the manner which he determines, at their discretion, to be equitable under conditions then prevailing. The decision of the City Manager or their designee shall be final in such matters.

Rule 15 – Line Extensions

A. GENERAL

The Utility is an underground utility; therefore, all new line extensions shall be underground, except in those areas where it is impractical to build underground lines, as determined by the Utility, and approved by the Director or designee.

Line extensions of standard voltages necessary to furnish permanent electric service to Applicants will be made by the Utility in accordance with the following provisions:

1. The Utility will be responsible for planning, reviewing, inspecting, energizing, installation of revenue meters and approving any design, and engineering Distribution Line Extensions using the Utility’s standards for material, design, and construction. Applicant shall pay the Utility’s charges as set forth in the Facilities Contract for providing the planning, designing and engineering services.

2. The Distribution Line Extension facilities installed under the provisions of this Rule, shall be owned, operated, and maintained by the Utility.

3. The Utility shall not be required to serve any Applicant from Distribution Line Extension facilities that are not owned, operated, and maintained by the Utility.

4. The Utility shall not be required to connect service facilities to or serve any Applicant from Distribution Line Extension facilities that are not owned, operated, and maintained by the Utility.

5. Distribution Line Extension Locations.

a. The Utility will own, operate and maintain Distribution Line Extension facilities only along public streets, alleys, roads, highways and other publicly dedicated ways and places which the Utility has the legal right to occupy; and on public lands and private property across which rights-of-way and permits satisfactory to the Utility may be obtained without cost to or condemnation by the Utility.

b. The length and normal route of a Distribution Line Extension will be determined by the Utility and considered as the distance along the shortest, most practical, available, and acceptable route, which is clear of obstructions from the Utility’s nearest permanent and available Distribution System to the point from which the service facilities will be connected.

6. Any Special or Added Facilities the Utility agrees in writing under an AF Contract to install at the request of Applicant will be installed at Applicant’s expense in accordance with Rule 2.

7. Facilities installed for Temporary Service or for operations of speculative character or questionable permanency shall be made in accordance with the fundamental installation and ownership provisions of this Rule and the provisions of Rule 13.

8. Service Extensions connected to the Distribution Lines to serve an Applicant's Premises will be installed, owned and maintained as provided in Rule 16.

9. Each Applicant requesting a Distribution Line Extension shall be required to execute a written Facilities Contract with Utility and pay Utility for all charges and fees specified therein, and for such other charges and fees as may be required by applicable provisions of the Tariff Schedules, prior to the Utility performing its work on the Distribution Line Extension.

B. INSTALLATION OF DISTRIBUTION LINE EXTENSIONS

1. In accordance with the Utility's design, specifications and other requirements, Applicant is responsible for:

a. Excavation. All necessary trenching, backfilling, compacting and furnishing of imported or suitable natural backfill material as required and proper disposal of trench spoil as required and other digging as required;

b. Substructures, Conduits and facilities. Furnishing, installing, and upon inspection and acceptance by the Utility, conveying to the Utility ownership of all necessary installed Substructures, Conduits, cables, switches, transformers, pulls and service boxes, transformer pads, including Feeder Conduits and related Substructures and other distribution facilities required to extend to and within subdivisions and developments; and

c. Protective Structures. Furnishing, installing, and upon inspection and acceptance by the Utility, conveying to the Utility ownership of all necessary Protective Structures.

2. The Utility is responsible for:

a. Providing inspection service to verify Applicant's performance of the work specified in Subsections a through c of Section B.1 of this Rule;

b. Providing and installing revenue Meters and energizing services.

c. Furnishing and installing cables, switches, transformers and other distribution facilities required to complete the Distribution Line Extension. Applicant shall bear the Utility's costs of providing the inspection services, equipment and labor/installation specified in the preceding sentence.

3. Installation Options.

a. Utility-Performed Work. Where requested by Applicant and mutually agreed upon in Facilities Contract, the Utility may perform that portion of the new Distribution Line Extension work normally installed by the Applicant, as set forth in Subsections a through c of Section B.1 of this Rule, provided Applicant pays the Utility its total estimated installed cost.

b. Applicant-Performed Work. Where requested by Applicant and mutually agreed upon in a Facilities Contract, Applicant may install that portion of a new Distribution Line Extension normally installed by the Utility (see Section B.2 of this Rule), in accordance with the provisions of Section D of this Rule – Applicant Installation Options.

C. CONTRIBUTIONS OR PAYMENTS BY APPLICANT.

1. Contributions or Payments by an Applicant to the Utility for the installation of a Distribution Line Extension to receive electric service consist of items such as cash payments, the value of facilities deeded to the Utility, and the value of Excavation performed by Applicant.

2. Project-Specific Cost Estimates. The Utility’s total estimated installed cost will be based on a project-specific cost estimate and set forth in the Facilities Contract executed by Applicant and Utility.

3. Applicant shall contribute or pay, before the start of the Utility’s construction, the following:

a. The estimated value of all applicable items under section B.2 of this rule.

b. Utility’s estimated value of Excavation, Conduits, and Protective Structures required by the Utility for the Distribution Line Extension under Subsections a through c of Section B.1 of this Rule

c. After final design of the distribution facilities, the Utility will notify the Applicant of the estimated cost of any extra facilities or special requirements to be done at the Applicant’s request (e.g., Added Facilities). Extraordinary facilities or service provisions will be handled under Rule 2, Description of Electrical Service

4. The total Contribution or advance Payment from a group of Applicants will be apportioned among the members of the group in such manner as they may mutually agree.

5. If the loads provided by Applicant(s) result in the Utility having paid for and installed facilities, which are in excess of those needed to serve the actual loads and the Utility elects to reduce such excess facilities, the Applicant shall pay the Utility its estimated total costs to remove, abandon or replace the excess facilities, less the estimated salvage of any removed facilities.

D. APPLICANT INSTALLATION OPTIONS

1. The Distribution Line Extension work normally performed by the Utility under Section B.2 of this Rule may be performed by the Applicant's Qualified Contractor(s) (as defined below) in accordance with the Utility's design and specifications. Under this option, a fully-executed Facilities Contract is required prior to the commencement of any work. The Facilities Contract required under this option shall include, without limitation, the following provisions:

a. That upon inspection and acceptance by the Utility of the Applicant-Installed Distribution Line Extension facilities, ownership of all such facilities will transfer to the Utility.

b. That Applicant shall pay to the Utility all the Utility's costs associated with the Distribution Line Extension, including the estimated costs of design, administration and installation of any Added Facilities and labor necessary to complete the Distribution Line Extension.

c. That Applicant shall pay to the Utility the cost of inspection.

d. That only duly authorized employees of the Utility are allowed to connect to, disconnect from or perform any work upon the Utility's facilities.

e. That installation may only be performed by contractors/subcontractors approved in advance by the Utility and that meet requirements, including without limitation, the following ("Qualified Contractor(s)"):

(1) Are currently licensed by the state of California ("State") for each type of type of contracting or other work to be performed;

(2) Employ or utilize workers properly qualified and possessing the specific skills required to perform the work;

(3) Perform work in compliance with all applicable State, Federal, and local ordinances, laws and regulations, including without limitation, such rules and regulations promulgated by the Equal Employment Opportunity Commission, the California Department of Fair Housing and Employment, the Occupational Safety and Health Administration ("OSHA"), Cal/OSHA and the U.S. and California Environmental Protection Agencies

(4) Possess technical competence, access to proper equipment and demonstrate financial responsibility commensurate with the scope of the work to be performed under the Facilities Contract;

(5) Obtain or maintain adequate insurance coverage, in accordance with the levels established by the City's Risk Manager, including without limitation, workers' compensation, commercial general liability, and property damage;

(6) Have the ability to furnish a surety bond for performance of the work, if required.

(7) Are not debarred by any State or federal agency from bidding or working on public works projects.

2. Use of Qualified Contractor(s) will not constitute any warranty by the Utility, whether expressed or implied, regarding such Qualified Contractor(s) performance.

E. SPECIAL CONDITIONS

1. Any relocation or rearrangement of the Utility's existing facilities, at the request of, or to meet the convenience of an Applicant or Customer, which has been agreed to by the Utility, may be performed by the Utility at its option. In all instances, the Utility shall abandon or remove its existing facilities at the option of the Utility. Applicant/Customer shall be responsible for all costs associated with relocation, rearrangement and removal work performed by the Utility, and Applicant/Customer shall be required to enter into a Facilities Contract with Utility prior to the performance of any work by the Utility.

2. Exceptional Cases – In unusual circumstances, when the application of these Rules and Regulations appears impractical or unjust, or the circumstances are not expressly covered by these Rules and Regulations, the Applicant may refer the matter to the Director or designee for a special ruling or for the approval of special conditions. The special ruling or approval of special conditions will be agreed to in writing by the developer and the Utility prior to commencing construction and must comply with all standards for Utilities set forth by the National Electric Safety Code (NESC). If the matter is not satisfactorily resolved with the Director or designee, the developer may request a determination from the City Manager using the procedure set forth in Section F of Rule 10. If the matter is not satisfactorily resolved by the City Manager, the developer may seek appeal from the City Council using the procedure set forth in Section G of Rule 10.

Rule 16 – Service Extensions

This Rule is applicable to both (1) Utility Service Facilities (as further defined below) that extend from the Utility’s Distribution backbone Line facilities to the Service Delivery Point, and (2) service related equipment required of Applicant on Applicant’s Premises to receive electric service.

A. General

1. The Utility will be responsible for planning, reviewing and approving any design and engineering Service Extensions using the Utility’s standards for material, design, and construction.

2. The Utility’s Service Facilities shall consist of primary or secondary underground conductors; service transformers; Utility-owned Metering equipment; and Other Utility-owned service related equipment.

3. Service Facilities installed under the provisions of this Rule shall be owned, operated, and maintained by the Utility if they are located: (1) in the street, road or a public right-of-way area; (2) installed by the Utility under Section D.2, below, on the Applicant’s Premises for the purpose of delivering electric energy to the Applicant; or (3) installed by the Applicant under the provisions of this Rule and conveyed to the Utility.

4. The Utility shall not be required to connect Service Facilities to or serve any Applicant from electric facilities that are not owned, operated, and maintained by the Utility.

5. Any Special or Added Facilities the Utility agrees to install at the request of Applicant will be installed at the Applicant’s expense in accordance with Rule 2.

6. Facilities installed for Temporary Service or for operations of speculative character or questionable permanency shall be made in accordance with the fundamental installation and ownership provisions of this rule and the provisions of Rule 13.

7. Each Applicant requesting service may be required to execute a written Facilities Contract with the Utility and pay the Utility for all charges and fees specified therein and such other charges and fees as may be required by applicable provisions of the Tariff Schedules, prior to the Utility performing its work to establish service. The Facilities Contract shall be in the form provided by the Utility and shall specify the size of the service connection desired, the property to be served, and the purpose for which the electricity is to be used. The information supplied by the Applicant shall be considered as authoritative and final. If any error in the application causes the installation of a service connection that is improper either in type, size or location, the cost of all changes required to correct the connection shall be paid by the Applicant.

8. Whenever the Utility’s Distribution backbone System is not complete to the point designated by the Utility where the Service Extension is to be connected to the Utility’s

Distribution backbone System, the extension of Distribution Line facilities will be installed in accordance with Rule 15.

9. Rights-of-way or easements may be required by the service facilities on Applicant's property to serve only Applicant.

a. If the service facilities must cross property owned by a third party to serve the Applicant, the Utility may, at its option, install such service facilities after appropriate rights-of-way or easements, satisfactory to the Utility, are obtained without cost to the Utility; or

b. If the Utility's facilities installed on the Applicant's property, or third-party property, will be designed to serve adjacent property, then the Utility may, at its option, install its facilities under Rule 15, after appropriate rights-of-way or easements, satisfactory to the Utility, are obtained without cost to the Utility.

c. Any necessary rights-of-way or easements for the Utility's facilities shall have provisions to maintain legal clearances from adjacent structures.

d. The Customer shall exercise reasonable care to prevent the facilities of the Utility upon the Premises from being damaged or destroyed and shall not relocate or otherwise interfere with them, and, if any defect is discovered, shall promptly notify the Utility.

10. The Utility shall, at all times, have the right to enter and leave the Applicant/Customer's Premises for any purpose reasonably connected with the furnishing of electric service, including without limitation: Meter reading, inspection, testing, routine repairs, replacement, emergency work and repairs, maintenance, and the exercise of any and all rights secured to it by law, or under the Utility's Tariff Schedules. These rights include, but are not limited to:

a. The use of a Utility-approved locking device, if the Applicant desires to prevent unauthorized access to the Utility's facilities;

b. Safe and ready access for the Utility's personnel that is free from unrestrained animals;

c. Unobstructed ready access for the Utility's vehicles and equipment to install, remove, repair, or maintain its facilities;

d. Removal of any and all of its property installed on the Applicant's Premises after the termination of service.

e. Entry upon an Applicant/Customer's Premises at any time, without advance notice, solely to address a utility service related emergency (an actual or imminent condition or situation that jeopardizes the Utility's Distribution System integrity or poses a serious endangerment to life or property).

Absent an emergency, when necessary and reasonably practicable, the Utility will make prior arrangements with and/or make good faith efforts to provide advance notice to the Applicant/Customer prior to gaining access to their Premises.

Failure of a Customer/Applicant to provide the Utility with access to its Premises for the purposes set forth in this Rule may result in discontinuance of electric service.

11. Only personnel duly authorized by the Utility are allowed to connect or disconnect service conductors to or from the Utility's Distribution Lines, remove Meters (unless otherwise allowed pursuant to Utility Tariff Schedules), remove Utility-owned service facilities, or perform any work upon Utility-owned existing facilities.

12. Due to the long lead time for engineering, material acquisition, crew scheduling and construction, application for service must be made as far in advance as possible. After receipt of fees, service charges, deposits and clearance from the inspection agency having jurisdiction over the facilities, the Utility shall endeavor to complete within a reasonable time the installation of the necessary facilities. However, neither the Utility or the City, nor any of their respective subcontractors, agents and/or employees shall be liable for any special, incidental, indirect, exemplary, consequential or other damages, including without limitation, loss of product, loss of profit or revenue, loss of use, costs of replacement power or supply, or delivery obligations as a result of any delay in completing the installation, even if the Utility has been advised of the possibility of such damages.

13. If, for any reason caused or requested by the Applicant, installation of a service cannot be accomplished during standard working hours, the Applicant shall pay in advance the estimated cost of the Utility's overtime, to the extent that it exceeds any costs included in other charges.

14. The Utility shall be obligated to provide facilities adequate to serve only the load initially specified by the Applicant and connected by the Utility, regardless of the rating of the service equipment, service switch or breaker. Increased loads will be considered as new installations and the Customer shall pay the net cost of any changes required and may be required to make specified changes in the Service Facilities or equipment to accommodate the increased load or the type of service to be supplied by the Utility.

B. METERING FACILITIES

1. General.

a. Delivery of all electric power and energy will be metered, unless otherwise provided for by the Utility's Tariff Schedules or by other applicable laws.

b. All Meters and associated metering equipment shall be located at some protected location on the Applicant's Premises that provides unfettered access to the Utility and said location shall be approved by the Utility prior to installation.

2. Normally, only one Meter will be installed for a single non-residential enterprise on a single Premises, except:

- a. When otherwise required or allowed under the Utility's Tariff Schedules.
- b. At the option of and as determined by the Utility, for its Operating Convenience, consistent with its engineering design; or
- c. When required by law or local ordinance;
- d. When additional services are granted by the Utility.

A single Meter is required for each Single Enterprise operating in one building or group of buildings or other development on a single Premises such as, but not limited to, a commercial business, school campus, industrial manufacturer or Recreational Vehicle Park, unless otherwise approved by the Utility.

3. In a building with two or more tenants, or where more than one Meter is furnished on the same Premises, the Meters normally shall be grouped at one central location, or as otherwise specified by the Utility, and each Meter position or socket shall be clearly and permanently marked by the Applicant, Customer, or owner of the Premises to indicate the particular unit, occupancy, or load supplied by it.

a. Electric service shall be individually metered to each tenant in a non-residential building or group of buildings or other development on a single Premises with multiple tenants or enterprises (such as, but not limited to, an office building or shopping center complex). Alternative metering arrangements as determined by the Utility may be allowed only as specified in Rule 18 and applicable Rate Schedules.

4. All utility meters will be sealed by the Utility and no such seal shall be tampered with or broken except by an authorized representative of the Utility.

C. SERVICE EXTENSIONS

1. The location of the service extension shall extend:

a. Public Right-of-way Area: From the point of connection at the Distribution Line to the Applicant's nearest property line abutting upon any street, highway, road, or right-of-way, along which it already has, or will install distribution facilities; and

b. Private Party: On private property, along the shortest, most practical and available route (clear of obstructions) as necessary to reach a Service Delivery Point designated by the Utility.

2. The Utility will not normally provide more than one Service Extension, including associated facilities, for any one building or group of buildings, for a Single Enterprise on a single Premises, except:

a. Where otherwise allowed or required under the Utility’s Tariff Schedules;
or

b. At the option of and as determined by the Utility, for its operating convenience, consistent with its engineering design for different voltage and phase classification, or when replacing an existing service; or

c. Where required by City ordinance or other applicable law, for such things as fire pumps, fire alarm systems, etc.

d. The Utility may charge for additional services provided under this Section, as Special or Added Facilities.

3. Installation of electric service facilities for all new services shall be underground and installed according to the Facilities Contract, applicable Tariff Schedules, laws, City ordinances, underground structure standards, and the Utility’s plans and specifications supplied for each specific installation.

4. Installation Options.

a. Utility-Performed Work. Where requested by the Applicant and mutually agreed upon in writing, in a Facilities Contract with the Utility; the Utility may perform that portion of the new Service Extension work normally installed by the Applicant according to Subsections a through l of Section D.1 of this Rule, provided the Applicant pays the Utility its total estimated installed cost as set forth in the Facilities Contract.

b. Applicant-Performed Work. Where requested by the Applicant and mutually agreed upon in writing in a Facilities Contract, the Applicant may install that portion of a new Service Extension normally installed by the Utility under Section D.2.a of this Rule in accordance with the provisions of Section F of this Rule – Applicant Installation Options.

D. RESPONSIBILITIES FOR NEW SERVICE EXTENSIONS

1. In accordance with the Utility’s approved design, specifications, and requirements for the installation of new Service Extensions, subject to the Utility’s inspection and approval and the terms and conditions of the Facilities Contract, the Applicant is responsible for:

a. Providing (or paying for) a route on any private property that is clear of obstructions, which would inhibit the construction of either underground or overhead Service Extensions.

b. Performing all necessary trenching, backfilling and other digging as required, and obtaining all required permits and paying all associated permit fees.

c. Conduit and Substructures as follows:

(1) Furnishing, installing, owning and maintaining all Conduits (including pull ropes) and Substructures on Applicant's Premises.

(2) Installing (or paying for) any Conduits and Substructures as necessary to install the service extension.

(3) Conveying ownership to the Utility upon its inspection and acceptance of those Conduits and Substructures not on the Applicant's Premises.

d. Furnishing, installing, owning and maintaining all necessary Protective Structures as specified by the Utility for the Utility's facilities on Applicant's Premises.

e. Design and Operation. Applicant shall be solely responsible to plan, design, install, own, maintain and operate facilities and equipment beyond the Service Delivery Point (except for Utility-owned metering facilities) in order to properly receive and utilize the type of electric service available from the Utility. Refer to Rule 2 for a description, among other things, of:

(1) Available service delivery voltages and the technical requirements and conditions to qualify for them;

(2) Customer utilization voltages;

(3) Load balancing requirements;

(4) Requirements for installing electrical protective devices;

(5) Loads that may cause service interference to others; and

(6) Motor starting limitations.

f. Applicant shall, at its sole liability, risk and expense, be responsible to furnish, install, own, maintain, inspect and keep in good and safe condition, all facilities of any kind or character on the Applicant's Premises that are not the responsibility of the Utility, but are required by the Utility for the Applicant to receive service. Such facilities shall include, without limitation: underground termination equipment, Conduits, service entrance conductors from the Service Delivery Point to the location of the Utility's metering facilities, connectors, Meter sockets, Meter and instrument transformer housing, service switches, circuit breakers, fuses, relays, wire ways, metered conductors, and all other machinery and apparatus of any kind or character. Detailed information on the Utility's service equipment requirements will be furnished by the Utility.

g. When, as determined by the Utility, the Applicant's load is of sufficient size as to require coordination of response time characteristics between the Applicant's electrical protective devices (circuit breakers, fuses, relays, etc.) and those of the Utility, it shall be the Applicant's responsibility to provide such coordination in accordance with Rule 2.

h. The Utility shall incur no liability, whatsoever, for any damage, loss or injury occasioned by:

(1) Applicant-owned equipment or the Applicant's transmission and delivery of energy; or

(2) The negligence, lack of proper care, or wrongful act of the Applicant or any of the Applicant's agents, employees, contractor's or licensees (including without limitation, failure to install proper protective devices) in installing, maintaining, using, operating or interfering with any such conductors, lines, machinery, or apparatus.

i. Applicant shall provide a suitable means acceptable to the Utility for placing its seals on Meter rings and covers of service enclosures and instrument transformer enclosures which protect unmetered energized conductors installed by the Applicant. All Utility-owned Meters and enclosure covers will be sealed only by the Utility's authorized employees and such seals shall be broken only by the Utility's authorized employees. However, in an emergency, the Utility may allow a public authority or other appropriate party to break the seal. Any unauthorized tampering with the Utility-owned seals or connection of the Applicant-owned facilities to unmetered conductors at any time is prohibited and is subject to the provisions of Rule 11 for Unauthorized Use.

j. Transformer installations on the Applicant's Premises shall be as specified by the Utility and in accordance with the following applicable provisions:

(1) Applicant shall provide space on the Applicant's Premises at a location approved by the Utility for a standard transformer installation, including any necessary switches, capacitors and electric protective equipment where required if the Utility determines that the installation of a pad mounted, or subsurface transformer of any size is required on the Applicant's Premises to serve only the Applicant.

(2) In the Utility's standard installation, the Applicant shall furnish, install, own, and maintain, at its expense, Substructures and any required Protective Structures as specified by the Utility for the proper installation of the transformer, switches, capacitors, etc., as determined by the Utility.

(3) Where the Applicant requests and the Utility approves the installation of the transformer(s) in a vault or room on Applicant's Premises, rather than the Utility's standard pad mounted installation:

(a) The room or vault on the Applicant's Premises shall be furnished, installed, owned, and maintained by the Applicant and shall meet the Utility's specifications for such things as access, ventilation, drainage, grounding system, etc.

(b) If space cannot be provided on the Applicant's Premises for the installation of a transformer on either a pad or in a room or vault, a vault will be installed at the Applicant's expense in the street near the property line. It shall be the Applicant's responsibility to install (or pay for) such vault if not restricted by governmental authority having jurisdiction and the Applicant shall convey ownership of the vault to the Utility upon its acceptance. The additional facilities shall be treated as Special or Added Facilities under the provisions of Rule 2.

(4) Where the Utility has installed or agrees to install, transformers at locations where the Utility cannot use its standard transformer lifting equipment and special lifting facilities are required to install or remove the transformers on Applicant's Premises, the Applicant shall, at its expense, either furnish, install, own and maintain permanent lifting facilities and be responsible for lifting the transformer to and from its permanent position, or provide (or pay for) portable lifting facilities acceptable to the Utility for installing or removing the transformers. Rights-of-way and space provisions shall be provided by the Applicant, which allows access and required clearances from adjacent structures to be maintained. The Utility may require a separate contract for transformer lifting requirements.

k. Building Code Requirements. Any service equipment and other related equipment owned by the Applicant, as well as any vault, room, enclosure or lifting facilities for the installation of transformers shall conform with applicable laws, codes and ordinances of all governmental authorities having jurisdiction.

l. Reasonable Care. The Applicant shall exercise reasonable care to prevent the Utility's service extension, other Utility facilities, and Meters owned by the Utility or others on the Applicant's Premises from being damaged or destroyed, and shall refrain from interfering with the Utility's operation of the facilities and shall notify the Utility of any obvious defect. The Applicant may be required to provide and install suitable mechanical protection (barrier posts, etc.) as required by the Utility.

2. The Utility's Responsibilities with respect to new Service Extensions are as follows:

a. The Utility will own and maintain the following service facilities as applicable after the Applicant meets all requirements to receive service:

(1) A set of service conductors to supply permanent service from the Distribution Line source to the service delivery point approved by the Utility.

(2) When the Meter is owned by the Utility, the Utility will be responsible for the necessary instrument transformers where required, test facilities, Meters,

associated metering equipment and the metering enclosures when the Utility elects to locate metering equipment at a point that is not accessible to the Applicant.

(3) Transformer. The transformer where required, including any necessary switches, capacitors, electrical protective equipment, etc. When a pad mounted transformer is installed on the Applicant's Premises, the service extension shall include the primary conductors from the connection point at the distribution supply line to the transformer and the secondary conductors, if any, from the transformer to the service delivery point.

b. Special Conduit Installations. The Utility shall own and maintain service Conduits only if they are located in the same trench with distribution facilities, and when it is necessary to locate Conduits on property other than that owned by the Applicant, as determined by the Utility, or as required by local authorities.

c. In those cases where the Utility elects to install its service conductors using pre-assembled cable-in-conduit (CIC), the conduit portion will be considered a part of the conductor installation provided by the Utility.

d. The Utility will establish electric service to the Applicant following notice from the governmental authority having jurisdiction that the Applicant-owned facilities have been installed and inspected in accordance with any applicable laws, codes, ordinances, rules, or regulations and are safe to energize.

E. PAYMENT BY APPLICANT FOR NEW SERVICE EXTENSIONS.

Applicant is responsible to pay the Utility in advance of the Utility commencing its work for the Utility's total estimated installed cost for new Service Extensions (including appurtenant facilities, such as connectors, service conductors, service transformers, metering equipment, and the conduit portion of CIC cable and any other work it performs) that is the Applicant's responsibility or that the Utility performs for the convenience of the Applicant.

F. APPLICANT INSTALLATION OPTIONS

1. New Service Extension work may be installed by the Applicant's Qualified Contractor(s) (as defined in Rule 15) in accordance with the Utility's design and specifications. Under this option, a fully executed Facilities Contract with the Utility is required prior to the commencement of any work, which the contract shall include, but not be limited to, the following provisions:

a. That upon inspection and acceptance by the Utility of the Applicant-Installed Service Extension facilities, ownership of all such facilities will transfer to the Utility.

b. That Applicant shall pay to the Utility all Utility costs associated with the Service Extension, including the estimated costs of design, administration, and installation of any Added Facilities and labor necessary to complete the Service Extension.

- c. That Applicant shall pay to the Utility the cost of inspection.
 - d. That only duly authorized employees of the Utility are allowed to connect to, disconnect from or perform any work upon the Utility's facilities.
 - e. That installation may only be performed by Qualified Contractor(s).
2. Use of Qualified Contractor(s) will not constitute any warranty by the Utility, whether express or implied, regarding such Qualified Contractor(s) performance.

G. EXISTING SERVICE FACILITIES

1. Service Reinforcement.
- a. Utility Owned. When the Utility determines that its existing service facilities require replacement, the existing service facilities shall be replaced as a new Service Extension under the provisions of this Rule.
 - b. Applicant-Owned. When the Utility determines that existing Applicant-owned service facilities (installed under a prior Rule) require replacement, such replacement shall be accomplished under the provisions for a new Service Extension, except if the Utility determines that any portion of the Applicant's existing service conductors can be utilized by the Utility. The Applicant will convey any such usable part to the Utility and an appropriate credit by the Utility may be allowed to the Applicant.

The Applicant will replace or reinforce that portion of the service extension which Applicant will continue to own under the provisions of this rule for new services.

2. Service Relocation or Rearrangement.
- a. When, in the judgment of the Utility, the relocation or rearrangement of a service, including Utility-owned transformers, is necessary for the maintenance of adequate service or for the operating convenience of the Utility, the Utility normally will perform such work at its own expense, except as provided in Sections G.2.b of this Rule.
 - b. Any relocation or rearrangement of the Utility's existing service facilities at the request of the Applicant (aesthetics, building additions, remodeling, etc.) and agreed upon by the Utility shall be performed in accordance with Section D above, except that the Applicant shall pay the Utility its total estimated costs and damages to the Utility's facilities caused by others.
 - c. In all instances, the Utility shall abandon or remove its existing facilities, at the option of the Utility, rendered idle by the relocation or rearrangement.

3. Impaired Access and Clearances.

Whenever the Utility determines that its existing service facilities have become inaccessible for the purposes of inspection, operation, maintenance, Meter reading or testing, or a hazardous condition exists, or any of the required clearances between the existing service facilities and any object becomes impaired in violation any applicable laws, ordinances, these Rules and Regulations, or the rules and regulations of other public authorities having jurisdiction, then the following applies:

The Applicant or owner shall, at the Applicant's or owner's expense, either correct the access or clearance infractions or pay the Utility its total estimated cost to relocate its facilities to a new location acceptable to the Utility. The Applicant or owner shall also be responsible for the expense to relocate any equipment that the Applicant owns and maintains. Failure to comply with corrective measures within a reasonable time may result in discontinuance of service.

H. EXCEPTIONAL CASES

In unusual circumstances, when the application of these Rules appears impractical or unjust, or not expressly covered, the developer may refer the matter to the Director or designee for special ruling or for the approval of special conditions. The special ruling or approval of special conditions will be agreed to in writing by the developer and the Utility prior to commencing construction and must comply with all standards for utilities set forth by the National Electric Safety Code (NESC). If the matter is not satisfactorily resolved with the Director or designee, the developer may request a determination from the City Manager using the procedure set forth in Rule 10-F. If the matter is not satisfactorily resolved by the City Manager, the developer may seek appeal from the City Council using the procedure set forth in Rule 10-G.

I. SERVICE DESIGN AND ENGINEERING

Service designs, plans and estimates to determine service charges, or deposits will not be initiated by the Utility until it has reasonable assurance that the Applicant's project will be built. This assurance is normally taken as the issuance of a building permit. Should the Applicant desire these service plans and the amount of charges at an earlier time, the Applicant may pay a deposit for early design as determined by the Utility. The design work will then be scheduled along with all other eligible Applicants. A deposit for early design will be credited to the cost of the design and installation of service or refunded as appropriate.

The cost of multiple designs to explore options or redesigns required by changes beyond the control of the Utility shall be paid by the Applicant.

J. RULE 20 CONTAINS THE ABOVE REFERENCED FEES AND CHARGES.

Rule 17 – Meter Tests and Adjustment of Bills for Errors

A. GENERAL

When regular, accurate Meter readings are not available or the electric usage has not been accurately measured, the Utility may estimate the Customer’s energy usage for billing purposes on the basis of information including, but not limited to, the physical condition of the metering equipment, available Meter readings, records of historical use and the general characteristics of the Customer’s load and operation.

B. TESTS

1. On Customer Request. The Customer may, on notice of not less than one week, request that the Utility test the Customer’s metered services.

2. No charge will be made for such test, but should the Customer request a test within four (4) months after installation or more often than once in six (6) months, a deposit will be required to cover the cost of the test. This deposit will be returned if the meter is found to register more than 2% fast or 2% slow. The amount of the deposit will be dependent on the type of Meter to be tested. .

3. The Customer shall have the right to request that the Utility conduct the test in the Customer’s presence or in the presence of an expert or other representative appointed by the Customer. The results of the test will be furnished to the Customer within a reasonable time after completion of the test.

C. ADJUSTMENT OF BILLS FOR METER ERROR

A Meter Error is incorrect kilowatt-hour, kilovar-hour, or demand registration resulting from a malfunctioning or defective Meter. It does not include Billing Error, Unauthorized Use, or an error in registration caused by Meter tampering by an unauthorized person. It also does not include conditions such as grounds, shorts, incorrect Meter readings, Meter dial-overs, improper load wiring (including other Customers’ circuits connected to the wiring), accounting errors, switched Meters, improper Customer wiring, blown fuse in one energized conductor or incorrect Meter sizing.

When, as the result of a Meter test, a Meter is found to be non-registering or incorrectly registering, the Utility may render an adjusted bill to the Customer for the amount of the undercharge and shall issue a refund or credit to the Customer for the amount of the overcharge, computed back to the date that the Utility determines the Meter Error commenced, except that the period of adjustment shall not exceed three (3) years. Such adjusted bills shall be computed in accordance with the following:

1. Fast Meters. When any Meter is tested and found to be registering more than two percent (2%) fast, the Utility will refund to the Customer the amount of the overcharge, based on corrected Meter readings or the Utility's estimate of the energy usage either for the known period of the Meter Error, or if the period of error is not known, for the period during which the Meter was in use, not to exceed three (3) years.

2. Slow Meters. If a Meter is found to be registering more than two percent (2%) slow, the Utility may bill the Customer for the amount of the undercharge based on corrected Meter readings or the Utility's estimate of the energy usage either for the known period of the Meter Error, or if the period of the Meter Error is not known for the period the Meter was in use, not exceeding three (3) years for all services.

3. Non-Registering Meters. When any Meter is tested and found to be non-registering, the Utility may bill the Customer for the estimate of electricity consumed, but not registered, not to exceed three (3) years prior to the date the Meter is found to be non-registering for all service. Bills for this purpose will be estimated by the Utility.

D. ADJUSTMENT OF BILLS FOR BILLING ERROR

A Billing Error is an error by the Utility that results in incorrect billing charges to the Customer. Billing Errors may include incorrect Meter reads or clerical errors by a Utility representative, such as applying the wrong rate, wrong billing factor, or an incorrect calculation. A Billing Error does not include a Meter Error or Unauthorized Use, nor any error in billing resulting from Meter dial over caused by other than the Utility; switched or mismarked Meters by other than the Utility; improper Customer wiring; blown fuse in one energized conductor; inaccessible Meter; failure of the Customer to notify the Utility of changes in the Customer's equipment or operation; or failure of the Customer to take advantage of a rate or condition of service for which the Customer is eligible.

Where the Utility overcharges or undercharges the Customer as the result of a Billing Error, the Utility may render an adjusted bill for the amount of the undercharge, and shall issue a refund or credit to the Customer for the amount of the overcharge for the period of the billing error, but not exceeding three (3) years in the case of an overcharge, and, in the case of an undercharge, not exceeding three (3) years for all services.

E. ADJUSTMENT OF BILLS FOR UNAUTHORIZED USE

Unauthorized Use is the use of energy in noncompliance with the Utility's tariffs or applicable law. It includes, but is not limited to, Meter tampering, unauthorized connection or reconnection, theft, fraud, intentional or unintentional use of energy, whereby the Utility is denied full compensation for electric service provided.

Where the Utility determines that there has been Unauthorized Use of electric service, the Utility may bill the Customer for the Utility's estimate of such Unauthorized Use. However, such

estimated bill shall indicate Unauthorized Use for the most recent three (3) years and, separately, Unauthorized Use beyond the three-year period for collection as provided by law.

Nothing in this Rule shall be interpreted as limiting the Utility's rights under any provision of any applicable law.

1. Actual Usage.

If accurate Meter readings from a remote check Meter are available for the Unauthorized Use period, they will be used for billing purposes.

2. Estimated Usage.

If the electric usage has not been accurately measured, the Utility may estimate the energy usage for billing purposes. The basis for the estimate may include, without limitation, the physical condition of the Metering equipment, available Meter readings, records of historical use, or the general characteristics of the load and operation of the Customer or person being billed, with consideration of any appropriate seasonal adjustment.

Estimated bills for the Unauthorized Use period may be determined by the Utility based on one or more of the following, without limitation:

- a. Accurately-metered use from a remote check Meter during the Unauthorized Use period;
- b. The known percentage error in metering attributable to the Unauthorized Use;
- c. Accurately-metered use prior to the onset of the Unauthorized Use;
- d. The equipment and hours of operation of the Customer or person being billed;
- e. Accurately measured, subsequent use of thirty (30) days or more (if available);
- f. Annual use profile of comparable Customers with similar Connected Load, Premises load profiles, hours or energy use, etc. (percent of annual use); or
- g. Other reasonable and supportable billing methodology when none of the aforementioned billing techniques are appropriate under the circumstances.

3. Recovery of Associated Costs.

The Utility may recover from the Customer the associated costs resulting from the Unauthorized Use, including both investigative and equipment damage costs. Investigative costs

include time and material spent for investigation, bookkeeping, film and film development, and other costs of gathering evidence. Equipment damage costs include the cost of replacing the Utility-owned equipment damaged by the Customer.

4. Discontinuance of Service.

In accordance with the provisions of Rule 11, where the Utility determines Unauthorized Use is occurring, the Utility may refuse or discontinue service without further notice.

If any part of the Customer's wiring or any other equipment, or the use thereof, is determined by the Utility or any other authorized public agency to be unsafe or in violation of applicable laws, ordinances, rules or regulations of public authorities or is in such condition as to endanger the Utility service facilities, the Utility may discontinue service without further notice.

The Utility may also discontinue service in accordance with the provisions of its tariffs, for nonpayment of a delinquent billing for Unauthorized Use and for associated costs, including nonpayment under an amortization (payment plan) agreement.

F. Limitation on Adjustment of Bills for Energy Use.

For any error in billing not defined as Billing Error, Meter Error, or Unauthorized Use, the Utility is not required to adjust the bill. However, any billing adjustment not specifically covered in these Rules and Regulations for an undercharge or overcharge shall not extend beyond three (3) years prior to the date the billing error was discovered by the Utility.

Rule 18 – Supply to Premises and Resale

A. SEPARATE METERING

Separate Premises will not be supplied through the same meter, except as may be specifically provided for in the applicable Rate Schedule.

B. NONRESIDENTIAL LOADS

In accordance with Rule 16, electric service shall be individually metered to each tenant in a non-residential building or group of buildings or other commercial development on a single Premises with multiple tenants or enterprises. However, where, in the opinion of the Utility, it is impractical to meter each tenant individually or where the City Council has authorized the Utility to supply electric service through a single meter, the Utility may provide service through a single meter subject to the provisions of Sections D and E below.

C. OTHER USES OR PREMISES

The Customer shall not use electricity received from the Utility upon other premises, except for the Utility's Operating Convenience, nor for other purposes than those specified in the Applicant's application or in the Rate Schedule applied.

D. CUSTOMER WITH MULTIPLE SERVICE ACCOUNTS/METERS AT A SINGLE PREMISES

When the Customer (Single Enterprise) occupies a single Premises with multiple service accounts and/or Meters, the readings of such Meters shall not be combined for billing purposes except as provided for in Rule 9. However, if the Customer physically aggregates the electric loads of such multiple service accounts and/or Meters into a single service account (master-Meter), the account will be provided service under an applicable Rate Schedule.

E. USE BY OTHERS

The Customer shall not charge for electricity received from the Utility and used by any other person, except where the charge to tenants is absorbed in the rental for the Premises or space occupied. All energy use, including use by others, supplied through a single Utility Meter is the responsibility of the Customer of record.

F. RESALE OF ELECTRICITY

Resale of electricity or sub-metering of electricity for the purpose of resale is prohibited, except as provided for under Section E, above.

Rule 19 – Service Area

In January 2001, pursuant to Resolution No. 01-11 adopted by the City Council, the City authorized and established the Utility as a new department of the City. As provided in Resolution No. 01-11, the Utility has the power to provide various utility services to the residents and businesses of the City, including, without limitation, electric, gas, cable television, telephone, and telecommunications, as from time to time determined by the City Council. The Utility currently exercises only certain of its authorized functions relating to the provision of electric and gas services within the City to limited areas, consisting of the Southern California Logistics Airport (SCLA) and the Foxborough Industrial Park.

Through the Utility, the City provides electric service for commercial and industrial customers at the SCLA and the Foxborough Industrial Park. New or expanded commercial or industrial electric service within these two geographical areas served by the Electric System are part of the exclusive service area of the Utility. Electric service to all of the residents of the City and all businesses not located within the geographic areas served by the Utility as noted above is provided by Southern California Edison Company.

Rule 20 – Utility Charges and Fees

Applicability:

Applicable to all classes of service as provided in accordance with these Rules and Regulations:

Rule	Description	Fee Amount
3	Service Connection Charge	\$39.00
3	Service Connection Fee – Additional	\$40.00
7	Minimum Deposit	\$100.00
7	Minimum Diversion Deposit	\$100.00
9	Returned Check Charge	\$25.00
9	Fund Verification Fee	\$3.50
9	Manual Meter Read Charge	\$80.00
9	Late Payment Charge of Unpaid Balance	0.8%
11	Collection Fee	\$7.00
11	Special 48-Hour Field Notification	\$10.00
11	Reconnection Charge- Service Call Fee	\$20.00
11	Reconnection Charge – Service Call Fee Same Day (After 4 p.m.)	\$40.00
11	Reconnection Charge – Underground Service or Poletop	Time and Material
11	Investigation Charges	\$70.00 minimum
11	Damaged Steel Locking Ring	\$12.00
11	Damaged Aluminum Meter Ring	\$3.00
11	Replaced Damaged 1 Phase Meter	\$80.00
11	Replaced Damaged 1 Phase Meter – After Hours	\$120.00
11	Replaced Damaged 1 Phase Meter with Demand	\$215.00
11	Replaced Damaged 1 Phase Meter – with Demand, After Hours	\$255.00
21	Interconnection Application Fee	\$1,200.00

The following charges, fees, and bonds are to be assessed, as appropriate, on builders, developers, and Customers requiring the Utility’s services or relocations.

A. SUBDIVISIONS

1. The Victorville Municipal Code requires developers to post Subdivision and Improvement Bonds for Public Improvements. The estimated cost for electrical underground utilities is: \$4,500.00 per acre.

2. In addition to the above fees, the developer shall perform all necessary related work in accordance with Rule 15.

3. If construction of the subdivision underground utility facilities has not begun within 12 months of the date of the fee payment, the fee shall be escalated by 10% and paid by the developer before construction proceeds.

4. This cost is reviewed and updated on an annual basis to reflect current expenses incurred by the Utility for installation of this type of underground facility.

B. COMMERCIAL/INDUSTRIAL SERVICE FEES

Applicants requesting new commercial/industrial service shall, at the time of application, enter into the appropriate written Facilities Contract with the Utility before start of construction which contract shall address any applicable fees or costs associated with installation of electric distribution and/or service facilities.

C. TEMPORARY POWER

Applicants requesting temporary electrical service must complete an application and pay any applicable deposits and fees as defined in Rules 13 and 20; prior to the start of construction.

D. STREET LIGHTING

It is the policy of the Utility that street lighting on private streets be installed in accordance with Southern California Logistics Airport standards. Street lighting on private streets shall be metered in accordance with these Rules and Regulations and service requirements. If a private street is approved for dedication to the City as a public street, the streetlights shall be installed per City Standards and Specifications by the owner and the circuit re-wired for City service prior to acceptance of dedication by the City.

E. REIMBURSEMENT FOR ACCESS REQUEST EVALUATION COSTS

The Utility shall charge a fee equal to all costs incurred to evaluate infrastructure access requests, including but not limited to direct City labor (plus a standard 15% overhead), contracted labor, materials, equipment rental and usage, and documentation costs. These fees shall be payable to disposition of any access request.

F. PLAN CHECK FEES

The Utility shall charge a fee equal to all costs incurred by Utility personnel in support of plan checking as required to evaluate the Electrical System for conflicts with any proposed new construction or modification of any existing structure or facility.

G. ASSIGNMENT TRANSFER FEES

In the event that rights to any privately constructed facility are to be assigned to the City of Victorville, the assignment of rights under written agreement shall require prior approval by the

Rule 20

City Council or its designee and shall be subject to a fee of three hundred dollars (\$300.00) to cover the cost of processing the assignment.

H. COPIES OF RULES AND REGULATIONS/TARIFF PAGES

Copies of the Utility's Rules and Regulations (including Tariff Pages) are on the City's web site.

Rule 21 – Generating Facility Interconnections

A. APPLICABILITY

This Rule describes the interconnection, operating, and metering requirements for Generating Facilities to be connected to the Utility’s Distribution Systems. Subject to the requirements of this Rule, the Utility will allow the interconnection of Generating Facilities with its distribution systems.

Definitions: Capitalized terms used in this Rule, and not defined in the Utility’s other rules, shall have the meaning defined and shall only apply to this Rule and may not apply to the Utility’s other rules.

This Rule sets forth requirements and conditions for Generating Facilities connected in parallel operation with the Utility’s Distribution Systems. For purposes of this Rule, the interconnecting entity shall be designated as the Generator.

This Rule does not constitute an agreement or commitment to purchase or deliver the Generator’s power. The purchase or delivery of power and other services that the Generator may require are covered under separate agreements, if any.

B. CONDITIONS

1. Prior to connection of Generating Facility to the Utility's Distribution System, the Generator shall (a) submit a Generation Interconnection Application and pay the Application Fee, (b) execute an interconnection agreement with the Utility and (c) obtain the requisite City permits and authorizations for parallel operation.

2. At all times, the Generator shall design, site, construct, install, operate, and maintain its Generating Facility in compliance with the following:

- a. The Utility’s applicable Rates, Rules and Regulations;
- b. The City’s local permitting requirements, as administered through the City's Planning & Building Department;
- c. The Utility's current Generation Interconnection Standards and Guidelines (“GISG”);
- d. Applicable Federal Energy Regulatory Commission approved rules, tariffs, and regulations;
- e. Any applicable federal, state, or local laws; and
- f. Such other requirements contained in the Interconnection agreement.

3. The Utility has the right, but not the obligation, to review the design of the Generator's Generating Facility and to inspect the Generator's Generating Facility prior to the commencement of parallel operation with the Utility's distribution system. The Utility may require the Generator to make modifications, as necessary, to comply with the requirements of Section B.2 of this rule prior to commencement of operation.

4. The Generator shall operate and maintain its Generating Facility in accordance with prudent electrical practices and shall maintain compliance with all applicable federal, state, or local laws.

5. Where interconnection protective equipment is owned, operated and/or maintained by the Generator, the Generator shall be responsible for damages to the City and/or to others arising from Generator-owned equipment.

6. The Generator is solely responsible for providing protective equipment for all Generator's Generating Facility interconnected with the Utility's Distribution System as provided in the GISG.

7. The Generator shall grant the Utility the right of ingress and egress to the Generating Facility to examine the site and applicable facilities for any purpose reasonably connected with this Rule No. 21. To the extent applicable to the Utility's right to examine the Generator's Generating Facility, the Generator shall clearly identify to the Utility any safety-related equipment and signage utilized by the Generator at this Generating Facility.

8. The Utility has the right to require the Generator to interrupt, disconnect, or reduce output from its Generating Facility as follows:

- a. When necessary, in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any of the Utility's equipment or part of the Utility's distribution system;
- b. If the Utility determines in its sole discretion that curtailment, interruption, or reduction is necessary because of emergencies, forced or scheduled outages, force majeure, or compliance with prudent electrical practices;
- c. When the Generator's Generating Facility or their operation endanger City personnel, the Utility's Distribution System, or pose an immediate threat to any person, the environment, or any property; or

- d. When the Generator fails to operate its Generating Facility in conformance with applicable federal, state, and local laws including the Rates, Rules and Regulations and the GISG.

The Utility may require the disconnection of the Generator's Generating Facility for as long as any of the above conditions (a) through (d) exist. The Utility may, in its sole discretion, provide the Generator with reasonable notice of a possible or actual interruption of service or request to discontinue parallel operation. The Utility shall not be required to provide written notice to the Generator when the Utility determines an emergency or unsafe operating condition exists related to the Generator's Generating Facility.

C. INTERCONNECTION DESIGN AND GENERATOR REQUIREMENTS

1. The Generator shall design, site, construct, install, operate, and maintain its Generating Facility in such manner as to prevent or protect against adverse conditions to the Utility's Distribution Systems.
2. The necessary protective equipment (relays, switchgear, transformers, etc.) shall be provided by the Generator or by the Utility at the Generator's expense.

D. INTERCONNECTION FACILITIES AND COST RESPONSIBILITIES

1. Interconnection facilities include all required means and apparatus installed to interconnect the Generator's Generating Facility with the Utility's Distribution System.
2. Interconnection facilities installed on the Generator's side of the point of interconnection shall be owned, operated, and maintained by the Generator, except for those facilities owned and/or operated by the Utility.
3. Costs for initial design, engineering, testing or materials

Except as provided under applicable law, the Generator shall be responsible for all costs associated with interconnection facilities owned by the Generator. The Generator shall also be responsible for any costs reasonably incurred by the Utility in providing, operating, or maintaining interconnection facilities and any system upgrades and/or additions required solely for the interconnection of the Generator's Generating Facility with the Utility's Distribution System.

The Generator shall pay the Utility's reasonable costs to provide design, engineering, testing, equipment, or materials at the request of the Generator. Such payment shall include, but not be limited to, the Utility's reasonable costs for labor, contracted labor, materials, and equipment

incurred by the Utility in connection with this Rule. The Generator shall make payment to the Utility prior to the Utility's approval of the Generator's Generating Facility. At its option, the Utility may consider the service as a request for added facilities by the Generator. The Utility may require the Generator to replace the Generating Facility, at the Generator's expense if the Utility determines that such facilities have reached the end of its useful life, unless the Generator has terminated parallel operation of those facilities.

The Utility shall review the Generator's plans as required to evaluate the effect of any proposed new construction or modification of any existing structure or facility upon the Utility's Distribution System. The Utility shall charge its reasonable costs for the Generator's plan reviews that require staff time or labor in excess of four (4) hours to complete.

4. An interconnection study shall take no more than three months to complete by the Utility. The estimated cost of the interconnection study shall be provided to the Generator prior to commencement of the interconnection study.

E. METERING

1. For the purposes of monitoring the Generator's operation, the Utility shall have the right to install meters and associated equipment at the Generator's expense.

2. The Generator shall provide, at no expense to the Utility, a suitable location for all meters and associated equipment.

F. DEFINITIONS

Generator: A customer of the Utility, who uses an electrical Generating Facility, or a combination of those facilities that is located on the customer's owned, leased, or rented premises, and is interconnected and operates in parallel with the electrical grid, and is intended primarily to offset part or all of the customer's own electrical requirements.

Generating Facility: All generators, electrical wires, equipment, and other facilities owned or provided by Generator for the purpose of producing electric power.

Schedule NEM 1.0

Net Energy Metering

Schedule NEM 1.0
Net Energy Metering

A. Applicability

This schedule is available to Eligible Customer-Generators (“ECGs”), as defined in Section 2827 of the California Public Utilities Code, operating Renewable Electrical Generating Facilities, located on premises owned, leased, or rented by customers with a capacity of no more than one megawatt that is intended primarily to offset part or all of customers’ own electrical requirements and which is interconnected and operates in parallel with the Utility’s power system pursuant to the appropriate Interconnection Agreement with the Utility. To be eligible for this Rate Schedule, the expected annual generation from the Renewable Electrical Generating Facility must not exceed the ECG’s load for the prior full calendar year, or if insufficient historical load data is available, the expected annual load based on the customer type and other characteristics.

This Rate Schedule is available on a first-come, first-served basis until the total rated generating capacity used by ECGs’ exceeds 5 percent of the Utility’s annual system peak demand. The total amount of ECGs’ generation connected to the Utility’s distribution system and served under this Rate Schedule at any time is defined as the NEM Capacity. The total amount of capacity that is eligible for service under this Rate Schedule (“NEM Capacity Value”) is determined using the Utility’s contracted peak capacity (CPC) for the system to which the ECG’s service is connected. The CPC may be adjusted depending on the Utility’s future expansions. The Utility’s NEM Capacity and NEM Capacity Value are reviewed annually and the NEM Capacity Value is adjusted using the following methodology with the result rounded up to the nearest 0.1 MW:

<p>NEM Capacity Value = CPC * 0.05 The current NEM Capacity Value for each system is posted on the Utility’s website.</p>
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B. Protocol for Administering the NEM Capacity

1. ECGs will be served under this Rate Schedule until the total installed NEM Capacity equals the NEM Capacity Value. Once the NEM Capacity Value has been reached, new customer generation will be served using the Utility’s ERG Rate Schedule. Should the capacity of a proposed project be anticipated to result in the Utility exceeding the NEM Capacity Value, the proposed Generating Facility will not be eligible for service under this Rate Schedule.
2. Once an ECG is eligible to be served under this Rate Schedule, it will remain eligible, unless the Utility revises eligibility criteria or the ECG elects service under the ERG Schedule.
3. As NEM Capacity becomes available, a notice will be sent to those existing ECGs that are served under the ERG Rate Schedule and would like to elect service under this Rate Schedule. ECGs will be selected in the order of their submitted design review payment. Only ECGs with a Renewable Electrical Generating Facility that is less than or equal to the available NEM Capacity shall be considered for service under this Rate Schedule.

4. New or expanded ECGs will be considered on a first-come, first-served basis for service under this Rate Schedule for any remaining NEM Capacity. New customer generation will be served until the NEM Capacity Value is reached. When the capacity of a proposed Renewable Electrical Generating Facility is anticipated to cause the Utility to exceed the NEM Capacity, the proposed Generating Facility will not be eligible for service under this Rate Schedule.

C. Territory

Within the entire service territory served.

D. Rates

All rates charged will be in accordance with the ECG's otherwise applicable Rate Schedule (the Rate Schedule in VMUS' published Electric Rate Schedules (tariffs) that would apply to ECG absent a NEM 1.0 Agreement) on a Net Energy Metering basis. An ECG served under this schedule is responsible for all charges in its otherwise applicable Rate Schedule regardless of its monthly or annual net generation.

ECGs under this Rate Schedule are subject to any new or additional charges pursuant to the ECG's otherwise applicable Rate Schedule.

E. Special Conditions

1. Definitions

Renewable Electrical Generating Facility or Generating Facility: a facility that generates electricity from a renewable source listed in paragraph (1) of subdivision (a) of Section 25741 of the California Public Resources Code including biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells using renewable fuels, small hydroelectric generation, digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current, and any additions or enhancements to the facility using that technology.

Net Energy Metering or NEM: measuring the difference between the electricity supplied through the electric grid to the ECG and the energy generated by the ECG and fed back to the electric grid over a Twelve-Month Period, as described in subdivisions (c) and (h) of California Public Utilities Code Section 2827.

Net Surplus ECG: An ECG that generates more electricity in a Twelve-Month Period than is supplied by the Utility to the ECG during the same Twelve-Month Period.

Net Surplus Energy: All electricity generated by an ECG measured in kilowatt-hours over a Twelve-Month Period that exceeds the amount of energy consumed by that ECG.

Net Surplus Energy Compensation (NSEC): Compensation, either monetary at the per kilowatt-hour rate offered by the Utility to Net Surplus ECGs for Net Surplus Energy or as a billing credit. The currently applicable NSEC rate shall be posted to the Utility's website.

Twelve-Month Period: The twelve-month (12-month) period commencing with the ECG's regularly scheduled meter read date in September and concluding as of the ECG's regularly scheduled meter read date in the following August. ECG's initial Twelve-Month Period will commence as of the date of interconnection of ECG's Renewable Electrical Generating Facility and conclude as of the regularly scheduled meter read date the following August and may be less than twelve months.

2. Agreement.

In order for this Rate Schedule to apply, the ECG must complete and sign the VMUS Interconnection and Net Energy Metering Agreement for NEM 1.0 ("NEM 1.0 Agreement"). The NEM 1.0 Agreement contains additional terms and conditions, including without limitation, requirements relating to indemnification, insurance, access to ECG's premises and Generating Facility requirements.

3. Billing.

ECG's Net Energy Metering calculation shall be performed over each normal monthly billing period within the Twelve-Month Period. The monthly Net Energy Metering calculation shall be made by measuring the difference between the electricity supplied to ECG and the electricity generated by ECG and fed back to the grid over a normal one-month (1-month) billing period. At the end of each 1-month billing period, the utility shall determine if the ECG was a net consumer or a net generator of electricity.

If the ECG was a net energy consumer, then the ECG shall be charged on a kilowatt-hour basis in accordance with that same Time-of-Use ("TOU") period in the ECG's otherwise applicable Rate Schedule. If the ECG is not on TOU rates, the ECG shall be charged based on its otherwise applicable Rate Schedule.

If the ECG is a net generator during any discrete TOU period, then the net kilowatt-hours produced shall be valued at the same price per kilowatt-hour as the Utility would charge for retail kilowatt-hour sales during that same TOU period and that value shall be credited to the ECG's monthly bill. Any excess kilowatt-hours generated over the entire monthly billing cycle shall be carried over to the following billing period as a monetary value and appear as a credit (the "Net Energy Credit Balance") on the ECG's bill until the end of the Twelve-Month Period.

If the ECG is not on TOU rates, then the net kilowatt-hours produced will be valued based on its otherwise applicable Rate Schedule and that value shall be credited to the ECG's monthly bill. Any excess kilowatt-hours generated over the entire monthly

billing cycle shall be carried over to the following billing period as a monetary value and appear as a credit, (the “Net Energy Credit Balance”) on the ECG’s bill until the end of the of the Twelve-Month Period.

4. Net Surplus Energy Compensation

If at the end of the Twelve-Month Period ECG is a Net Surplus ECG, ECG may receive compensation for the Net Surplus Energy.

In order to be eligible for compensation, ECG must do the following in the NEM 1.0 Agreement: (1) elect a compensation option; (2) certify that ECG has sole ownership of the environmental attributes or renewable energy credits (“RECs”) associated with the Net Surplus Energy generated by the Generating Facility; and (3) agree to transfer to the Utility all rights, title, and interest EGC has to such environmental attributes and RECs.

If ECG is eligible, it shall receive compensation at the end of each Twelve-Month Period in accordance with the method selected (the cash-out or credit option) in ECG’s NEM 1.0 Agreement.

For ECG’s who select the cash-out option, the Net Surplus Energy shall be multiplied by the applicable Net Surplus Energy Compensation rate and issued as a check. ERG’s Net Energy Credit Balance will be re-set to zero.

For ECGs who select the credit option, the ECG’s Net Energy Credit Balance will continue to roll-over and be applied against future billings.

5. Net Surplus Energy Compensation Rate (NSEC) rate.

The Utility’s Net Surplus Energy Compensation rate shall provide just and reasonable compensation for the value of the Net Surplus Energy, while leaving other ratepayers unaffected.

The NSEC rate shall be adjusted September 1 of each year to reflect the Utility’s prior fiscal year costs and will be posted on the Utility’s website. If the NSEC rate is not adjusted or otherwise updated for any individual year, the most recently effective NSEC rate shall apply. The NSEC rate will be calculated using: (i) the Utility’s annual applicable weighted average cost of energy purchased from the California Independent System Operator (CAISO); (ii) the Utility’s annual weighted average CAISO Wheeling Access Charge; and (iii) value of renewable energy credits based on the Utility’s most recently executed renewable power purchase contractual commitment of ten years or more. The currently applicable NSEC rate shall be posted to the Utility’s website.

NSEC Rate Calculation:

Weighted average cost of energy purchased included in the CAISO settlements + Weighted average CAISO Wheeling Access Charge + Value of renewable energy credits based on the Utility's most recently executed renewable power purchase contractual commitment of ten years or more

6. Termination of Service.

If ECG terminates service prior to the end of any Twelve-Month Period, the Utility shall reconcile ECG's consumption and production of electricity over the period from the end of the prior Twelve-Month Period through the date of termination in the manner described in Section 4 above. If at the end of said period ECG is a Net Surplus ECG, the Utility shall retain any Net Surplus Energy generated by ECG, including any associated environmental attributes and/or RECs; calculate ECG's final compensation in accordance with the method selected by ECG; and remit any remaining credit balance on the account to ECG.

Schedule ERG (Eligible Renewable Generators)

Net Energy Metering

Schedule ERG (Eligible Renewable Generators)

Net Energy Metering

F. Applicability

This schedule is available to Eligible Renewable Generators (“ERG” or “ERGs”) who are Eligible Customer-Generators, as defined in Section 2827 of the California Public Utilities Code, operating a Renewable Electrical Generating Facility, located on the customer's owned, leased, or rented premises with a capacity of no more than one megawatt that is intended primarily to offset part or all of the customer's own electrical requirements and which is interconnected and operates in parallel with the Utility’s power system pursuant to the appropriate Interconnection Agreement with the Utility. To be eligible for this Rate Schedule, the expected annual generation from the Renewable Electrical Generating Facility must not exceed the ERG’s load for the prior full calendar year, or if insufficient historical load data is available, the expected annual load based on the customer type and other characteristics.

This Rate Schedule is available to Eligible Customer-Generators who are not subject to Schedule NEM 1.0.

G. Territory

Within the entire service territory served.

H. Rates

All rates charged will be in accordance with the ERG’s otherwise applicable Rate Schedule (the Rate Schedule in VMUS’ published Electric Rate Schedules (tariffs) that would apply to ERG absent an ERG Agreement). An ERG served under this schedule is responsible for all charges in its otherwise applicable Rate Schedule, regardless of the Customer’s monthly or annual net generation.

ERGs under this Rate Schedule are subject to any new or additional charges pursuant to the ERG’s otherwise applicable Rate Schedule.

I. Special Conditions.

7. Definitions

Renewable Electrical Generating Facility: a facility that generates electricity from a renewable source listed in paragraph (1) of subdivision (a) of Section 25741 of the California Public Resources Code including biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells using renewable fuels, small hydroelectric generation, digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current, and any additions or enhancements to the facility using that technology.

Net Energy Metering: measuring the difference between the electricity supplied through the electric grid to the ERG and the energy generated by the ERG and fed back to the electric grid.

Net Surplus Energy: All electricity generated by an ERG measured in kilowatt-hours that exceeds the amount of energy consumed by that ERG at the end of each normal monthly billing period.

Net Surplus Energy Compensation (NSEC): Compensation, provided in the form of a monthly billing credit, at a per kilowatt-hour rate offered by the Utility to ERGs for Net Surplus Energy. The currently applicable NSEC rate shall be posted to the Utility's website.

8. Agreement.

In order for this schedule to apply, the ERG must complete and sign the VMUS Interconnection and Net Energy Metering Agreement for Schedule ERG ("ERG Agreement"). The ERG Agreement contains additional terms and conditions, including without limitation, requirements relating to indemnification, insurance, access to ERG's premises, and Generating Facility requirements.

9. Billing.

ERG's Net Energy Metering calculation shall be performed over each normal monthly billing period. The monthly Net Energy Metering calculation shall be made by measuring the difference between the electricity supplied to ERG and the electricity generated by ERG and fed back to the grid over a one-month (1-month) billing period. At the end of each 1-month billing period, the Utility shall determine if the ERG was a net consumer or a net generator of electricity.

If the ERG was a net energy consumer, then the ERG shall be charged on a kilowatt-hour basis in accordance with that same Time-of-Use ("TOU") period in the ERG's otherwise applicable Rate Schedule. If the ERG is not on TOU rates, then the ERG shall be charged based on its otherwise applicable Rate Schedule.

If the ERG was a net energy producer for that billing period, the Net Surplus Energy that was delivered to the grid shall be multiplied by the applicable Net Surplus Energy Compensation rate and credited to the ERG's monthly bill and applied against future billing periods. The value that is credited to the ERG's monthly bill will continue to roll-over and be applied against future billings.

10. Net Surplus Energy Compensation.

To be eligible for NSEC, ERG must do the following in the ERG Agreement: (1) certify that ERG has sole ownership of the environmental attributes and/or renewable energy credits ("RECs") associated with the Net Surplus Energy generated from the Generating Facility; and (2) agree to transfer to the Utility all rights, title, and interest ERG has to such environmental attributes and RECs.

11. Net Surplus Energy Compensation Rate (NSEC rate).

The NSEC rate shall be adjusted September 1 of each year to reflect the Utility's prior fiscal year costs and will be posted on the Utility's website. If the NSEC rate is not adjusted or otherwise updated for any individual year, the most recently effective NSEC rate shall apply. The NSEC rate will be calculated using: (i) the Utility's annual applicable weighted average cost of energy purchased from the California Independent System Operator (CAISO); (ii) the Utility's annual weighted average CAISO Wheeling Access Charge; and (iii) value of renewable energy credits based on the Utility's most recently executed renewable power purchase contractual commitment of ten years or more. The currently applicable NSEC rate shall be posted to the Utility's website.

NSEC Rate Calculation:

Weighted average cost of energy purchased included in the CAISO settlements + Weighted average CAISO Wheeling Access Charge + Value of renewable energy credits based on the Utility's most recently executed renewable power purchase contractual commitment of ten years or more

12. Termination of Service

If ERG terminates service, the Utility shall reconcile ERG's consumption and production of electricity from the start of the current monthly billing period through the date of termination. If ERG has Net Surplus Energy for said period, then the Utility shall retain any Net Surplus Energy generated by ERG, including any associated environmental attributes or RECs, and, if appropriate, issue a final payment for any Net Surplus Energy, based on the currently applicable NSEC rate.