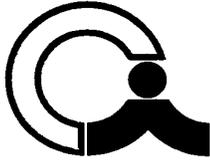
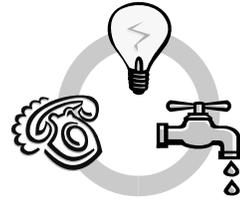


INDUSTRY PUBLIC UTILITIES COMMISSION CITY OF INDUSTRY

REGULAR MEETING AGENDA
JUNE 16, 2016 9:00 A.M.



President Mark D. Radecki
Commissioner Abraham N. Cruz
Commissioner Roy Haber, III
Commissioner Cory C. Moss
Commissioner Newell W. Ruggles



Location: City Council Chamber, 15651 East Stafford Street, City of Industry, California

Addressing the Commission:

- ▶ **Agenda Items:** Members of the public may address the Commission on any matter listed on the Agenda. Anyone wishing to speak to the Commission is asked to complete a Speaker's Card which can be found at the back of the room and at the podium. The completed form should be submitted to the City Clerk prior to the Agenda item being called and prior to the individual being heard by the Commission.
- ▶ **Public Comments (Non-Agenda Items):** Anyone wishing to address the Commission on an item not on the Agenda may do so during the "Public Comments" period. In order to conduct a timely meeting, there will be a three-minute time limit per person for the Public Comments portion of the Agenda. State law prohibits the Commission from taking action on a specific item unless it appears on the posted Agenda. Anyone wishing to speak to the Commission is asked to complete a Speaker's Card which can be found at the back of the room and at the podium. The completed card should be submitted to the City Clerk prior to the Agenda item being called and prior to the individual being heard by the Commission.

Americans with Disabilities Act:

- ▶ In compliance with the ADA, if you need special assistance to participate in any City meeting (including assisted listening devices), please contact the City Clerk's Office (626) 333-2211. Notification of at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting.

Agendas and other writings:

- ▶ In compliance with SB 343, staff reports and other public records permissible for disclosure related to open session agenda items are available at City Hall, 15625 East Stafford Street, Suite 100, City of Industry, California, at the office of the City Clerk during regular business hours, Monday through Friday 9:00 a.m. to 5:00 p.m. Any person with a question concerning any agenda item may call the City Clerk's Office at (626) 333-2211.
-

1. Call to Order
2. Flag Salute
3. Roll Call
4. Public Comments

5. **BOARD MATTERS**

5.1 Consideration of the Register of Demands

RECOMMENDED ACTION: Approve the Register of Demands and authorize the appropriate City Officials to pay the bills.

5.2 Consideration of the minutes of the February 11, 2016 regular meeting

RECOMMENDED ACTION: Approve as submitted.

5.3 Consideration of Resolution No. IPUC 2016-03 – A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRY PUBLIC UTILITIES COMMISSION APPROVING CERTAIN AMENDMENTS TO THE TABLE OF CONTENTS, ELECTRIC RULES 4 (CONTRACTS), 7 (DEPOSITS, 14 (ADJUSTMENT OF BILLS FOR BILLING ERROR AND FOR UNAUTHORIZED USE), AND 15 (DISTRIBUTION LINE EXTENSIONS), OF THE INDUSTRY PUBLIC UTILITY COMMISSION ELECTRIC CUSTOMER SERVICE RULES AND RATES, AND ADDING RULE 16 (SERVICE EXTENSIONS), AND APPENDIX 1 (STANDARD CONTRACT FOR DISTRIBUTION LINE RULE 15/CONTRACT FOR SERVICE EXTENSIONS RULE 16) THERETO

RECOMMENDED ACTION: Adopt Resolution No. IPUC 2016-03.

5.4 Discussion and direction regarding findings and recommendations from a recent study submitted by Cordoba Corporation for the Industry Public Utility

RECOMMENDED ACTION: Discuss and provide direction to Staff.

5.5 Update on the Industry Public Utilities 2015 Consumer Confidence Report from the La Puente Valley County Water District

RECOMMENDED ACTION: Receive and file.

5.6 Report from District Project Engineer for the La Puente Valley County Water District

RECOMMENDED ACTION: Receive and file the report.

6. Adjournment. Next regular meeting: Thursday, July 21, 2016 at 9:00 a.m.

INDUSTRY PUBLIC UTILITIES COMMISSION

ITEM NO. 5.1

Industry Public Utilities Commission
Authorization For Payment of Bills
Meeting of June 16, 2016

<u>FUND</u>	<u>DESCRIPTION</u>	<u>DISBURSEMENTS</u>
560	Industry Public Utilities	1,400.00
	TOTAL ALL FUNDS	1,400.00

<u>BANK</u>	<u>NAME</u>	<u>DISBURSEMENTS</u>
BOFA	Bank of America	1,400.00
	TOTAL ALL BANKS	1,400.00

**Industry Public Utilities Commission
Board Meeting
June 16, 2016**

Check	Date	Payee Name		Check Amount
IPUC.CHK - IPUC Water BofA Checking				
40287	06/16/2016	INDUSTRY PUBLIC UTILITIES		\$1,400.00
	Invoice	Date	Description	Amount
	MAY-16	05/26/2016	REIMBURSE PAYROLL - MAY 2016	\$1,400.00

Checks	Status	Count	Transaction Amount
	Total	1	\$1,400.00

INDUSTRY PUBLIC UTILITIES COMMISSION

ITEM NO. 5.2

INDUSTRY PUBLIC UTILITIES COMMISSION
REGULAR MEETING MINUTES
CITY OF INDUSTRY, CALIFORNIA
FEBRUARY 11, 2016
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CALL TO ORDER

The Regular Meeting of the Industry Public Utilities Commission of the City of Industry, California, was called to order by President Mark D. Radecki at 8:30 a.m. in the City of Industry Council Chamber, 15651 East Stafford Street, California.

FLAG SALUTE

The flag salute was led by President Mark D. Radecki.

ROLL CALL

PRESENT: Mark D. Radecki, President
Abraham N. Cruz, Commissioner
Cory C. Moss, Commissioner
Newell W. Ruggles, Commissioner

ABSENT: Roy Haber, Commissioner

STAFF PRESENT: Paul J. Philips, Public Utilities Director; James M. Casso, General Counsel; and Cecelia Dunlap, Assistant Secretary.

PUBLIC COMMENTS

There were no public comments.

CONSIDERATION OF REGISTER OF DEMANDS

MOTION BY COMMISSIONER MOSS, AND SECOND BY COMMISSIONER CRUZ TO APPROVE THE REGISTER OF DEMANDS AND AUTHORIZE THE APPROPRIATE CITY OFFICIALS TO PAY THE BILLS. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

AYES:	COMMISSIONERS:	CRUZ, RUGGLES, MOSS, RADECKI
NOES:	COMMISSIONERS:	NONE
ABSENT:	COMMISSIONERS:	HABER
ABSTAIN:	COMMISSIONERS:	NONE

INDUSTRY PUBLIC UTILITIES COMMISSION
REGULAR MEETING MINUTES
CITY OF INDUSTRY, CALIFORNIA
FEBRUARY 11, 2016
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CONSIDERATION OF THE MINUTES OF THE NOVEMBER 12, 2015 REGULAR MEETING

MOTION BY COMMISSIONER CRUZ, AND SECOND BY COMMISSIONER MOSS TO APPROVE THE MINUTES AS SUBMITTED. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

AYES:	COMMISSIONERS:	CRUZ, RUGGLES, MOSS, RADECKI
NOES:	COMMISSIONERS:	NONE
ABSENT:	COMMISSIONERS:	HABER
ABSTAIN:	COMMISSIONERS:	NONE

DISCUSSION AND CONSIDERATION OF A RESOLUTION ESTABLISHING THE TIME, DATE AND PLACE OF THE REGULAR MEETINGS OF THE COMMISSION

Discussion ensued between the Commission, and direction was provided to change the regular meetings of the Commission, to the third Thursday of each month at 9:00 a.m.

CONSIDERATION OF RESOLUTION NO. IPUC 2016-01 - A RESOLUTION OF THE INDUSTRY PUBLIC UTILITIES COMMISSION AMENDING SECTION 4.1 OF THE BYLAWS OF THE COMMISSION TO AND RESCINDING RESOLUTION NO. IPUC 2008-02, TO ESTABLISH THE DATE, TIME AND PLACE OF REGULAR MEETINGS OF THE COMMISSION

MOTION BY COMMISSIONER MOSS, AND SECOND BY COMMISSIONER CRUZ TO ADOPT RESOLUTION NO. IPUC 2016-01. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

AYES:	COMMISSIONERS:	CRUZ, RUGGLES, MOSS, RADECKI
NOES:	COMMISSIONERS:	NONE
ABSENT:	COMMISSIONERS:	HABER
ABSTAIN:	COMMISSIONERS:	NONE

REPORT FROM GENERAL MANAGER FOR THE LA PUENTE VALLEY COUNTY WATER DISTRICT

General Manager Galindo presented a report to the Commission.

INDUSTRY PUBLIC UTILITIES COMMISSION
REGULAR MEETING MINUTES
CITY OF INDUSTRY, CALIFORNIA
FEBRUARY 11, 2016
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MOTION BY COMMISSIONER RUGGLES, AND SECOND BY COMMISSIONER CRUZ TO RECEIVE AND FILE THE REPORT. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

AYES:	COMMISSIONERS:	CRUZ, RUGGLES, MOSS, RADECKI
NOES:	COMMISSIONERS:	NONE
ABSENT:	COMMISSIONERS:	HABER
ABSTAIN:	COMMISSIONERS:	NONE

ADJOURNMENT

There being no further business, the Industry Public Utilities Commission adjourned at 8:46 a.m.

MARK D. RADECKI
PRESIDENT

CECELIA DUNLAP
ASSISTANT SECRETARY

INDUSTRY PUBLIC UTILITIES COMMISSION

ITEM NO. 5.3



INDUSTRY PUBLIC UTILITIES COMMISSION

P.O. BOX 3366 • CITY OF INDUSTRY • CALIFORNIA 91744
(626) 333-2211 • Fax (626) 961-6795 • www.cityofindustry.org

Mark D. Radecki, President
Roy M. Haber, Commissioner
Cory C. Moss, Commissioner
Jeff L. Parriott, Commissioner
Newell W. Ruggles, Commissioner

Paul J. Philips, Public Utilities Director
James M. Casso, General Counsel
Cecelia Dunlap, Assistant Secretary

MEMORANDUM

To: Honorable President and Commission Board Members

From: Paul J. Philips, Public Utilities Director *Paul J. Philips*

Staff: Clement N. Calvillo, CNC Engineering *CNC*
Joshua Nelson, CNC Engineering *JN*

Date: June 9, 2016

SUBJECT: Updates to the Industry Electric Utility Customer Service Rules and Rates

In 2001, the City Council approved Ordinance No. 664, which established the Industry Public Utilities Commission by adding Chapter 7 to the City Municipal Code. On April 11, 2002, Industry Public Utility Commission approved the "Establishment of Electrical Service Tariffs and Electric Customer Services Rules for Utility Customers".

With the expansion of the utility, it has become necessary to include procedures when a request is made for new service involving extending the City's distribution system. Such a request is commonly referred to as a "distribution line extension" or "service extension". The revisions mirror the equivalent rules contained in PG&E and SCE tariffs and are highlighted in yellow on the attached revised Utility Customer Service Rules and Rates. With the pending sale of 17300 Chestnut Avenue property located easterly of Azusa Avenue to CT Realty, the existing underground distribution system will be extended into the development to serve the proposed buildings. Rule 15 and 16 have been added which requires the applicant to pay for all required underground conduits, vaults, switches, cables, connections, terminations, transformers, metering and engineering, regulatory and permitting expenses at its sole cost. In addition, the applicant will be responsible to provide utility easements to facilitate such line extensions.

In conjunction with the 600 acre Industry Business Center ("IBC") development, the Successor Agency is considered to be acting in the role as a developer and will also be required to make application with the IPUC for such a line extension.

After the completion of a rate study, Staff may present the Commission with amended rates. , but at this time the attached amendment only adds the Distribution Line Extension section and the Service Extension section. In addition it combines the existing Rules 14 and 15 into one rule, Rule 14, and minor amendments have been made to Rules 4 and 7. Yellow highlighting has been added for emphasis of these amendments.

A Request for Qualifications (RFQ) will be issued soon for professional services related to the electric utility that will include a consultant to provide the update to the rates.

Staff, therefore, recommends that the Commission approve the revised Customer Service Rules and Rates.

PJP:JN:af

RESOLUTION NO. IPUC 2016-03

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRY PUBLIC UTILITIES COMMISSION APPROVING CERTAIN AMENDMENTS TO THE TABLE OF CONTENTS, ELECTRIC RULES 4 (CONTRACTS), 7 (DEPOSITS), 14 (ADJUSTMENT OF BILLS FOR BILLING ERROR AND FOR UNAUTHORIZED USE), AND 15 (DISTRIBUTION LINE EXTENSIONS), OF THE INDUSTRY PUBLIC UTILITY COMMISSION ELECTRIC CUSTOMER SERVICE RULES AND RATES, AND ADDING RULE 16 (SERVICE EXTENSIONS), AND APPENDIX 1 (STANDARD CONTRACT FOR DISTRIBUTION LINE RULE 15/CONTRACT FOR SERVICE EXTENSIONS RULE 16) THERETO

RECITALS

WHEREAS, in 2001, the City Council of the City of Industry adopted Ordinance No. 664, establishing the Industry Public Utility Commission (“IPUC”); and

WHEREAS, on or about April 11, 2002, the IPUC approved the Electric Customer Service Rules (“Customer Service Rules”), which establish the rules for electric service delivered by the IPUC; and

WHEREAS, with the expansion of the utility, it has become necessary to include procedures to address requests for new service involving extending the distribution system; and

WHEREAS, the prior Rule 15 is being consolidated with Rule 14, and a new Rule 15 and 16 have been added to the Customer Service Rules, which require the applicant to pay for all required underground conduits, vaults, switches, cables, connections, terminations, transformers, metering and engineering, regulatory and permitting expenses, and to provide utility easements to facilitate the line extensions; and

WHEREAS, the Board desires to amend Rules 4, 7, 14, and 15, and to add Rule 16 and Appendix 1, to the Customer Service Rules.

NOW THEREFORE, it is hereby found, determined and resolved by the Board of Directors of the Industry Public Utilities Commission as follows:

SECTION 1: The Commission finds that all of the facts set forth in the Recitals are true and correct, and are incorporated herein by reference.

SECTION 2: The Commission hereby amends the Table of Contents, Rules 4 (Contracts), 7 (Deposits), 14 (Adjustment of Bills for Billing Error and Unauthorized Use), and 15 (Distribution Line Extensions) of the Industry Public Utility Commission Electric Customer Service Rules and Rates, to read in their entirety as set forth in Exhibit A, attached hereto, and incorporated herein by reference.

SECTION 3: The Commission hereby adds Rule 16 (Service Extensions), and Appendix 1 (Standard Contract for Distribution Line Rule 15/Contract for Service Extensions Rule 16) to the Industry Public Utility Commission Electric Customer Service Rules and Rates to read in its entirety as set forth in Exhibit A, attached hereto, and incorporated herein by reference.

SECTION 4: The Commission directs the Commission Secretary to correct any clerical errors found in the Industry Public Utility Commission Electric Customer Service Rules and Rates, including, but not limited to, typographical errors, irregular numbering, and incorrect section references.

SECTION 5: The provisions of this Resolution are severable, and if any provision, clause, sentence, word or part thereof is held illegal, invalid, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

SECTION 6: The Assistant Secretary shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Industry Public Utilities Commission at a regular meeting held on June 16, 2016, by the following vote:

AYES:	BOARD MEMBERS:
NOES:	BOARD MEMBERS:
ABSTAIN:	BOARD MEMBERS:
ABSENT:	BOARD MEMBERS:

Mark D. Radecki, President

ATTEST:

Cecelia Dunlap, Assistant Secretary

Exhibit A

Electric Rules and Rates - Table of Contents

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ELECTRIC RULE 4 - CONTRACTS

Contracts will not be required as a condition precedent for service except:

1. As may be required by conditions set forth in the regular schedule of rates approved or accepted by the IPUC.
2. Where the building of a distribution line extension or service extension or construction of other such facilities, in which case a Contract may be required and the term set forth in the relevant Rule.
3. In the case of street lighting, temporary service, or service to speculative projects, in which case a Contract may be required.

ELECTRIC RULE 7 - DEPOSITS

A. AMOUNT OF DEPOSIT

1. ESTABLISHMENT OF CREDIT

a. No deposit will be required to establish credit and initiate service with the IPUC.

2. REESTABLISHMENT OF CREDIT

Should the customer's payment history with the IPUC warrant it, the IPUC may require the customer to reestablish credit by paying a reestablishment of credit deposit. The amount of deposit required to reestablish credit will be twice the maximum monthly bill as determined by IPUC.

B. RETURN OF DEPOSIT

1. IPUC may refund a customer's deposit by draft or by applying the deposit to the customer's account and the customer will be so advised. If the customer establishes service at a new location, IPUC may retain the deposit for such new account, subject to the conditions of Sections B.3 and B.4 following.
2. Upon discontinuance of service, IPUC will refund the customer's deposit or the balance thereof that is in excess of unpaid bills for service furnished by IPUC.
3. When the customer's credit is otherwise established, IPUC will refund the deposit either upon the customer's request for return of the deposit or upon review by IPUC.
4. IPUC will review the customer's account at the end of the first twelve- (12) months that the deposit is held and each month thereafter. After the customer has had no more than two past due bills during the twelve (12) months prior to any such review and has not had service temporarily or permanently discontinued for nonpayment of bills during such period, the deposit will be refunded in accordance with B, above.
5. Deposits cannot be used to offset past due bills to avoid or delay discontinuance of service.

C. INTEREST ON DEPOSIT

1. IPUC will pay interest on deposits, except as provided below, calculated on a daily basis, and compounded at the end of each calendar month, from the date fully paid to the date of refund by check or credit to the customer's account. The interest rate applicable in each calendar month may vary and shall be equal to 1/12th of the interest rate on commercial paper (prime, 3 months) for the previous month as reported in the Federal Reserve Statistical Release, G.13, or its successor publication; except that when a refund is made within the first fifteen (15) days of a calendar month the interest rate

applicable in the previous month shall be applied for the elapsed portion of the month in which the refund is made.

2. No interest will be paid if service IS temporarily or permanently discontinued for nonpayment of bills.
3. No interest will be paid for those months where the bill is paid but is paid after the due date (late pay or over date).

ELECTRIC RULE 14 - ADJUSTMENT OF BILLS FOR BILLING ERROR AND UNAUTHORIZED USE

A. BILLING ERROR DEFINED

Billing error is the incorrect billing of an account due to an error by IPUC or the Customer, which results in incorrect charges to the Customer. Billing error includes, but is not limited to, incorrect meter reads or clerical errors, wrong daily billing factor, incorrect voltage discount, wrong connected load information, crossed meters, an incorrect billing calculation, an incorrect meter multiplier, an inapplicable rate, or IPUC's failure to provide the Customer with notice of rate options. Field error, including, but not limited to, installing the meter incorrectly and failure to close the meter potential or test switches, is also considered billing error. Billing error which does not entitle the Customer to a credit adjustment includes failure of the Customer to notify IPUC of changes in the Customer's connected load, equipment or operation or failure of the Customer to take advantage of any noticed rate option or condition of service for which the Customer becomes eligible subsequent to the date of application for service.

B. ADJUSTMENT OF BILLS FOR BILLING ERROR

Where IPUC overcharges or undercharges a Customer as the result of a billing error, IPUC may render an adjusted bill to the Customer for the amount of any undercharge, without interest, and shall issue a refund or credit to the Customer for the amount of any overcharge, without interest, in accordance with the procedures and limitations set forth below. Such adjusted bill shall be computed as follows:

1. BILLING ERROR RESULTING IN OVERCHARGES TO THE CUSTOMER

If either a residential or nonresidential service is found to have been overcharged due to billing error, IPUC will calculate the amount of the overcharge, for refund to the Customer, for a period of three years. However, if it is known that the period of billing error was less than three years, the overcharge will be calculated for only those months during which the billing error occurred.

2. BILLING ERRORS RESULTING IN UNDERCHARGES TO THE CUSTOMER

If a nonresidential service is found to have been undercharged due to a billing error, IPUC may bill the Customer for the amount of the undercharge for a period of three years. However, if it is known that the period of billing error was less than three years, the undercharge will be calculated for only those months during which the billing error occurred.

C. UNAUTHORIZED USE DEFINED

Unauthorized use includes, but is not limited to:

1. Unmetered use of electricity resulting from unauthorized connections, alterations or modifications to electric supply lines and/or electric meters;
2. Placing conductive material in the meter socket to allow energy to flow from the line side of the service to the load side of the service without a meter (cut in flat);
3. Installing an unauthorized electric meter in place of the meter assigned to the account;
4. Inverting or otherwise repositioning the meter, thereby altering registration;
5. Damaging the meter to stop registration, thereby rendering it untestable;
6. Using IPUC service without compensation to IPUC in violation of applicable tariffs and/or statutes. Where IPUC determines there has been unauthorized use, IPUC shall have the legal right to recover, from any Customer or other person who caused or benefited from such unauthorized use, the estimated undercharges for the full period of such unauthorized use. The estimated bill shall indicate unauthorized use for the most recent three 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 IPUC's rights under any provisions of any applicable civil or criminal law.

D. INVESTIGATION OF UNAUTHORIZED USE

Where unauthorized use is suspected by IPUC, IPUC shall promptly conduct an investigation. Whenever possible, IPUC shall collect and preserve evidence in the matter, test the meter and obtain connected load information from the Customer or other person sought to be charged for the unauthorized energy use. If the meter cannot be tested or connected load data cannot be obtained; IPUC will document the reasons why such information could not be obtained. Whenever possible, upon completion of IPUC's investigation, the Customer or other person being billed will be advised of IPUC's claim and shall be given an opportunity to respond to the claim. Notwithstanding any provisions herein, IPUC reserves all evidentiary privileges and rights.

E. ADJUSTMENT OF BILLS FOR UNAUTHORIZED USE

1. ACTUAL USAGE

If accurate meter readings are available for the unauthorized use period, they will be used for billing purposes.

2. ESTIMATED USAGE

If accurate meter readings are not available or the electric usage has not been accurately measured, IPUC may estimate the energy usage for billing purposes. The basis for the estimate may include, without limitation and for illustrative purposes only, 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 IPUC based on one or more of the following, without limitation and for illustrative purposes only:

- a. Accurately-metered use from a remote check meter;
- b. The known percent error in metering attributable to the unauthorized use condition as determined by IPUC;
- 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-metered subsequent use of 30 days or more (if available);
- f. Annual use profile of at least five Customers with similar connected load, premises load profiles, hours of energy use, etc. (percent of annual use); or
- g. Other reasonable and supportable billing methodology when none of the aforementioned billing techniques IS appropriate under the circumstances.

D. INTEREST ON BILLS FOR UNAUTHORIZED USE

1. IPUC may bill and collect interest at a rate of 10 percent per annum on unauthorized use billings from the date the unauthorized use commenced, and/or
2. IPUC may bill and collect interest at a rate of 10 percent per annum on amortized repayment agreements.

E. RECOVERY OF ASSOCIATED COSTS

IPUC may recover the associated costs resulting from the unauthorized use including, but not limited to, investigative and equipment damage costs.

F. DISCONTINUANCE OF SERVICE

In accordance with the provisions of Rule 11, where IPUC determines unauthorized use is occurring, IPUC 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 IPUC 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 IPUC's service facilities, IPUC may discontinue service without further notice. IPUC 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 agreement.

ELECTRIC RULE 15 – DISTRIBUTION LINE EXTENSIONS

APPLICABILITY: This rule is applicable to extension of IPUC’s electric Distribution Lines necessary to furnish permanent electric service to Applicants, and will be made in accordance with the following provisions:

A. GENERAL INFORMATION

1. INTRODUCTION

Electric system modifications required to accommodate new loads and new physical connections to the Utility’s existing electric system shall be made under the provisions of this Rule and are referred to as “Distribution Line Extensions”. Modifications and new physical connections include the design and installation of wires, lines and other electric equipment necessary to physically connect, expand, relocate or change electric facilities. All facilities installed under the provisions of this rule, shall be owned, operated, and maintained by the Utility, also referred to herein as IPUC. “Utility” and “IPUC” shall be used interchangeable and shall have the same meaning herein.

2. ENGINEERING & DESIGN.

IPUC will be responsible for planning, designing and engineering of Distribution Line Extensions using IPUC's standards for material, design and construction. IPUC shall prepare a preliminary design and preliminary estimate of cost requirements attributable to a line extension upon the request of the Applicant. The Applicant shall provide all information required to develop the requested preliminary design or cost estimate. All costs associated with the preliminary design and/or cost estimate are the responsibility of the Applicant.

3. LINE EXTENSION LOCATION

- a. **Nearest Source:** IPUC shall design and construct the distribution line extension from the nearest existing source of available capacity to the Applicant’s Point of Delivery(s) along the shortest practical route which is deemed suitable by IPUC. IPUC may, however, design and construct the line extension along an alternate route when such route, in the opinion of IPUC, is mutually beneficial.
- b. **Rights of Way & Easements:** The Utility shall attempt to install distribution line extensions along public roads or upon public lands or private property, across which satisfactory rights of way may be obtained without cost to IPUC. The Applicant shall, without reimbursement, make or procure conveyance to the Utility such rights of way for any line extension across property owned or controlled by the Applicant or others, which in the opinion of the Utility, is deemed necessary for, or incidental to, the supplying of service to the Applicant.

- c. Underground/Overhead Underground Extensions shall be installed where required to comply with applicable laws and ordinances or similar requirements of governmental authorities. Overhead Extensions may be installed only where underground extensions are not required and at the sole discretion of IPUC.

4. CONTRACTS

Each Applicant requesting a Distribution Line Extension may be required to execute a written contract, prior to IPUC performing its work on the Distribution Line Extension. A template for the contract has been included as Appendix 1.

B. INSTALLATION RESPONSIBILITIES & OPTIONS

1. APPLICANT RESPONSIBILITY

Improvements: The Applicant shall, at no expense to IPUC, provide all labor, equipment and materials necessary for and incidental to the installation of all trenching, backfilling, excavation, pavement removal, restoration, conduits, risers, transformer pads, and substructures including vaults, enclosures and boxes, as deemed necessary and appropriate, and specified by the IPUC for any underground distribution line extension and alteration, and all other work and materials relating to such structures and substructures. All such materials shall become the property of IPUC and shall be maintained by IPUC upon inspection and acceptance by the IPUC.

Joint Trench: Joint trenching shall be required when the utilities, including electric, natural gas, telephone and/or cable television utilities, serve the Applicant from the same direction, or along any compatible route, provided such arrangements are not in conflict with Utility's Standards, and Utility incurs no additional expense peculiar to such arrangements. Nothing in this rule prohibits the Utility from continuing to install service laterals in a joint trench with natural gas, water, cable, and other utility facilities.

Liability. IPUC shall incur no liability whatsoever, for any damage, loss or injury occasioned by:

- i. Applicant-owned equipment or Applicant's transmission and delivery of energy or,
- ii. The negligence, omission of proper protective devices, want of proper care, or wrongful act of Applicant, or any agents, employees, or licensees of Applicant, on the part of Applicant in installing, maintaining, using, operating, or interfering with any such conductors, lines, machinery, or apparatus.

2. IPUC or UTILITY RESPONSIBILITY

IPUC or the Utility shall be responsible for the furnishing of all materials required and the construction of the Distribution Line Extension facilities except those portions specifically designated as Applicant's responsibility. IPUC responsibilities shall include the furnishing and installation of cables, switches, transformers and other electric facilities required to complete the Distribution Line Extension.

3. INSTALLATION OPTIONS

- a. UTILITY PERFORMED (APPLICANT RESPONSIBLE) WORK. Where requested by Applicant and mutually agreed upon, IPUC may perform that portion of the Distribution Line Extension work normally installed by Applicant according to Section B.1 in this section, provided Applicant advances to IPUC payment for the total estimated installed cost.
- b. APPLICANT PERFORMED (UTILITY RESPONSIBLE) WORK. Applicant may elect to install that portion of the Distribution Line Extension normally installed by IPUC in accordance with IPUC design and specifications using qualified contractors.

C. COST RESPONSIBILITY

Except as otherwise, specifically provided in this Rule, all costs associated with a Distribution Line Extension shall be the responsibility of the Applicant. In addition to those costs specifically delineated elsewhere, the Utility's estimated and actual costs for a Line Extension shall include, but are not limited to, all regulatory, environmental and other governmental fees, material including poles, wire, insulators, transformers, switches, cables, cable in conduit, connections, terminations, transformers, and other such appurtenances, labor including survey, construction, engineering, inspection, and supervision, transportation, equipment, costs for removal of existing facilities, associated overheads and other such costs which, in the reasonable opinion of the Utility, are related to the such line extension, or any alternation, modification or improvement of existing facilities which is required to provide the requested service to the Applicant.

D. SUBSTATION, HIGH VOLTAGE DISTRIBUTION & UPGRADES TO SOUTHERN CALIFORNIA EDISON (SCE) SUBTRANSMISSION SYSTEM

When the installation of a substation, high voltage distribution facility and/or upgrade(s) to SCE's subtransmission system, in the opinion of the Utility, is required for the purpose of providing service to the Applicant, the Applicant shall be required to submit payment equal to the Utility's cost. Where the substation and/or high voltage distribution facilities shall also serve other Utility customers the costs shall be prorated by Capacity and the Applicant shall be required to pay the prorated portion allocated to the Applicant. Capacity to be utilized by the Applicant's project is estimated by the Utility to be the greater of: (i) the Project's estimated Capacity based on the maximum electric demand the Project had forecasted to be served or (ii) the Project's actual Capacity.

Applicant shall provide a substation site mutually acceptable to the Applicant and Utility, grading of that site to finished grade, rights-of way and easements as required for the distribution and high voltage distribution lines to the substation all at no cost to the Utility. Upon completion of the grading subject to the satisfaction of the Utility, the substation site shall be and remain the sole property of the Utility.

ELECTRIC RULE 16 –SERVICE EXTENSIONS

APPLICABILITY: This rule is applicable to both (1) IPUC Service Facilities that extend from IPUC's Distribution 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 INFORMATION

1. SERVICE FACILITIES

IPUC Service Facilities shall consist of (a) primary or secondary underground or overhead service conductors, (b) poles to support overhead service conductors, (c) service transformers, (d) IPUC-owned metering equipment, and (e) other IPUC-owned service related equipment. All facilities installed under the provisions of this rule, shall be owned, operated, and maintained by the Utility.

2. DESIGN.

IPUC will be responsible for planning, designing, and engineering its Service Extensions using IPUC's standards for design, materials and construction.

3. SERVICE LOCATION.

a. Service Delivery Point: Where IPUC's Service Facilities are connected to either Applicant's conductors or other service termination facility designated and approved by IPUC. The Service Delivery Point will generally be at the secondary voltage level of the transformer.

b. Nearest Route: Service Facilities shall extend from the point of connection at the Distribution Line to Applicant's nearest property line abutting upon any street, road, or right-of-way, along which Utility already has or will install distribution facilities. Service Facilities on private property shall be installed along the shortest, most practical and available route (clear of obstructions) as necessary to reach a Service Delivery Point designated by IPUC.

c. Rights-of-Way or Easements: May be required by IPUC to install Service Facilities on Applicant's property to serve Applicant.

d. Underground/Overhead Underground Service Extensions shall be installed where required to comply with applicable laws and ordinances or similar requirements of governmental authorities. Overhead Service Extensions may be installed only where underground extensions are not required and at the sole discretion of IPUC

4. CONTRACTS.

Each Applicant requesting service may be required to execute a written contract(s) prior to IPUC performing its work to establish service. A template for the contract has been included as Appendix 1.

B. INSTALLATION RESPONSIBILITIES

1. **APPLICANT RESPONSIBILITY** In accordance with IPUC's design, specifications, and requirements for the installation of Service Extensions, subject to IPUC's inspection and approval, Applicant is responsible for:

a. **Improvements:**

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

ii) All necessary excavation, digging, trenching, backfilling, pavement removal and restoration as may be required to extend service facilities

iii) Furnishing, installing (or paying for) all Conduits (including pull wires) and Substructures on Applicant's Premises. Conveying ownership to IPUC upon acceptance of those Conduits and Substructures.

c. **Electric Protective Devices:** If Applicant's electric service requires electric protective devices beyond that required for standard service connections, Applicant is responsible to furnish, install, own and maintain all necessary Protective Devices on Applicant's Premises as specified by IPUC.

d. **Space for Transformer** Applicant shall provide space on Applicant's Premises at a location approved by IPUC for a standard transformer installation including any necessary switches, capacitors, and electric protective equipment if IPUC determines that Applicant's load to be served is such that a separate transformer installation is required.

e. **Pad Mounted Equipment.** In IPUC's standard installation, Applicant shall furnish and install at its expense, Substructures and any required Protective Structures as specified by IPUC for the proper installation of the transformer, switches, capacitors, etc. as determined by IPUC.

f. **Liability.** IPUC shall incur no liability whatsoever, for any damage, loss or injury occasioned by:

i. Applicant-owned equipment or Applicant's transmission and delivery of energy or,

- ii. The negligence, omission of proper protective devices, want of proper care, or wrongful act of Applicant, or any agents, employees, or licensees of Applicant, on the part of Applicant in installing, maintaining, using, operating, or interfering with any such conductors, lines, machinery, or apparatus.

2. **IPUC RESPONSIBILITY** IPUC will furnish, install, own, and maintain the following Service Facilities as applicable after Applicant meets all requirements to receive service:

- a. **Service:** A set of service conductors to supply permanent service from the Distribution Line source to the Service Delivery Point approved by IPUC.
- b. **Meter:** The necessary metering equipment including instrument transformers, test facilities, meters, associated metering equipment and the metering enclosures.
- c. **Transformer:** The transformer including any necessary switches, capacitors, electrical protective equipment, etc. When either a padmounted or overhead transformer is installed on 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.

C. COST RESPONSIBILITY

Except as otherwise, specifically provided in this Rule or as specified in a Contract between Applicant and IPUC, all costs, exclusive of metering, associated with a Service Extension shall be the responsibility of the Applicant. All metering related costs including the cost of the meter, telemetry, installation, etc., shall be paid for by IPUC.

**APPENDIX 1- CONTRACT FOR EXTENSION OF ELECTRIC
DISTRIBUTION LINE RULE 15/CONTRACT FOR SERVICE EXTENSIONS
RULE 16**

**CONTRACT FOR EXTENSION OF ELECTRIC DISTRIBUTION LINE RULE 15/CONTRACT
FOR SERVICE EXTENSIONS RULE 16**

1. PARTIES

This Contract for Extension of Electric Distribution Line ("Contract") is issued this _____ day of _____, _____.

The Parties to this Contract are:

("Applicant")

and Industry Public Utility Commission ("IPUC"). Applicant and IPUC are referred to individually as "Party" and collectively as "Parties".

2. RECITALS

Applicant has requested IPUC, pursuant to IPUC's Rule 15 and Rule 16, Distribution Line Extensions and Service Extensions, to install an electric Distribution Line Extension to the location or locations described as follows: _____

(Hereinafter referred to as "Project")

3. AGREEMENT

3.1 Responsibilities of Applicant

Construction

Applicant shall, in accordance with IPUC's specifications and timing requirements for the Project:

- o Perform route clearing, tree trimming, trenching, excavating, and backfilling and compacting;
- o Furnish imported backfill material and dispose of trench spoil as required;
- o Furnish, install and transfer ownership to IPUC any substructures, conduit, and protective structures required;
- o Obtain any necessary construction permits for all work performed by Applicant under this Contract.

If Applicant elects to have IPUC perform any part of this work, Applicant shall pay to IPUC, as specified herein and before the start of construction, IPUC's estimated-installed costs thereof.

Rights of Way

Applicant hereby grants to IPUC the rights of way and easements for the Distribution Line Extension over the shortest, most practical, available, and acceptable route within Applicant's property for the purpose of making delivery of electric service hereunder. Such easement shall include the right of access and right to trim trees as necessary. Where formal rights of way, easements, land leases, or permits are required by IPUC for installation of facilities on or over Applicant's property, or the property of others, Applicant understands and agrees that IPUC shall not be obligated to install the Distribution Line Extension for the Project unless and until any necessary permanent rights of way, easements, land leases, and permits, satisfactory to IPUC, are granted to or obtained for IPUC without cost to or condemnation by IPUC.

Payments

Applicant shall pay, before the start of construction, the non-refundable amounts as set forth in Appendix A to this Contract. This includes the costs for substructures and conduits which IPUC had previously installed at its expense in anticipation of the current Distribution Line Extension. Any necessary riser conduit, conduit covering, and miscellaneous riser material required for the Distribution Line Extension shall be furnished or paid for by Applicant and shall be installed by IPUC.

Joint Applicants. The total contribution or advance from joint Applicants will be apportioned by IPUC among the members of the group in such manner as Applicants mutually agree.

3.2 Responsibilities of IPUC

Construction

IPUC shall install, own, operate, and maintain the Distribution Line Extension to serve the Project. IPUC will install only those facilities that, in IPUC's judgment, will be used within a reasonable time to serve permanent loads.

3.3 Ownership of Facilities

Title to and ownership of the Distribution Line Extension shall vest in IPUC. Applicant does hereby agree that upon completion and acceptance by IPUC of any Applicant-installed facilities, title to each and every component part thereof shall immediately pass to IPUC free and clear of all liens and encumbrances.

Service Facilities

Service extensions shall be installed pursuant to IPUC's Rule 16, Service Extensions.

3.4 Street Lighting Facilities

Street lighting and Distribution Line Extensions within the Project solely for service to street lighting equipment shall be installed in accordance with the appropriate street light tariff schedule. Street light revenues are not applicable toward allowances or refunds for Distribution Line Extensions. Electroliers shall be located at points determined by the governmental agency having jurisdiction over streets to be dedicated to that agency or by Applicant for privately owned and maintained streets open to and used by the general public.

3.5 Delays in Construction

Force Majeure. IPUC shall not be responsible for any delay in the installation or completion of the facilities by IPUC resulting from the late performance of Applicant's responsibilities under this Contract, shortage of labor or material, strike, labor disturbance, war, riot, weather conditions, governmental rule, regulation or order, including orders or judgements of any court or commission, delay in obtaining necessary land rights, act of God, or any other cause or condition beyond the control of IPUC.

Resources. IPUC shall have the right, in the event it is unable to obtain sufficient supplies, materials, or labor for all of its construction requirements, to allocate materials and labor to construction projects which it deems, in its sole discretion, most important to serve the needs of its customers. Any delay in construction hereunder resulting from such allocation shall be deemed to be cause beyond IPUC's control.

Contract Revision. If Applicant does not commence installation of any facilities which are Applicant's responsibility or IPUC is prevented from commencing the installation of the facilities for causes beyond its reasonable control within one year from the effective date of this Contract, IPUC may, in its discretion, revise its cost estimate and recalculate the amounts set forth herein. IPUC will notify Applicant of such increased costs and give the option to either terminate this Contract or pay IPUC the additional charges.

3.6 Contract Termination

If at any time during the term of this Contract, IPUC is not the sole deliverer of electrical requirements for the Project, this Contract may be terminated. Upon termination of the Contract, Applicant agrees to forfeit that portion of the advance paid to IPUC for its expenses covering any engineering, surveying, right of way acquisition and other associated work incurred by IPUC.

3.7 Indemnification

Applicant shall, at its own cost, defend, indemnify, and hold harmless IPUC, its officers, agents, employees, assigns, and successors in interest from and against any and all liability, damages, losses, claims, demands, actions, causes of action, costs including attorney's fees and expenses, or any of them, resulting from the death or injury to any person or damages to any property caused by Applicant or its contractor and employees, officers or agents of either Applicant or its contractor, or any of them, and arising out of the performance or nonperformance of their obligations under this Contract.

3.8 Assignment of Contract

Applicant may assign this Contract, in whole or in part, only if IPUC consents in writing and the party to whom the Contract is assigned agrees in writing, to perform the obligations of Applicant hereunder. Assignment of the Contract shall not release Applicant from any of the obligations under this Contract unless otherwise provided therein.

3.9 Joint and Several Liability

Where two or more individuals or entities are joint Applicants under this Contract, all Applicants shall be jointly and severally liable to comply with all terms and conditions herein.

3.10 Warranty

Applicant warrants that all work and/or equipment furnished or installed by Applicant or its contractor shall be free of defects in workmanship and material. The warranty period shall begin from the date of final acceptance by IPUC and extend for one (1) year. Should the work develop defects during that period, IPUC, at its election, shall either (a) repair or replace the defective work and/or equipment, or (b) demand that Applicant repair or replace the defective work and/or equipment and, in either event, Applicant shall be liable for all costs associated with such repair and/or replacement. Applicant upon demand by IPUC, shall promptly correct, to IPUC's satisfaction and that of any governmental agency having jurisdiction, any breach of any warranty.

3.11 Contract Effective Date

This Contract shall not be effective unless it is (1) executed and delivered by Applicant to IPUC together with payment required hereunder within ninety (90) days of the date in Paragraph 1 of this Contract and (2) accepted by IPUC. This Contract shall then be effective on the date executed by IPUC and shall take effect without further notice to Applicant.

3.12 Commission Jurisdiction

This Contract is subject to the applicable provisions of IPUC's tariffs, including Rule 15 and Rule 16, filed and authorized by the Industry Public Utilities Commission.

This Contract shall, at all times, be subject to such changes or modifications by the Industry Public Utilities Commission, as said Commission may, from time to time, direct in the exercise of its jurisdiction.

3.13 Completion Date

The completion date requested by Applicant is _____

4. SIGNATURE CLAUSE

The signatories hereto represent that they have been appropriately authorized to enter into this Contract on behalf of the party for whom they sign.

APPLICANT(S)

CORPORATION, PARTNERSHIP, OR DBA: _____

NAME OF AUTHORIZED INDIVIDUAL: _____

SIGNATURE: _____

TITLE: _____

MAILING ADDRESS: _____

TELEPHONE: _____

ADDITIONAL SIGNATURES FOR JOINT APPLICANTS

NAME OF AUTHORIZED INDIVIDUAL: _____

SIGNATURE: _____

TITLE: _____

MAILING ADDRESS: _____

TELEPHONE: _____

NAME OF AUTHORIZED INDIVIDUAL: _____

SIGNATURE: _____

TITLE: _____

MAILING ADDRESS: _____

TELEPHONE: _____

APPORTIONMENT OF ADVANCE AMONG JOINT APPLICANTS:

INDUSTRY PUBLIC UTILITY COMMISSION

NAME OF AUTHORIZED INDIVIDUAL: _____

SIGNATURE: _____

TITLE: _____

DATE EXECUTED: _____

DATE IPUC FIRST READY TO SERVE: _____

WORK ORDER NO. _____

ASSOCIATED WORK ORDER NOS. _____

Industry Public Utility Commission

Original Electric Customer Service Rules as Adopted

April 11, 2002

Industry Public Utility Commission
Electric Customer Service Rules

March 2002

Adopted by the Industry Public Utility Commission: _____
Effective Date: _____

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ELECTRIC RULE 1—ADOPTION OF ELECTRIC RULES AND DEFINITIONS

These Electric Rules established by the Industry Public Utilities Commission (IPUC) and approved by the City Council are effective throughout the service area of the Electric Utility. They are subject to the following provisions and definitions:

- A. All rules are subject to change. Copies of the rules currently in effect will be kept in the offices of the IPUC. Customers or others contemplating any expenditures or activities governed by these rules should assure themselves that they have the current version by contacting the Customer Services of IPUC.
- B. For the purpose of these rules, the following terms shall have the following meanings:

Applicant: A person, persons, firm, association, governmental agency, corporation or other concern that submits a request for electric service from the Utility and who will be responsible for all related charges.

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

City Council: The City Council of the City of Industry, designated as the governing body of the City.

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 any one time as more completely described in the rate schedules.

Customer: The person, persons, firm, association, governmental agency, corporation or other concerns that use, are entitled to use, or benefit from the use of electricity from the Utility.

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

Distribution Lines: Overhead pole lines and underground facilities consisting of conduit, wire and cable that are operated at distribution voltages.

Energy Diversion: Electricity being received by a Customer without registering through the meter due to either tampering with the meter or bypassing the meter.

HP: Horsepower.

kW: Kilowatt.

kWh: Kilowatt-hour.

On-Site Facilities: On-site facilities include the facilities located on the premises as well as those in adjacent rights-of-way, easements and a proportionate share of any facilities on adjacent property used to provide service to the premises.

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 different points and times on the system will vary.

Person: Any individual, partnership, corporation, public agency or legal entity.

Premises: All real property, buildings, and appurtenances upon an integral parcel of land undivided by a street, highway or other public thoroughfare.

Service Wires or Connection: The group of conductors connecting the service entrance conductors of the Customer to the Utility's supply line, regardless of the location of the Utility's meters or transformers.

Utility: Industry Public Utilities Commission

ELECTRIC RULE 2—DESCRIPTION OF SERVICE

A. GENERAL

1. The type of service available at any particular location should be determined by inquiry at IPUC's local office.
2. Alternating-current service will be regularly supplied at a frequency of approximately 60 Hertz (cycles per second).
3. In areas where a certain standard secondary voltage is presently being served to one or more customers, an Applicant applying for new service in such areas may be required by IPUC to receive the same standard voltage supplied to existing customers.
4. All electric service described in this rule is subject to the conditions in the applicable rate schedule and other pertinent rules.
5. It is the responsibility of the Applicant to ascertain and comply with the requirements of governmental authorities having jurisdiction.
6. Service to a premise is normally established at one delivery point, through one meter, and at one voltage class. Other arrangements for service at multiple service delivery points, or for services at more than one voltage class, are permitted only where feasible and with the approval of IPUC. For purposes of this rule, distribution service voltage classes, delta or wye connected, are described as:
 - a. 0-600 volt source, single -phase, 1Ø
 - b. 0-600 volt source, three-phase, 3Ø
 - c. above 600 volt source, three-phase
7. Direct-current (d-c) or two-phase service is not available.

B. SERVICE DELIVERY VOLTAGES

1. Following are the standard service voltages normally available, although not all of them are or can be made available at each service delivery point:

Distribution Voltages		
Single-phase Secondary	Three-phase Secondary	Three-phase Primary
120/240, 3-wire	240/120, 4-wire 480/277, 4-wire*	12,000, 3-wire 2,400, 3-wire*
120/208, 3-wire*	208Y/120, 4-wire	4,160, 3-wire*
	480Y/277, 4-wire*	4,160Y/2,400, 4-wire*
		12,000Y/6,930, 4-wire*

2. All voltages referred to in this rule and appearing in some rate schedules are nominal service voltages at the service delivery point. IPUC's facilities are designed and operated to provide sustained service voltage at the service delivery point, but the voltage at a particular service delivery point, at a particular time, will vary within fully satisfactory operating range limits established in Section C.
3. The point of delivery and point of metering will normally be at the same voltage and within close proximity to each other. When IPUC determines it is not feasible for the point of delivery and point of metering to be at the same voltage and within close proximity to each other, the demand and energy meter readings used in determining the charges will be adjusted to correct for transformation and line losses. An estimated transformer loss adjustment factor of two percent (2%) will be applied to the demand and energy meter readings for each stage of transformation between the point of delivery and the point of metering, unless IPUC and the customer agree that specific transformer manufacturer test data support a different transformer loss adjustment. Line losses will be calculated as a function of the current through, and the electrical characteristics of, the line between the point of delivery and point of metering.

C. VOLTAGE AND FREQUENCY CONTROL

1. CUSTOMER SERVICE VOLTAGES

- a. Under all normal load conditions, IPUC's distribution circuits will be operated so as to maintain secondary service voltage levels to customers within the service voltage ranges specified below:

Nominal Two-Wire And Multi-Wire Service Voltage	Minimum Voltage To All Services	Maximum Service Voltage On All Services
120	114	126
208	197	218
240	228	252
277	263	291
480	456	504

IPUC's distribution voltage will be regulated to the extent practicable to maintain service voltage on residential and commercial distribution circuits within the minimum and maximum voltages specified above.

- b. Exceptions to Voltage Limits Exceptions to voltage limits voltage may be outside the limits specified when the variations:
- 1) Arise from the temporary action of the elements.
 - 2) Are infrequent momentary fluctuations of a short duration
 - 3) Arise from service interruptions.
 - 4) Arise from temporary separation of parts of the system from the main system.
 - 5) Are from causes beyond the control of IPUC, and which may be sustained duration.
- c. Where the operation of the Applicant's equipment requires unusually stable voltage regulation or other stringent voltage control beyond that supplied by IPUC in the normal operation of its system, the Applicant, at his own expense, is responsible for installing, owning, operating, and maintaining any special or auxiliary equipment on the load side of the service delivery point as deemed necessary by the Applicant.
- d. The Applicant shall be responsible for designing and operating his service facilities between the service delivery point and the utilization

equipment to maintain proper utilization voltage at the line terminals of the utilization equipment.

2. CUSTOMER UTILIZATION VOLTAGES

- a. All customer-owned utilization equipment must be designed and rated in accordance with the following utilization voltages specified by the American National Standard Institute C84.1 if customer equipment is to give fully satisfactory performance:

Nominal Utilization Voltage	Minimum Utilization Voltage	Maximum Utilization Voltage
120	100	125
208	191	216
240	220	250
277	254	289
480	440	500

Minimum utilization voltages from ANSI C84.1 are shown for customer information only as IPUC has no control over voltage drop in customer's wiring.

D. GENERAL LOAD LIMITATIONS

1. SINGLE-PHASE SERVICE

Single-phase service normally will be three-wire, 120/240 volts where the size of any single motor does not exceed 7.5 horsepower (10 horsepower at the option of IPUC). For any single-phase service, the maximum demand as determined by IPUC is limited to the capability of a 100-kva transformer and 400 amp main disconnect unless otherwise approved by IPUC. If the load requires a transformer installation in excess of 100 kva, the service normally will be three-phase.

2. THREE-PHASE SERVICE (less than 600 VOLTS)

- a. Secondary service from underground primary distribution systems (where IPUC maintains existing 3-phase primary circuits):

Nominal Voltage	Minimum Load	Maximum Demand
240/120	10 hp, 3-phase connected	500 kva
480Y/277	Demand load justifies a 75 kVa transformer	3,000 kva

- b. Where three-phase service is supplied, IPUC reserves the right to use single-phase transformers connected open-delta or closed-delta, or three-phase transformers.
- c. Three-phase service will be supplied on request for installations aggregating less than the minimums listed above where existing transformer capacity is available and approved by IPUC.
- d. Three-phase metering for one service voltage supplied to installations on one premise at one delivery location normally is limited to a maximum of a 4,000 ampere service rating. Metering for larger installations, or installations having two (2) or more service switches with a combined rating in excess of 4,000 amperes, or service for loads in excess of the maximum demand load permitted, may be installed provided approval of IPUC has been first obtained as to the number, size, and location of switches, circuits, transformers and related facilities. Service supplied to such approved installations in excess of one 4,000 ampere switch or breaker at one service delivery point may be totalized for billing purposes.

3. THREE-PHASE SERVICE (OVER 600 VOLTS)

- a. Following are three-phase voltages that may be transformed from higher existing primary distribution voltages and provided only as isolated services for a single Applicant where the Applicant's demand load justifies, as determined by IPUC, the installation of the minimum size transformer bank used by IPUC:

Nominal Voltage	Minimum Size Bank Installed	Maximum Demand Load Permitted
2,400*	500 kVa	5,000 kVa
4,160*	500 kva	5,000 kva
12,000	500 kva	12,000 kva

*Limited Availability.

- b. For its operating convenience and necessity, IPUC may elect to supply an Applicant whose demand load is in excess of 2,000 kva from a substation on the Applicant's premises supplied from a transmission source.
- c. IPUC reserves the right to change its distribution or transmission voltage to another standard service voltage when, in its judgment, it is necessary or advisable for economic reasons or for proper service to its customers.

Where a customer is receiving service at the voltage being changed, the customer then has the option to: (1) accept service at the new voltage, (2) accept service at the secondary side of an additional stage of transformation to be supplied by IPUC at a location on the customer's premises in accordance with IPUC's requirements, or (3) contract with IPUC for an additional stage of transformation to be installed as Special Facilities (including any applicable Contributions in Aid of Construction taxes) under the provisions of Section I, below, whereby the customer will be considered as accepting service at the primary side of the additional stage of transformation. Metering not relocated to the primary side of the additional stage of transformation will be subject to a transformer loss adjustment in accordance with Section B.4 of this Rule. The option to contract with IPUC for an additional stage of transformation (option 3, above) is available only once in conjunction with a change in standard voltage by IPUC.

4. LOAD BALANCE

The Applicant must balance his demand load as nearly as practicable between the two sides of a three-wire single-phase service and between all phases of a three-phase service. The difference in amperes between any two phases at the customer's peak load should not be greater than 10 percent or 50 amperes (at the service delivery voltage), whichever is greater; except that the difference between the load on the lighting phase of a four-wire delta service and the load on the power phase may be more than these limits. It will be the responsibility of the customer to keep his demand load balanced within these limits.

E. PROTECTIVE DEVICES

1. It shall be the Applicant's responsibility to furnish, install, inspect and keep in good and safe condition at his own risk and expense, all appropriate protective devices of any kind or character, which may be required to properly protect the Applicant's facilities. IPUC shall not be responsible for any loss or damage occasioned or caused by the negligence, or wrongful act of the Applicant or of any of his agents, employees or licensees in omitting, installing, maintaining, using, operating or interfering with any such protective devices.
2. It shall be the Applicant's responsibility to select and install such protective devices as may be necessary to coordinate properly with IPUC's protective devices to avoid exposing other customers to unnecessary service interruptions.
3. It shall be the Applicant's responsibility to equip his three-phase motor installations with appropriate protective devices, or use motors with inherent

features, to completely disconnect each such motor from its power supply, giving particular consideration to the following:

- a. Protection in each set of phase conductors to prevent damage due to overheating in the event of overload.
 - b. Protection to prevent automatic restarting of motors or motor driven machinery, which has been, subjected to a service interruption and, because of the nature of the machinery itself or the product it handles, cannot safely resume operation automatically.
 - c. Open-phase protection to prevent damage due to overheating in the event of loss of voltage on one phase.
 - d. Reverse-phase protection where appropriate to prevent uncontrolled reversal of motor rotation in the event of accidental phase reversal. (Appropriate installations would include, but are not limited to, motors driving elevators, hoists, tramways, cranes, pumps, conveyors, etc.)
4. The available short-circuit current varies from one location to another, and also depends on the ultimate design characteristics of IPUC's supply and service facilities. Consult IPUC for the ultimate maximum short-circuit current at each service termination point.
 5. Where an Applicant proposes to use a ground-fault sensing protective system which would require special IPUC-owned equipment, such a system may be installed only where feasible and with written approval of IPUC.
 6. Any non-IPUC-owned emergency standby or other generation equipment that can be operated to supply power to facilities that are also designed to be supplied from IPUC's system shall be controlled with suitable protective devices by the Applicant to prevent parallel operation with IPUC's system in a fail-safe manner, such as the use of a double-throw switch to disconnect all conductors, except where there is a written agreement or service contract with IPUC permitting such parallel operation.

F. INTERFERENCE WITH SERVICE

1. GENERAL

IPUC reserves the right to refuse to serve new loads or to continue to supply existing loads of a size or character that may be detrimental to IPUC's operations or to the service of its customers. Any customer who operates or plans to operate any equipment such as, but not limited to, pumps, welders, saw mill apparatus, furnaces, compressors or other equipment where the use of electricity is intermittent, causes intolerable voltage fluctuations, or

otherwise causes intolerable service interference, must reasonably limit such interference or restrict the use of such equipment upon request by IPUC. The customer is required either to provide and pay for whatever corrective measures are necessary to limit the interference to a level established by IPUC as reasonable, or avoid the use of such equipment, whether or not the equipment has previously caused interference.

2. HARMFUL WAVE FORM

Customer shall not operate equipment that superimposes a current of any frequency or waveform upon IPUC's system, or draws current from IPUC's system of a harmful waveform, which causes interference with IPUC's operations, or the service to other customers, or inductive interference to communication facilities.

3. CUSTOMER'S RESPONSIBILITY

Any customer causing service interference to others must diligently pursue and take corrective action after being given notice and a reasonable time to do so by IPUC. If the customer does not take corrective action in the time set, or continues to operate the equipment causing the interference without restriction or limit, IPUC may, without liability, after giving five (5) days written notice to customer, either install and activate control devices on its facilities that will temporarily prevent the detrimental operation, or discontinue electric service until a suitable permanent solution is provided by the customer and it is operational.

4. MOTOR STARTING CURRENT LIMITATIONS

- a. The starting of motors shall be controlled by the customer as necessary to avoid causing voltage fluctuations that will be detrimental to the operation of IPUC's distribution or transmission system, or to the service of any of IPUC's customers.
- b. If the starting current for a single motor installation exceeds the value listed for Class C or better (per N.E.C., Section 430) and the resulting voltage disturbance causes or is expected to cause detrimental service to others, reduced voltage starters or other suitable means must be employed, at the customer's expense, to limit the voltage fluctuations to a level equivalent to a Class C motor.
- c. Where service conditions permit, subject to IPUC's approval, motor starters may be deferred in the original installation. IPUC may later order the installation of a suitable starter or other devices when it has been determined that the operation of the customer's motors interfere with service to others. Also, IPUC may require starting current values

lower than those set forth herein where conditions at any point on its system require such reduction to avoid interference with service to other customers.

- d. Starters may be omitted on the smaller motors of a group installation when their omission will not result in a starting current in excess of the allowable starting current of the largest motor of the group. Where motors start simultaneously, they will be treated as a single unit equal to the sum of their individual starting currents.
- e. IPUC may limit the maximum size and type of any motor that may be operated at any specific location on its system to that which will not be detrimental to IPUC's system operations or to the service of its customers, as determined by IPUC.
- f. For installations of motors where the equipment is started automatically by means of float, pressure, or thermostat devices, such as with pumps or wind machines for frost protection, irrigation pumps or other similar installations, IPUC may require the customer to install, at his own expense and in accordance with IPUC's operating requirements, suitable preset time-delay devices to stagger the automatic connection of load to the supply system and to prevent simultaneous start-up for any reason.

G. POWER FACTOR

When lighting devices, such as neon, fluorescent, luminous gaseous, mercury vapor, and other lighting equipment having low power factors are served on street lighting or area lighting schedules, the customer shall provide, at his own expense, power factor corrective equipment to increase the power factor of each complete lighting device to not less than 90 percent.

H. CONNECTED LOAD RATINGS

1. The connected load is the sum of the rated capacities of all of the customer's electric utilization equipment that is served through one metering point and that may be operated at the same time, computed to the nearest one-tenth of a horsepower, kilowatt or kilovolt-ampere. Motors will be counted at their nameplate ratings in horsepower output and other devices at their nameplate input ratings in kW or kVa, except that resistance welders will be rated in accordance with the section of this rule regarding "Welder Service." Unless otherwise stated in the rate schedule, conversions between horsepower, kW and/or kVa ratings will be made on a one-to-one basis.
2. The normal operating capacity rating of any motor or other device may be determined from the nameplate rating. Where the original nameplate has

been removed or altered, the manufacturer's published rating may be used or the rating determined by test at the expense of the customer.

3. Motor-generator sets shall be rated at the nameplate rating of the alternating-current drive motor of the set.
4.
 - a. X-ray equipment shall be rated at the maximum nameplate kVa input operating at the highest rated output amperes. If the kVa input rating is not shown, it will be determined for single-phase loads by taking the product of the amperes input rating times the input voltage rating divided by 1,000. For three-phase equipment, multiply this product times the square root of three (1.73).
 - b. Where X-ray equipment is separately metered and supplied from a separate transformer installed by IPUC to serve the X-ray installation only, the kVa rating of IPUC's transformer or the total X-ray equipment input capacity, whichever is smaller, will be considered the load for billing purposes.

I. CONNECTED LOAD RATINGS

1. Where a customer operates a complete unit of equipment connected for three-phase service but consisting of single-phase components which cannot be readily reconnected for single-phase service, shall consider the connected load of such a unit as three-phase load.
2. Where a customer has, or expects to have, permanently-connected, three-phase load that is used infrequently or for short duration, such as, but not limited to, equipment for fire pumps, frost protection, flood control, emergency sirens or other similar installations which make it impractical to record proper demands on a monthly basis for billing purposes, the customer may, for his own reasons and with IPUC's approval, guarantee an appropriate billing demand or connected three-phase load for billing purposes in order to reserve suitable capacity in IPUC's facilities.

J. SPECIAL FACILITIES

1. IPUC normally installs only those standard facilities, which it deems are necessary to provide regular service in accordance with the tariff schedules. Where the Applicant requests IPUC to install Special Facilities and IPUC agrees to make such an installation, the additional costs thereof shall be borne by the Applicant, including such continuing ownership costs as may be applicable.

2. Special Facilities are (a). facilities requested by an Applicant which are in addition to or in substitution for standard facilities which IPUC would normally provide for delivery of service at one point, through one meter, at one voltage class under its tariff schedules, or (b). a pro rata portion of the facilities requested by an Applicant, allocated for the sole use of such Applicant, which would not normally be allocated for such sole use. Unless otherwise provided by IPUC's filed rate schedules, Special Facilities will be installed, owned and maintained by as an accommodation to the Applicant only if acceptable for operation by IPUC, and the reliability of service to IPUC's other customers is not impaired and Applicant funds construction and pays incremental costs.
3. Special Facilities will be installed under the terms and conditions of a contract in the form on file with the Board. Such contract will include, but is not limited to, the following terms and conditions:
 - a. Where new facilities are to be installed for Applicant's use as Special Facilities, the Applicant shall advance to IPUC the estimated additional installed cost of the Special Facilities over the estimated cost of standard facilities. At IPUC's option, IPUC may finance the new facilities.

K. WELDER SERVICE

1. RATING OF WELDERS

Electric welders will be rated for billing purposes as follows:

- a. MOTOR-GENERATOR ARC WELDERS - The horsepower rating of the motor driving a motor-generating type arc welder will be taken as the horsepower rating of the welder.
- b. TRANSFORMER ARC WELDERS - Nameplate maximum kva input (at rated output amperes) will be taken as the rating of transformer type arc welders.
- c. RESISTANCE WELDERS - Resistance welder ratings will be determined by multiplying the welder transformer nameplate rating (at 50 percent duty cycle) by the appropriate factor listed below:

TYPE OF WELDER	TRANSFORMER NAMEPLATE RATING @ 50% Duty Cycle**	FACTOR IPUC Owned Distrib. Transf.
1. Rocker Arm, Press or Projection Spot	20 kVa or less	0.60
2. Rocker Arm, Press	Over 20 kva	0.80

Spot Project Spot Flash or Butt Seam or Portable Gun	21 to 75 kva, inclusive 100 kva or over All sizes	
3. Flash or Butt	67 to 100 kva, inclusive	***
4. Projection Spot Flash or Butt	Over 75 kva 66 kva or less	1.20
<p>** The kva rating of all resistance welders to which these rating procedures are applied must be at or equivalent to 50 percent duty cycle operation. Duty cycle is the percent of the time welding current flows during a given operating cycle. If the operating kva nameplate rating is for some other operating duty cycle, then the thermally equivalent kva rating at 50 percent duty cycle must be calculated.</p> <p>*** Each flash or butt welder in this group will be rated at 80 kva.</p>		

- d. Ratings prescribed by a., b. and c. above normally will be determined from nameplate data or from data supplied by the manufacturer. If such data are not available or are believed by either IPUC or customer to be unreliable, the rating will be determined by test at the expense of the customer.
- e. If established by seals approved by IPUC, the welder rating may be limited by the sealing of taps, which provide capacity greater than the selected tap, and/or by the interlocking lockout of one or more welders with other welders.
- f. When conversion of units is required for tariff application, one welder kva will be taken as one horsepower for tariffs stated on a horsepower basis and one welder kva will be taken as one kilowatt for rates stated on a kilowatt basis.

2. BILLING OF WELDERS

Welders will be billed at the regular rates and conditions of the tariffs on which they are served, subject to the following provisions:

- a. CONNECTED LOAD TYPE OF SCHEDULE. Welder load will be included as part of the connected load with ratings as determined under Section 1, above, based on the maximum load that can be connected at any one time, and no allowance will be made for diversity between welders.
- b. DEMAND METERED TYPE OF SCHEDULE. Where resistance welders are served on these schedules, the computation of diversified resistance welder load shall be made as follows:

Multiply the individual resistance welder ratings, as prescribed in Sections 1.c. to 1.f. inclusive, above, by the following factors and adding the results thus obtained:

- 1.0 times the rating of the largest welder
- 0.8 times the rating of the next largest welder
- 0.6 times the rating of the next largest welder
- 0.4 times the rating of the next largest welder
- 0.2 times the ratings of all additional welders

If this computed, diversified, resistance welder load is greater than the metered demand; the diversified resistance welder load will be used in lieu of the metered demand for rate computation purposes.

ELECTRIC RULE 3—APPLICATION FOR SERVICE

A. APPLICATIONS

IPUC may require each prospective customer to sign an application for the service desired, and also to establish credit. Generally, applications for service will be taken over the telephone, but may be taken in person or received by mail.

Application form shall set forth:

1. Legal name of Applicant.
2. Location of premises.
3. Date Applicant will be ready for service.
 - a. Service restoration. When the customer's service has been terminated either because of a determination by IPUC that an unsafe apparatus or condition exists on the premises, or because the customer has threatened to create a hazardous condition, service will not be restored until IPUC determines the customer's electrical wiring or equipment or the use of either, has been made safe. When service is denied or terminated solely under these sections, the customer may seek remedies before the IPUC BOARD OF COMMISSIONERS.
 - b. When the customer's service has been terminated because of an order of termination issued to IPUC by a governmental agency, service will not be restored until IPUC has received authorization to restore the service from the appropriate governmental agency.
4. Whether electric service was previously supplied to the premises.
5. Purpose for which service is to be used, with description of appliances.
6. Address to which bills are to be mailed or delivered.
7. Whether Applicant is owner, agent or tenant of premises.
8. Rate schedule desired where an optional rate is available.
9. Information necessary to the design, installation, maintenance and operation of IPUC's facilities.
10. Such other information as IPUC may reasonably require for service.

The application is merely a request for service, and does not in itself bind IPUC to serve except under reasonable conditions, nor does it bind the

customer to take service for a longer period than the minimum requirements of the rate. IPUC may disconnect or refuse to provide service to the Applicant if the acts of the Applicant or the conditions upon the premises indicate that false, incomplete, or inaccurate information was provided to IPUC. IPUC shall provide the Applicant the reason for such refusal.

C. INDIVIDUAL LIABILITY FOR JOINT SERVICE

Where two or more persons join in one application or contract for service, they 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*. Whether or not IPUC obtained a joint application, where two (2) or more adults occupy the same premises, they shall be jointly and severally liable for bills for energy supplied.

D. CHANGE OF CUSTOMER'S APPARATUS OR EQUIPMENT

In the event that the customer shall make any material change either in the amount or character of the loads, protective equipment, or characteristic apparatus changes (reactive vs. inductive loads) installed upon the premises to be supplied with *electric energy by IPUC*, the customer shall immediately give IPUC written notice of this fact.

ELECTRIC RULE 4—CONTRACTS

Contracts will not be required as a condition precedent for service except:

1. As may be required by conditions set forth in the regular schedule of rates approved or accepted by the IPUC.
2. In the case of electric extensions, temporary service, or service to speculative projects, in which case a Contract may be required.

ELECTRIC RULE 5—SPECIAL INFORMATION REQUIRED ON FORMS

A. CONTRACTS

Each contract for electric service will contain the following provisions: "This contract shall at all times be subject to such changes or modification by the IPUC Board of Commissioners and may, from time to time, direct in the exercise of its jurisdiction."

B. CUSTOMERS' BILLS

On each bill for electric service will be printed the following statement: "This bill is now due and payable. "Should you question this bill, please request an explanation from IPUC. If you thereafter believe you have been billed incorrectly, send the bill and a statement supporting your belief that the bill is not correct to the Industry Public Utility Commission Board of Commissioners. To avoid having service turned off if the bill has not been paid, enclose a deposit for the amount of the bill made payable to IPUC Board of Commissioners. If you are unable to pay the amount in dispute, you must inform the Board of your inability to pay. Your service will remain on until the IPUC Board of Commissioners completes its review. The Board will review the basis of the billed amount, communicate the results of its review to the parties and make disbursement of the deposit. The Board will not, however, accept deposits when the dispute appears to be over matters that do not directly relate to the accuracy of the bill. Such matter includes the quality of a utility's service, general level of rates, pending rate changes, and sources of fuel and power.

C. DISCONTINUANCE OF SERVICE NOTICE

On each notice of discontinuance of service for nonpayment of bills there will be printed the following information:

1. The name and address of the customer whose account is delinquent.
2. The amount of the delinquency.
3. The date by which payment or arrangements for payment is required or dispute is documented in order to avoid termination.
4. The procedure by which the customer may initiate a complaint or request an investigation concerning service or charges as defined herein.
5. The telephone number of a representative of IPUC who can provide additional information or institute arrangements for payment.

6. The telephone number of the Board to which inquiries by the customer may be directed

ELECTRIC RULE 6—ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT

An Applicant for IPUC service may be required to establish credit. A customer whose IPUC service has been terminated for nonpayment of an energy bill or whose payments have been past due, as set forth below, may be required to reestablish credit.

A. ESTABLISHMENT OF CREDIT

When, for an Applicant's convenience, IPUC provides service to the Applicant before credit is established and the Applicant fails to establish credit in accordance with this rule, service may be terminated after notice is given in accordance with these regulations.

Credit will be established if the Applicant:

- a. is the owner with a substantial equity, of value satisfactory to IPUC, in the premises to be served; or
- b. makes a credit deposit to secure payment of bills as prescribed in Rule 7; or
- c. furnishes a qualified guarantor to secure payment of Applicant's IPUC bills; or
- d. has been a customer of IPUC for a similar type of service within the past two years and during the last twelve consecutive months of that prior service has had not more than two past due bills as defined in Rules 8 and 11, 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 Applicant is unimpaired in the opinion of IPUC; or
- e. otherwise establishes credit to the satisfaction of IPUC; and
- f. has paid all bills for nonresidential electric service previously supplied Applicant by IPUC.

B. RE-ESTABLISHMENT OF CREDIT

1. An Applicant who previously has been a customer of IPUC and whose electric service has been discontinued by IPUC during the last twelve (12) months of that prior service because of nonpayment of bills, may be required to reestablish credit.

- a. A customer who fails to pay bills before they become past due and who further fails to pay such bills within five days after presentation of a discontinuance of service notice for nonpayment of bills, may be required to pay said bills and reestablish credit by depositing the amount established by IPUC. A deposit may be required regardless of whether or not service has been discontinued for such nonpayment.

ELECTRIC RULE 7—DEPOSITS

A. AMOUNT OF DEPOSIT

1. ESTABLISHMENT OF CREDIT

- a. The amount of deposit required to establish credit shall be twice the maximum monthly bill as estimated by IPUC.
- c. The amount of deposit taken to establish credit shall be subject to adjustment upon request by the customer or upon review by IPUC.

2. REESTABLISHMENT OF CREDIT

The amount of deposit required to reestablish credit will be twice the maximum monthly bill as determined by IPUC.

B. RETURN OF DEPOSIT

1. IPUC may refund a customer's deposit by draft or by applying the deposit to the customer's account and the customer will be so advised. If the customer establishes service at a new location, IPUC may retain the deposit for such new account, subject to the conditions of Sections B.3 and B.4 following.
2. Upon discontinuance of service, IPUC will refund the customer's deposit or the balance thereof that is in excess of unpaid bills for service furnished by IPUC.
3. When the customer's credit is otherwise established, IPUC will refund the deposit either upon the customer's request for return of the deposit or upon review by IPUC.
4. IPUC will review the customer's account at the end of the first twelve- (12) months that the deposit is held and each month thereafter. After the customer has had not more than two past due bills during the twelve (12) months prior to any such review and has not had service temporarily or permanently discontinued for nonpayment of bills during such period, the deposit will be refunded in accordance with B, above.
5. Deposits cannot be used to offset past due bills to avoid or delay discontinuance of service.

C. INTEREST ON DEPOSIT

1. IPUC will pay interest on deposits, except as provided below, calculated on a daily basis, and compounded at the end of each calendar month, from the date fully paid to the date of refund by check or credit to the customer's account. The interest rate applicable in each calendar month may vary and shall be equal to 1/12th of the interest rate on commercial paper (prime, 3 months) for the previous month as reported in the Federal Reserve Statistical Release, G.13, or its successor publication; except that when a refund is made within the first fifteen (15) days of a calendar month the interest rate applicable in the previous month shall be applied for the elapsed portion of the month in which the refund is made.
2. No interest will be paid if service is temporarily or permanently discontinued for nonpayment of bills.
3. No interest will be paid for those months where the bill is paid but is paid after the due date (late pay or over date)

ELECTRIC RULE 8—NOTICES

Any notice pursuant to IPUC's tariffs may be given to the customer in writing. Written notice is effective when it is either: (1) presented to the customer, or (2) mailed to the customer at the address where the customer is receiving service or at the mailing address provided by the customer. IPUC may also provide the customer with verbal notice in person or by telephone, or by door hanger. Any notice pursuant to IPUC's tariffs from the customer or the customer's authorized agent may be given to IPUC by telephone or in person or in writing. Verbal notice is acceptable unless written notice is requested by IPUC or required by the tariffs.

A. NOTICES OF TERMINATION OF SERVICE FOR NONPAYMENT

Monthly bills for residential service are due and payable upon presentation and will be considered past due if payment is not received by IPUC within fifteen (15) days after the bill is mailed to the customer. Credit deposit requests are due and payable upon presentation and will be considered past due if payment is not received by IPUC within fifteen (15) days after the credit deposit request is mailed to the customer. Past due bills and credit deposit requests are subject to the following notices. If the past due amount on these notices is not paid, service may be terminated for nonpayment in accordance with Rule 11.

1. 5-DAY NOTICE

When a bill for service or credit deposit request has become past due, IPUC will mail the customer a notice that service may be terminated for nonpayment in 15 calendar days.

2. 24-HOUR and 48-HOUR NOTICES

When the past due balance on a 15-day notice is unpaid, IPUC will give notice of termination for nonpayment by mail at least 48 hours prior to terminating service. If the past due balance still remains unpaid, IPUC will make a reasonable attempt to contact an adult residing at the customer's residence either by telephone or in person at least 24 hours prior to terminating service.

3. NOTICE OF TERMINATION OF SERVICE FOR NONPAYMENT OF AMORTIZATION AGREEMENT

When IPUC and the customer enter into an Amortization Agreement and the customer does not keep the agreement, IPUC will give the customer at least 48 hours notice by telephone or in person or by mail or in writing, prior to terminating service for nonpayment.

B. NOTICES FOR UNPAID CLOSING BILLS

Closing bills are due and payable upon presentation and will be considered past due if payment is not received by IPUC within fifteen (15) days after the closing bill is mailed to the customer. When IPUC determines that the customer has an open account for IPUC service at one location and an unpaid closing bill in the customer's name for IPUC service at another location, IPUC may transfer the unpaid closing bill to the open account, except that the unpaid closing bills for nonresidential service may not be transferred to a residential account. Before the customer's open account may be terminated for nonpayment of the closing bill, the customer will be given notices in accordance with Section A.

ELECTRIC RULE 9—RENDERING AND PAYMENT OF BILLS

A. BILLS PREPARED AT REGULAR INTERVALS

Bills for electric service will be rendered at regular intervals. All bills will be based on meter registration, except as provided in C below, or as may otherwise be provided in IPUC's tariffs. Meters will be read as nearly as possible at regular intervals. Except as otherwise stated, the regular billing period will be once each month. Due to Sundays and Holidays it is not always possible to read meters on the same day of each month.

B. PRO RATA CORRECTION

Opening and closing bills and monthly bills for electric service rendered for periods of less than 27 days or more than 33 days will be computed in accordance with the rate schedule applicable to that service, but (unless otherwise provided in this rule, or in the applicable rate schedule) the amount of energy blocks, demand blocks, etc., and the service charge, demand charge, or minimum charge will be prorated on the basis of the number of days in the period in question to the total number of days in an average month. However, where daily equivalents are used, there will be no pro rata correction. Instead, the calculation shall use the number of days in the billing period multiplied by the daily equivalent charge.

When one or more regularly scheduled meter readings have been missed, the proration factor for the next regularly scheduled meter reading shall be 1.000 times the number of monthly billing cycles in the period. When an interim bill based on a special reading for a period other than 27 to 33 days has been issued during the interval since the last regularly scheduled meter reading, the proration factor for the regularly scheduled bill shall be the factor derived above, less the proration factor applied to the interim bill. However, where daily equivalents are used, there will be no pro rata correction. Instead, the calculation shall use the number of days in the billing period by the daily equivalent charge.

C. ESTIMATED BILLS

If, because of unusual conditions or for reasons beyond its control, IPUC is unable to read the customer's meter on the scheduled reading date, IPUC may bill the customer 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, IPUC's experience with other customers of the same class in that area, and the general characteristics of the customer's operations. Adjustments for any underestimate or overestimate of a customer's consumption will be reflected on the first regularly scheduled bill rendered and based on an actual reading following the period of inaccessibility.

D. READINGS OF SEPARATE METERS NOT COMBINED

For the purpose of making charges, 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 rate schedules.
2. Where IPUC's operating convenience or necessity shall require the installation of two or more meters upon the customer's premises instead of one meter.

E. BILLS DUE ON PRESENTATION

Bills for electric service are due and payable upon presentation. Payments shall be received at the office of IPUC, or by an authorized agent of IPUC.

F. CLOSING BILL PAYABLE ON PRESENTATION

Removal bills, special bills, bills rendered on vacation of premises, or bills rendered to persons discontinuing the service, shall be paid on presentation. Bills for connection or reconnection of service and payments for deposits or to reinstate deposits as required under the rules of IPUC shall be paid before service will be connected or reconnected.

G. RETURNED CHECK CHARGE

If a check, tendered in payment of amounts owing IPUC, is not honored by a bank and is returned to IPUC unpaid, IPUC will add to the customer's bill a charge of \$20.00 for processing each such returned check. Where service is subject to discontinuance under Rule 11, the returned check charge shall be included in the total amount due and payable.

H. FIELD COLLECTION CHARGE

IPUC will require payment of a Field Collection Charge of \$30.00 when an authorized IPUC representative makes a field call to a customer's premises to discontinue electric service in accordance with Rule 11 for nonpayment of a past due billing for service. IPUC will also require payment of the \$30.00 Field Collection Charge when an authorized IPUC representative makes a field call to discontinue electric service for nonpayment of a credit deposit that was requested in accordance with Rule 6. Where service is discontinued under the provisions of Rule 11, the Field Collection Charge will be included in the total amount due and payable. If, at the time the authorized IPUC representative makes the field call to the customer's premises, the customer makes payment in full or makes acceptable

payment arrangements in order to avoid discontinuance of service, IPUC will still require payment of the \$30.00 Field Collection Charge.

I. LATE PAYMENT CHARGE

A late payment charge of 0.9% will 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 billing.

J. ACCUMULATIVE AMOUNT DUE

IPUC reserves the right to accumulate bills until the total amount due exceeds \$2.00.

ELECTRIC RULE 10—DISPUTED BILLS

A. CORRECTNESS OF BILL

If the correctness of a bill is questioned or disputed by a customer, an explanation should be promptly requested from IPUC. If the bill is determined to be incorrect, IPUC will issue corrected bill.

B. BILL REVIEW PROCEDURE

A customer who has initiated a complaint or requested an investigation shall be given an opportunity for review of his complaint.

1. After review, when a customer and IPUC agree on the amount of the bill, IPUC will determine and advise the customer: (a) if an amortization period to pay the unpaid balance is warranted or (b) the date the unpaid balance of his account must be paid. If an amortization period is warranted and agreed to by the customer, service will not be discontinued for nonpayment for any customer complying with such amortization agreement, provided the customer also keeps current his account for utility service as charges accrue in each subsequent billing period. If the customer fails to comply with such amortization agreement, service shall be subject to discontinuance for nonpayment of bills as provided Rule 11.
2. After review, when a customer and IPUC fail to agree on the amount of the bill and upon review IPUC has determined to its satisfaction that the bill is correct, IPUC will explain to the customer that:
 - a. IPUC has completed its investigation and review.
 - b. In lieu of paying the disputed bill, he may deposit with the IPUC Board of Commissioners at its local office, the amount claimed by IPUC to be due. A check or other form of remittance for such deposit should be made payable to the IPUC Board of Commissioners. A customer who is unable to deposit the full amount in dispute for a bill covering a period in excess of 90 days shall deposit an amount equal to 90 days at the average disputed charge per day of the disputed bill.
 - c. The customer shall submit the disputed bill and a statement setting forth the basis for the dispute of the amount billed. The Board will not, however, accept deposits when the dispute appears to be over matters that do not directly relate to the accuracy of the bill. Such matters include the quality of a utility's service, general level of rates, pending rate applications, and sources of fuel and power. Disputes over termination policy will be resolved in accordance with Rule 11, which does not require such a deposit.

- d. Upon receipt of the deposit, the Board will notify IPUC, review the basis of the billed amount, and advise both parties of its findings and disburse any deposit in accordance therewith.
- e. Service will not be discontinued for nonpayment of the disputed bill when deposit has been made or notice of inability to pay per Rule 5 with the Board pending the outcome of the Board's review.
- f. Failure of the customer to submit a dispute to the Board in accordance with b. and c. above will warrant discontinuance of his service in accordance with Rule 11.
- g. If, before completion of the Board's review, additional bills become due which the customer also wishes to dispute, he should follow the procedures set forth in b. and c. above with regard to the additional amounts claimed by IPUC to be due. Failure to follow the procedures in b. and c. above will warrant discontinuance of his service in accordance with Rule 11.
- h. Subsequent bills, not in dispute, rendered prior to the settlement of the disputed bill, will be due and payable in accordance with Rules 9 and 11.

ELECTRIC RULE 11—DISCONTINUANCE AND RESTORATION OF SERVICE

If IPUC terminates or refuses to restore service to a customer or any other person for any of the reasons or upon any of the grounds stated herein, IPUC shall incur no liability whatsoever to said customer or person or to any other customers or persons.

A. CUSTOMER REQUEST TO TERMINATE LIABILITY FOR PAYMENT FOR SERVICE

When a customer wants to terminate liability for payment for service, the customer shall give IPUC not less than two days notice and state the date on which the termination is to become effective. The customer may be held responsible for all service furnished at the premises until two days after receipt of such notice by IPUC, or until the date of termination specified in the notice, whichever date is later.

B. TERMINATION OF SERVICE FOR NONPAYMENT—WEEKENDS AND HOLIDAYS

Service will not be terminated for nonpayment of bills or credit deposit requests on Saturdays, Sundays, legal holidays or on days when the offices of IPUC are closed to the public.

C. TERMINATION OF SERVICE FOR NONPAYMENT OF BILLS OR CREDIT DEPOSIT REQUESTS

Monthly bills are due and payable upon presentation and will be considered past due if payment is not received by IPUC within 15 days after the bill is mailed to the customer. Credit deposit requests are due and payable upon presentation and will be considered past due if payment is not received by IPUC within 15 days after the credit deposit request is mailed to the customer. Customers who fail to pay their bills within this time period are subject to service disconnection.

D. FAILURE TO ESTABLISH OR REESTABLISH CREDIT

When IPUC provides service to an Applicant before credit is established or continues service to a customer pending reestablishment of credit, and the Applicant/customer fails to establish or reestablish credit, any and all services the customer is receiving may be terminated after notice has been given. IPUC will not restore the customer's service until the customer has complied with the requirements to establish or reestablish credit.

E. TERMINATION OF SERVICE FOR NONPAYMENT OF BILLS AT OTHER LOCATIONS

Any and all services the customer is receiving may be terminated for nonpayment of a bill for service previously supplied by IPUC to the same customer at another location after the customer has been given notices of termination, except that residential service shall not be terminated for nonpayment of a bill for any other class of service. Nonresidential service may be for nonpayment of a bill for any class of service. Service shall not be terminated for nonpayment within 15 days after establishment of service at the new location. If the customer is receiving service at more than one location, any or all services may be terminated with proper notice for nonpayment of any bill at any location for IPUC service.

F. TERMINATION OF SERVICE—RETURNED CHECKS

When the customer has received notice of termination and a check tendered in payment of the past due bill or credit deposit request for service is returned unpaid, IPUC may terminate service in accordance with the following:

When the customer has received a 15-day notice of termination, the notice will remain in effect, and collection action will continue. When the customer has received a 48-hour notice of termination, the notice will remain in effect, and service may be terminated without further notice.

G. UNSAFE APPARATUS OR CONDITION

1. IPUC may deny or terminate service to the customer immediately and without notice when:
 - a. IPUC determines that the premises wiring, or other electrical equipment, or the use of either, is unsafe, or endangers IPUC's service facilities; or
 - b. The customer threatens to create a hazardous condition; or
 - c. Any governmental agency, authorized to enforce laws, ordinances or regulations involving electric facilities and/or the use of electricity, notifies IPUC in writing that the customer's facilities and/or use of electricity is unsafe or not in compliance with applicable laws, ordinances, or regulations. IPUC does not assume the responsibility of inspecting or repairing the customer's facilities, appliances or other equipment for receiving or using service, or any part thereof. In the event the customer has knowledge that the service is in any way defective, it is the customer's responsibility to notify IPUC at once. IPUC shall not be liable or responsible for any plumbing, appliances, facilities, or apparatus beyond the point of delivery, which it does not own or maintain in accordance with these rules.

H. SERVICE DETRIMENTAL TO OTHER CUSTOMERS

IPUC will not supply service to a customer operating equipment, which is considered by IPUC to be detrimental to either the service of other IPUC customers or to IPUC. IPUC will terminate service and refuse to restore service to any customer who continues to operate such equipment after receiving notification from IPUC to cease.

I. UNAUTHORIZED USE

1. IPUC may terminate service without notice for unauthorized use of service as defined in Rule 13. When the customer's service has been terminated under this section, IPUC may refuse to restore service until:
 - a. the unauthorized use has ceased, and
 - b. IPUC has received full compensation for all charges authorized in Rule 13.
2. IPUC may terminate and refuse to restore service if the acts of the customer or conditions on the premises indicate an intent to deny IPUC full compensation for services rendered, including, but not limited to, any act which may result in a denial of service. IPUC shall provide the customer with the reasons for such termination and/or refusal to restore service. When the customer's service has been terminated under this section, IPUC may refuse to restore service until:
 - a. the acts and/or the conditions described above have ceased or have been corrected to IPUC's satisfaction, and
 - b. IPUC has received full compensation for all charges resulting from the customer's acts or the conditions on the premises.

J. NONCOMPLIANCE WITH IPUC'S RATES

Unless otherwise specifically provided, IPUC may terminate service to a customer for noncompliance with any of IPUC's tariffs if the customer fails to comply within five days after the presentation of written notification. The customer shall comply with IPUC's tariffs before service will be restored.

K. REVOCATION OF PERMISSION TO USE PROPERTY

If IPUC's service facilities and/or a customer's wiring to the meter are installed on property other than the customer's property and the owner of such property revokes permission to use it, IPUC will have the right to terminate service upon the date of such revocation. If service is terminated under these conditions, the

customer may have service restored under the provisions of IPUC's line and service extension rules.

L. CHARGES FOR TERMINATION AND/OR RESTORATION OF SERVICE

1. IPUC may require payment of the entire amount due, including the past due amount and current charges, payment of a deposit in accordance with Rule 7, and payment of other charges indicated herein, prior to restoring service to accounts which have been terminated for nonpayment.
2. IPUC will require a \$20.00 returned check charge for processing a check, which is returned to IPUC unpaid.
3. IPUC will require payment of a field collection charge of \$30.00 when a IPUC representative makes a field call to a customer's premises to terminate service for nonpayment of bills or credit deposit requests.
4. IPUC will require payment of a reconnection charge per connection before restoring service that has been terminated for nonpayment of bills, to prevent fraud, or for failure to comply with IPUC's tariffs. If the customer requests that service be restored outside of regular business hours, an additional charge per connection may be made. See the following chart:

<u>Method of Reconnect</u>	<u>Next Day</u>	<u>Same Day during Working Hours</u>	<u>Weekends and After Hours</u>
<i>Meter Panel</i>	<i>\$20.00</i>	<i>\$30.00</i>	<i>\$50.00</i>
<i>Pole / Service Structure</i>	<i>\$60.00</i>	<i>\$75.00</i>	<i>\$90.00</i>

5. In addition, IPUC may charge and collect any unusual costs incidental to the termination or restoration of service, which have resulted from the customer's action or negligence.
6. Service wrongfully terminated will be restored without charge.

ELECTRIC RULE 12—RATES AND OPTIONAL RATES

A. EFFECTIVE RATES

The rates to be charged by and paid to IPUC for electric service will be the rates legally in effect and on file with the IPUC Board of Commissioners. Complete schedules of all rates in effect will be kept at all times in IPUC's local office, where they will be available for public inspection. Unless stated otherwise on the rate schedules themselves, IPUC's rate schedules are only applicable for service supplied entirely by IPUC

B. ESTABLISHING RATE SCHEDULES FOR NEW CUSTOMERS

At the time of application for service, IPUC will, based on information provided by the Applicant, ensure that the Applicant is placed on an applicable rate schedule approved by the IPUC Board of Commissioners. Thereafter, IPUC will take such measures as may be practical to provide the Customer with information regarding rate schedules or options applicable to the Customer's class of service.

C. CHANGING RATE SCHEDULES

IPUC may not be required to make more than one change in rate schedules within a twelve-month period unless a new rate schedule is approved or the Customer's operating conditions have changed sufficiently to warrant a change in rate schedule.

Changes in rate schedules will take effect starting with the next regular meter reading date or meter change date following receipt of the Customer's request to change the rate schedule, unless (1) the rate schedule states otherwise, (2) a written agreement between IPUC and the Customer specifies another date, or (3) the required metering equipment is unavailable. In those cases, the change of schedule will take effect on the date stated in the schedule or agreement, or the date the metering equipment is available. It is the Customer's responsibility to request another schedule or option if the Customer's connected load, hours of operation, type of business or type of service have changed. Where the Customer changes equipment or operation without notifying IPUC, IPUC assumes no responsibility for advising the Customer of other rate options available to the Customer as a result of the Customer's equipment/operation changes.

D. NOTIFYING CUSTOMERS OF NEW RATE SCHEDULES

Where IPUC establishes new rate schedules, IPUC shall take such measures as may be practical to advise affected Customers of the availability of the availability of the new rate schedules.

ELECTRIC RULE 13—METER TESTS AND ADJUSTMENT OF BILLS FOR METER ERROR

A. METER TESTS

Any Customer may, upon not less than five (5) working days notice, require IPUC to test the Customer's electric meter. No payment or deposit will be required from the Customer for such tests except when a Customer requests a meter test within six months after date of installation of the meter, or more often than once each six months thereafter. A deposit to cover the reasonable cost of the test will be required of the Customer, in accordance with the following:

1. Meter Installed Without Current or Potential Transformer: \$20.00 per meter.
2. Meter Installed With Current Transformer or With Current and Potential Transformer: \$100.00 per meter

The deposit will be returned to the Customer if the meter is found, upon testing, to register more than two percent fast or slow under conditions of normal operation. A Customer shall have the right to require to conduct the test in the Customer's presence or in the presence of an expert or other representative appointed by the Customer. A report giving the result of the test will be supplied to the Customer within a reasonable time after completion of the test. All electric meters will be tested at the time of their installation. No meter will be placed in service or allowed to remain in service, which has an error in registration in excess of two percent under conditions of normal operation. On newly purchased single-phase meters, the manufacturer's test may be used as the installation test when IPUC's random tests indicate satisfactory test results for a particular manufacturer and for a particular shipment.

B. ADJUSTMENT OF BILLS FOR METER ERROR

Meter error is the incorrect registration of the Customer's energy usage resulting from a malfunctioning or defective meter. It does not include incorrect registration attributable to billing error or unauthorized use. Where, as the result of a meter test, a meter is found to be nonregistering or incorrectly registering may render an adjusted bill to the Customer for the amount of any undercharge, without interest. shall issue a refund or credit to the Customer for the amount of any overcharge, without interest, computed back to the date that determines the meter error commenced, except that the period of adjustment shall not exceed the limits set forth below. Such adjusted bill shall be computed as follows:

1. FAST METER

If a meter for either residential or nonresidential service is found to be registering more than two percent fast, IPUC will calculate the amount of

the overcharge for refund to the Customer based on the corrected meter it is known that the period of meter error was less than six months, the overcharge will be calculated for only those months during which the meter error occurred.

2. SLOW METER

If a meter for nonresidential service is found to be registering more than two percent slow, IPUC may bill the Customer for the amount of the undercharge based on the corrected usage or IPUC's estimate of the energy usage for a period of three years. However, if it is known that the period of meter error was less than three years, the undercharge will be calculated for only those months during which the meter error occurred.

3. NONREGISTERING METER

If a meter for nonresidential service is found to be nonregistering, IPUC may bill the Customer for the amount of the undercharge based on IPUC's estimate of the electricity used, but not registered, for a period of three years. However, if it is known that the period the meter was nonregistering was less than three years, the undercharge will be calculated for only those months the meter was nonregistering. Where the condition of the meter renders it un-testable (no-test), IPUC may bill the Customer for IPUC's estimate of the unmetered energy. Nothing herein is intended to limit IPUC's authority to bill the Customer for unauthorized use.

4. NO-TEST METERS

Where the condition of the meter renders it untestable (no-test), IPUC may bill the Customer for IPUC's estimate of the unmetered energy. Nothing herein is intended to limit IPUC's authority to bill the Customer for unauthorized use.

5. ESTIMATED USAGE

When regular, accurate meter readings are not available or the electric usage has not been accurately measured, IPUC 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.

ELECTRIC RULE 14- ADJUSTMENTS OF BILLING ERROR

A. BILLING ERROR DEFINED

Billing error is the incorrect billing of an account due to an error by IPUC or the Customer, which results in incorrect charges to the Customer. Billing error includes, but is not limited to, incorrect meter reads or clerical errors, wrong daily billing factor, incorrect voltage discount, wrong connected load information, crossed meters, an incorrect billing calculation, an incorrect meter multiplier, an inapplicable rate, or IPUC's failure to provide the Customer with notice of rate options. Field error, including, but not limited to, installing the meter incorrectly and failure to close the meter potential or test switches, is also considered billing error. Billing error which does not entitle the Customer to a credit adjustment includes failure of the Customer to notify IPUC of changes in the Customer's connected load, equipment or operation or failure of the Customer to take advantage of any noticed rate option or condition of service for which the Customer becomes eligible subsequent to the date of application for service.

B. ADJUSTMENT OF BILLS FOR BILLING ERROR

Where IPUC overcharges or undercharges a Customer as the result of a billing error, IPUC may render an adjusted bill to the Customer for the amount of any undercharge, without interest, and shall issue a refund or credit to the Customer for the amount of any overcharge, without interest, in accordance with the procedures and limitations set forth below. Such adjusted bill shall be computed as follows:

1. BILLING ERROR RESULTING IN OVERCHARGES TO THE CUSTOMER

If either a residential or nonresidential service is found to have been overcharged due to billing error, IPUC will calculate the amount of the overcharge, for refund to the Customer, for a period of three years. However, if it is known that the period of billing error was less than three years, the overcharge will be calculated for only those months during which the billing error occurred.

2. BILLING ERRORS RESULTING IN UNDERCHARGES TO THE CUSTOMER

If a nonresidential service is found to have been undercharged due to a billing error, IPUC may bill the Customer for the amount of the undercharge for a period of three years. However, if it is known that the period of billing error was less than three years, the undercharge will be calculated for only those months during which the billing error occurred.

ELECTRIC RULE 15—ADJUSTMENT OF BILLS FOR UNAUTHORIZED USE

A. UNAUTHORIZED USE DEFINED

Unauthorized use includes, but is not limited to:

1. Unmetered use of electricity resulting from unauthorized connections, alterations or modifications to electric supply lines and/or electric meters;
2. Placing conductive material in the meter socket to allow energy to flow from the line side of the service to the load side of the service without a meter (cut in flat);
3. Installing an unauthorized electric meter in place of the meter assigned to the account;
4. Inverting or otherwise repositioning the meter, thereby altering registration;
5. Damaging the meter to stop registration, thereby rendering it untestable;
6. Using IPUC service without compensation to IPUC in violation of applicable tariffs and/or statutes. Where IPUC determines there has been unauthorized use, IPUC shall have the legal right to recover, from any Customer or other person who caused or benefited from such unauthorized use, the estimated undercharges for the full period of such unauthorized use. The estimated bill shall indicate unauthorized use for the most recent three 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 IPUC's rights under any provisions of any applicable civil or criminal law.

B. INVESTIGATION OF UNAUTHORIZED USE

Where unauthorized use is suspected by IPUC, IPUC shall promptly conduct an investigation.

Whenever possible, IPUC shall collect and preserve evidence in the matter, test the meter and obtain connected load information from the Customer or other person sought to be charged for the unauthorized energy use. If the meter cannot be tested or connected load data cannot be obtained, IPUC will document the reasons why such information could not be obtained. Whenever possible, upon completion of IPUC's investigation, the Customer or other person being billed will be advised of IPUC's claim and shall be given an opportunity to respond to the claim. Notwithstanding any provisions herein, IPUC reserves all evidentiary privileges and rights.

C. ADJUSTMENT OF BILLS FOR UNAUTHORIZED USE

1. ACTUAL USAGE

If accurate meter readings are available for the unauthorized use period, they will be used for billing purposes.

2. ESTIMATED USAGE

If accurate meter readings are not available or the electric usage has not been accurately measured, IPUC may estimate the energy usage for billing purposes. The basis for the estimate may include, without limitation and for illustrative purposes only, 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 IPUC based on one or more of the following, without limitation and for illustrative purposes only:

- a. Accurately-metered use from a remote check meter;
- b. The known percent error in metering attributable to the unauthorized use condition as determined by IPUC;
- 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-metered subsequent use of 30 days or more (if available);
- f. Annual use profile of at least five Customers with similar connected load, premises load profiles, hours of energy use, etc. (percent of annual use); or
- g. Other reasonable and supportable billing methodology when none of the aforementioned billing techniques is appropriate under the circumstances.

D. INTEREST ON BILLS FOR UNAUTHORIZED USE

1. IPUC may bill and collect interest at a rate of 10 percent per annum on unauthorized use billings from the date the unauthorized use commenced, and/or

2. IPUC may bill and collect interest at a rate of 10 percent per annum on amortized repayment agreements.

E. RECOVERY OF ASSOCIATED COSTS

IPUC may recover the associated costs resulting from the unauthorized use including, but not limited to, investigative and equipment damage costs.

F. DISCONTINUANCE OF SERVICE

In accordance with the provisions of Rule 11, where IPUC determines unauthorized use is occurring, IPUC 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 IPUC 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 IPUC's service facilities, IPUC may discontinue service without further notice. IPUC 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 agreement.

APPLICATION FOR ELECTRIC FACILITIES

The undersigned Applicant hereby requests City of Industry to deliver electric energy to and for the equipment hereinafter described, at the location shown below, in accordance with the applicable rates and rules of City of Industry.

In consideration of City of Industry's acceptance of this application, and the installation of facilities to supply temporary electric service, Applicant hereby agrees to the following:

1. City of Industry has made available for inspection its applicable rates and rules. Applicant agrees to comply therewith, and with any changes or modifications thereof which may be authorized from time to time by the City of Industry.
2. Applicant's attention has been directed to the rate schedules applicable to the service herein described, and Applicant has elected to take and pay for service under schedule _____.
3. Applicant hereby grants to City of Industry a right of way for any electric lines, which it may be necessary to build in, on, under or over Applicant's premises for the purpose of making delivery hereunder. Where Applicant requests facilities which are in addition to, or in substitution for, the standard facilities which City of Industry normally would install, the extra cost thereof shall be paid by Applicant.
4. In the event Applicant within the initial 36 months of this contract materially increases or decreases his electric service requirements from those installed hereunder and a change is made in City of Industry's facilities, settlement shall be made for the installation and removal cost of the facilities removed. A new agreement shall be entered into providing for the modified service required by Applicant.
5. This contract shall at all times be subject to such changes or modifications by the City of Industry in accordance with its rates and rules.
6. Where applicable - Contract Demand _____ (kW).
7. Where applicable - Excess Transformer Capacity _____ (kVa).
8. Complete - Energy Load Information agreement (Attachment A).

SOLE PROPRIETORSHIP CORPORATION GENERAL PARTNERSHIP CO-PARTNER OTHER	TYPE OF BUSINESS- PROCESSING, MFG, ETC		
CORPORATE OR INDIVIDUAL'S NAME			
DBA NAME	BUSINESS TELEPHONE NUMBER		
PARTNERS OR CORPORATION OFFICERS			
NAME	ADDRESS	TITLE	TELEPHONE NUMBER
NAME	ADDRESS	TITLE	TELEPHONE NUMBER
SERVICE ADDRESS STREET			

Corporate or Individual's Name _____
 D.B.A. _____
 By _____ Title _____
 Office of Origin _____
 By _____
Manager

CITY OF INDUSTRY

DATE _____

ENERGY LOAD INFORMATION AGREEMENT

THIS AGREEMENT IS MADE AND ENTERED INTO BY AND BETWEEN CITY OF INDUSTRY AND _____ (APPLICANT). UTILITY AGREES THAT UTILITY'S ENGINEERING DESIGN, SPECIFICATIONS AND SERVICE REQUIREMENTS TO APPLICANTS PROJECT KNOW AS _____ WILL BE BASED ON LOADS AS SUPPLIED BY APPLICANT.

ALL RESIDENTIAL AND/OR COMMERCIAL LOADS WILL BE IDENTIFIED ON THE REVERSE SIDE OF THIS AGREEMENT IN AREAS I AND II. RESIDENTIAL DWELLING UNIT LOADS SHOULD BE CHECKED EXCEPT WHEN APPLIANCES EXCEED THE SPECIFIED SIZE LIMITS. COMMERCIAL LOADS MUST STATE CONNECTED LOAD, BUILDING SQUARE FOOTAGE AND SERVICE PANEL SIZES. WHEN CONNECTED LOAD IS UNKNOWN, BUILDING SQUARE FOOTAGE AND/OR MAIN OR PULL SECTION SIZE PER BUILDING OR UNIT MUST BE INDICATED.

IF THERE ARE ANY ADDITIONS TO OR OMISSIONS FROM THE LISTED LOADS THAT CAUSE THE UTILITY'S PLANS OR SYSTEM (THAT WAS DESIGNED AND/OR INSTALLED PER AGREEMENT BETWEEN APPLICANT AND CITY OF INDUSTRY) TO BE MODIFIED PRIOR TO ESTABLISHMENT OF PERMANENT SERVICE, APPLICANT AGREES TO BEAR ANY AND ALL COSTS REQUIRED BY THE ADDITIONS OR OMISSIONS. THESE COSTS CAN INCLUDE BUT ARE NOT LIMITED TO THE FOLLOWING:

1. ALL ENGINEERING REDESIGN COSTS.
2. ALL CONSTRUCTION COSTS ASSOCIATED WITH ANY REVISIONS TO INSTALLED DISTRIBUTION SYSTEMS AS DETERMINED BY UTILITY; AND
3. ALL CONSTRUCTION DELAY COSTS.

IF APPLICANT IS A CORPORATION, PARTNERSHIP, JOINT VENTURE OR A GROUP OF INDIVIDUALS, THE SUBSCRIBER HERETO REPRESENTS THAT HE HAS THE AUTHORITY TO BIND SAID CORPORATION, PARTNERS, JOINT VENTURE OR INDIVIDUALS AS THE CASE MAY BE.

THE CONTRACT DOCUMENTS SHALL BECOME EFFECTIVE ONLY UPON THE DATE SIGNED BY THE AUTHORIZED REPRESENTATIVE OF UTILITY.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED FOR AND ON BEHALF OF EACH, BY THEIR DULY AUTHORIZED AGENTS, PARTNER, OR CORPORATE OFFICERS.

APPLICANT

CITY OF INDUSTRY

BY _____

BY _____
AUTHORIZED SIGNATURE - UTILITY

DATE _____

CONTRACT EFFECTIVE DATE _____

ENERGY LOAD INFORMATION AGREEMENT

COMMERCIAL - ELECTRIC

NOTES:

1. Indicate quantity; HP or kW, rating for connected equipment; Example: 1 at 300 HP kW
2. Indicate welding, X-ray or other type equipment to be installed in "Other" column.

BUILDING AND SERVICE INFORMATION (Indicate information for each building separately)					
Building #/building type	/	/	/	/	
Building Area (sq. ft)					
Req'd Serving Voltage					
Service Point Number					
Main or Pull Section Size					
C O N N E C T E D L O A D I N F O R M A T I O N	Building Lights (kW)				
	Receptacles (kW)				
	Elevators	@ HP kW	@ HP kW	@ HP kW	@ HP kW
	Computers (kW)				
	Process Equipment	kW	kW	kW	kW
	HVAC	@ HP kW	@ HP kW	@ HP kW	@ HP kW
	(If more space req'd	@ HP kW	@ HP kW	@ HP kW	@ HP kW
	provide separate sheet)	@ HP kW	@ HP kW	@ HP kW	@ HP kW
	MOTORS	@ HP kW	@ HP kW	@ HP kW	@ HP kW
	(Indicate what type of load motor is serving)	TYPE _____	TYPE _____	TYPE _____	TYPE _____
		@ HP kW	@ HP kW	@ HP kW	@ HP kW
		TYPE _____	TYPE _____	TYPE _____	TYPE _____
	OTHER	@ HP kW	@ HP kW	@ HP kW	@ HP kW
	(Indicates type of Load)	TYPE _____	TYPE _____	TYPE _____	TYPE _____
		@ HP kW	@ HP kW	@ HP kW	@ HP kW
	TYPE _____	TYPE _____	TYPE _____	TYPE _____	
	@ HP kW	@ HP kW	@ HP kW	@ HP kW	
	TYPE _____	TYPE _____	TYPE _____	TYPE _____	
OTHER (kW)	kW	kW	kW	kW	
(Indicate type of load)	TYPE _____	TYPE _____	TYPE _____	TYPE _____	

Schedule A
General Service

Applicability

Applicable to underground service for all types of uses, including lighting and power. Customers whose monthly maximum demand is expected to exceed 20 kW, or has exceeded 20 kW in any three months during the preceding 12 months, are ineligible for service under this schedule.

Territory

City of Industry in areas served by the Industry Public Utility Commission

Rates

Customer Charge – Per meter per day.....	\$0.33000
Energy Charge - \$/kWh (to be added to Customer Charge)	
Summer, all kWh, per kWh.....	\$0.14730
Winter, all kWh, per kWh.....	\$0.10311

The above charges used for customer billing are determined using the components shown in the Rate Components Section following the Special Conditions Section.

Special Conditions

1. Summer and Winter Seasons are defined as follows:

The Summer season is June 1st through September 30th of each year. The Winter season is October 1st through May 31st of each year.

2. Voltage: Service will be supplied at one standard voltage.

Adopted by the Industry Public Utility Commission: _____
Effective Date: _____

**Schedule B
Large General Service**

Applicability

Applicable to underground service for all types of uses including lighting and power where the customer's monthly maximum demand is expected to exceed 20 kW or has exceeded 20 kW in any of the 3 months during the preceding 12 months.

Territory

City of Industry in areas served by the Industry Public Utility Commission

Rates

	Per Meter Per Month	
	<u>Summer</u>	<u>Winter</u>
Customer Charge.....	\$42.20	\$42.20
Demand Charge		
Facilities Related Component		
All kW of Billing Demand per kW.....	\$3.78	\$3.78
Time Related Component		
All kW of Billing Demand per kW	\$5.42	\$0.00
Energy Charge \$/kWh		Per Meter Per Month
For the first 300 kWh per kW of Maximum Demand, per kWh		\$0.08359
All excess kWh, per kWh		\$0.09436

Special Conditions

1. Summer and Winter Seasons are defined as follows:

The Summer season is June 1st through September 30th of each year. The Winter season is October 1st through May 31st of each year.

Adopted by the Industry Public Utility Commission: _____
Effective Date: _____

Schedule B
Large General Service

2. Voltage: Service will be supplied at one standard voltage.
3. Billing Demand: The Billing Demand shall be the kilowatts of Maximum Demand, determined to the nearest kW. The Demand Charge shall include the following billing components. The Time Related Component shall be for the kilowatts of Maximum Demand recorded (or established for) the monthly billing period. The Facilities Related Component shall be for the greater of the kilowatts of Maximum Demand recorded (or established for) the monthly billing period or 50% of the highest Maximum Demand established in the preceding eleven months (Ratcheted Demand). However, when the Utility determines the Customer's meter will record little or no energy use for extended periods of time or when the Customer's meter has not recorded a Maximum Demand in the preceding eleven months, the Facilities Related Component of the Demand Charge may be established at 50% of the Customer's connected load.
4. Maximum Demand: The maximum demand in any month shall be the measured maximum average kilowatt input, indicated or recorded by instruments to be supplied by the City, during any 15-minute metered interval in the month.
5. Voltage Discount: The monthly Facilities Related Demand Charge will be reduced by 23.3% for service delivered and metered at voltages of 2 kV through 50 kV and by 71.1% for services delivered and metered at over 50 kV. The energy charge will be reduced by \$.00074 per kWh for service delivered and metered at voltages of 2 kV through 50 kV, and by \$.00341 for service delivered and metered at voltages over 50 kV.
6. Power Factor Adjustment: When Maximum Demand has exceeded 200 kW for three consecutive months, kilovar metering will be installed as soon as practical, and thereafter, until the Maximum Demand has been less than 150 kW for twelve consecutive months, the billing will be adjusted each month for power factor.
 - a. Adjustment Rate:
 - i. For service delivered and metered at voltages greater than 50 kV, the billing will be increased by \$0.18 per kilovar of maximum reactive demand imposed of the City.
 - ii. For service delivered and metered at voltages 50 kV or less, the billing will be increased by \$0.23 per kilovar of maximum reactive demand imposed on the City.

b. Determining the Reactive Demand:

Adopted by the Industry Public Utility Commission: _____
Effective Date: _____

Schedule B
Large General Service

- i. Service delivered and metered at voltages of 4 kV or greater:

The Maximum reactive demand shall be the highest measured maximum average kilovar demand indicated or recorded by metering during any 15-minute metered interval in the month. The kilovars shall be determined to the nearest unit. A device will be installed on each kilovar meter to prevent reverse operation of the meter.

- ii. Services delivered and metered at voltages less than 4 kV:

1. For customers with metering used for billing that measures reactive demand.

The Maximum reactive demand shall be the highest measured maximum average kilovar demand indicated or recorded by metering during any 15-minute metered interval in the month. The kilovars shall be determined to the nearest unit. A device will be installed on each kilovar meter to prevent reverse operation of the meter.

2. For customers with metering used for billing that measures kilovar-hours instead of reactive demand.

The kilovars of reactive demand shall be calculated by multiplying the kilowatts of measured maximum demand by the ratio of the kilovar-hours to the kilowatt-hours. Demands in kilowatts and kilovars shall be determined to the nearest unit. A ratchet device will be installed on the kilovar-hour meter to prevent its reverse operation on leading power factors.

Adopted by the Industry Public Utility Commission: _____
Effective Date: _____

Schedule C
Street Lighting Service
IPUC Owned System

Applicability

Applicable to service for the lighting of streets and highways where IPUC owns and maintains the street lighting equipment and associated facilities included under this schedule.

Territory

City of Industry in areas served by the Industry Public Utility Commission

Rates

High Pressure Sodium Vapor Lamps

<u>Initial Lumens</u>	<u>Per Lamp Per Month</u>
5,800	\$ 8.25
9,500	\$ 9.62
16,000	\$12.01
22,000	\$14.08
27,500	\$16.24
50,000	\$21.93

Special Conditions

1. Maintenance shall include periodic inspection, renewal of lamps, cleaning of glassware, replacement of damaged glassware and lamps, and minor repairs to wiring and electrical appurtenances.
2. Hours of Service: Under IPUC's standard all night operating schedule, approximately 4,140 hours of service will be furnished.
3. The developer shall install street lights that will be served from IPUC's underground system. These street lights must be installed in accordance with IPUC's specifications and the developer will deed such facilities to IPUC.
4. Requirements and Restrictions:
 - a. The applicant for street light service shall specify the lamp size and location of street lights.

Adopted by the Industry Public Utility Commission: _____
Effective Date: _____

Schedule C
Street Lighting Service
IPUC Owned System

- b. Service shall not be furnished under this schedule where location, mounting height, and / or other considerations are unacceptable to the IPUC.
 - c. The installation of street lighting equipment and facilities hereunder is contingent upon the IPUC obtaining easements, rights of way, and highway permits satisfactory to the IPUC for the required poles, equipment, and facilities.
 - d. In accordance with Rule No. 4, a written contract for a term of not less than one year is required in order to receive street light service under the provisions of this schedule.
 - e. Should the applicant not commence using the street lighting in a bona fide manner within ninety (90) days after date of completion and installation of a street light or street lighting system requested by the applicant, the IPUC will bill, and the applicant shall pay, the applicable lamp charge(s).
5. Liability of Utility: IPUC shall not, by taking action pursuant to its tariffs, be liable for any loss, damage, or injury, established or alleged, which may result, or be claimed to result, therefrom.

Adopted by the Industry Public Utility Commission: _____
Effective Date: _____

Industry Public Utility Commission (IPUC) – City of Industry
Chart of Other Charges and Fees

The following are the charges and fees described in the tariffs:

<u>Item</u>	<u>Charge</u>
<i>Taxes Charged Against Billings</i>	<i>None</i>
<i>Service Establishment Charge</i>	<i>None</i>
<i>Minimum Deposit</i>	<i>Twice Estimated Maximum Monthly Bill</i>
 <i>Interest On Deposits</i>	 <i>1/12th Of The Interest Rate On Commercial Paper (Prime, 3 Months)</i>
 <i>Interest On Unauthorized Use Billings</i>	 <i>10% Per Annum</i>
<i>Interest On Amortized Repayment Agreements</i>	<i>10% Per Annum</i>
<i>Return Check Charge</i>	<i>\$20.00</i>
<i>Field Collection Charge</i>	<i>\$30.00</i>
<i>Meter Test Deposit – (Refunded If Meter Registers Within Parameters)</i>	
<i>Meter Installed Without Current Or Potential Transformer</i>	<i>\$20.00</i>
<i>Meter Installed With Current Or Potential Transformer</i>	<i>\$100.00</i>
<i>Late Charge</i>	<i>0.9% Of Unpaid Balance</i>
<i>Utility Users Tax</i>	<i>None</i>
<i>Reconnection Charge</i>	
<i>Meter Panel – Next Day</i>	<i>\$20.00</i>
<i>Meter Panel – Same Day During Working Hours</i>	<i>\$30.00</i>
<i>Meter Panel – Weekends And After Hours</i>	<i>\$50.00</i>
<i>Pole / Service Structure – Next Day</i>	<i>\$60.00</i>
<i>Pole / Service Structure – Same Day During Working Hours</i>	<i>\$75.00</i>
<i>Pole / Service Structure – Weekends And After Hours</i>	<i>\$90.00</i>

INDUSTRY PUBLIC UTILITIES COMMISSION

ITEM NO. 5.4



INDUSTRY PUBLIC UTILITIES COMMISSION

P.O. BOX 3366 • CITY OF INDUSTRY • CALIFORNIA 91744
(626) 333-2211 • Fax (626) 961-6795 • www.cityofindustry.org

Mark D. Radecki, President
Abraham N. Cruz, Commissioner
Roy M. Haber, III, Commissioner
Cory C. Moss, Commissioner
Newell W. Ruggles, Commissioner

Paul J. Philips, Public Utilities Director
James M. Casso, General Counsel
Cecelia Dunlap, Assistant Secretary

MEMORANDUM

TO: Honorable President Radecki and Members of the Industry Public Utilities Commission (IPUC)

FROM: Paul J. Philips, Public Utilities Director 

DATE: June 16, 2016

SUBJECT: Recommendations Regarding a Recent Study for the IPUC Going Forward

Some months ago, the IPUC asked the Cordoba Corporation to review, analyze, and make recommendations regarding future opportunities and administrative challenges for the IPUC going forward. Attached for your review are the findings and recommendations provided by the Cordoba Corporation.

IT IS RECOMMENDED that the IPUC approve the following steps:

1. Provide the Cordoba Corporation staff the opportunity to present their findings and recommendations;
2. Direct staff to issue a "Request for Qualifications" (attached), with a deadline for submittal by July 7, 2016, at 1:00 p.m.; and
3. Direct staff to schedule an IPUC meeting soon after the July 7, 2016 deadline and provide a full recommendation regarding the best qualified contractor to proceed.



CORDOBA CORPORATION

LOS ANGELES • SAN FRANCISCO • SANTA ANA • SAN DIEGO

May 18, 2016

Paul Phillips, City Manager
City of Industry
15625 Stafford Street
City of Industry, CA 91744

Re: Proposal to Provide Consulting Services for City of Industry Energy-related Projects

Dear Mr. Phillips,

Thank you for the opportunity to submit this proposal to you. As you know, Cordoba Corporation currently has a contract in place with the City of Industry (City) and in the course of that work, we have become aware of additional projects that are critical to supporting the City's Industry Public Utility Commission (IPUC) infrastructure. It is important that the IPUC's energy infrastructure and organizational leadership is strongly positioned to provide a solid foundation for future growth plans. Cordoba Corporation is poised to support the City of Industry and its energy related projects by providing a wide variety of services for eight different tasks.

Proposed Tasks

Currently, the Waddingham Way Substation is constructed and connected to Southern California Edison's (SCE) subtransmission system but is not connected to the IPUC's distribution system. This major investment requires guidance and planning to realize the cost savings envisioned when the investment was made. The Waddingham Way Substation also requires complete commissioning, selection of an operations and maintenance (O&M) service provider and installation of additional circuitry outside the substation in order to commercialize the asset and reduce monthly transmission and distribution expenses currently paid to Southern California Edison (SCE).

The Industry MetroLink 2 MW_{DC} Solar Carport Facility operation and maintenance expenses are higher than expected. With the expiration of the current contract with the existing service provider, now is an opportune time to revise an existing Request for Proposal (RFP), streamline the services required, consolidate all other services related to this facility, and advertise to a larger list of qualified service providers. This approach should reduce the current operating and maintenance expenses to a more reasonable level.

The substation is a key component of the City's electrical infrastructure and the MetroLink 2 MW_{DC} Solar Carport Facility generates a positive financial return to the City which can be increased by

reducing operation and maintenance expenses. Completion of these tasks must be started immediately and completed before the end of this summer.

Another important project is the development of a business plan for the City's IPUC. The current status of the IPUC is stable for the number of customers currently served. However, there are many opportunities to further increase efficiency in current operations and reduce operating cost by streamlining the number of service providers and creating a truly proprietary (Enterprise) department within the City structure. The creation of a proprietary department facilitates control of all the activities related to the IPUC, allows for development of an accurate cost of service study in order to implement a financially responsible rate structure, establishes financial accountability for income and expenses, and ensures that all activities and investments for IPUC are self-supporting through revenues from paying customers. These basic steps are required to build a solid foundation for the IPUC and then smartly expand. Within the business plan, there are two significant components—growth within the existing IPUC service territory and growth within the SCE service territory. Both opportunities present different challenges that will require further analysis to find “low hanging fruit” and determine risk and rewards for more aggressive actions. The business plan will also include an assessment of other organizations and affiliates within the City governance that will support expansion of the IPUC to a financially responsible and supportable size. It is also important to consider the growth of the IPUC and its impact to the City's objective to create additional value streams (increase in ad valorem taxes, high quality jobs, etc.). Working with City staff and city designated affiliates, we are confident an implementable, financially responsible and robust business plan can be prepared for the City.

While the above tasks are underway, the operation of the existing IPUC must continue. We are proposing providing, on call, general consulting services to IPUC staff to address operational issues, contract related matters, billing questions, submitting regulatory filings, future capital investment additions, contract management services and other subjects that surface in the course of operating the IPUC. Included among these tasks is the completion of the legal transfer of ownership for the MetroLink 2 MW_{DC} Solar Carport Facility from the LLC to the City. The topics are wide ranging and typically require detailed expertise in all facets of energy development, delivery, and management. With our bench of seasoned industry professionals and the resources of our Energy Division, Cordoba Corporation is able to support the City with as-needed technical consulting.

At the same time, four other very specific tasks have been identified that can be supported by Cordoba Corporation personnel. These tasks include: energy staff augmentation, recruiting for high energy consumption business expansion, exploring business transactions with the Southern California Public Power Authority for Renewable Energy Investments, and conducting due diligence on a proposed 'Waste to Energy' project. Additional information regarding these tasks is provided in this document.

Our Team

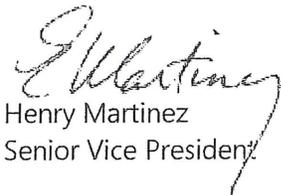
Cordoba Corporation is able to provide expert staffing to the City of Industry for each of these tasks. I will lead the overall effort and provide project management consulting. I have spent more than 40 years working for three (3) large government and investor owned utilities as an executive, and have

had responsibility for performance of operation and maintenance staff in addition to serving as a maintenance manager and engineer. Our team includes seasoned industry professionals with experience in project development, construction management, quality assurance, and start-up and commissioning related to complex, multi-million dollar infrastructure projects with all of the major utilities in southern California. Staffing also includes electrical and mechanical engineers with experience in energy generation and pipeline design and testing. Additionally, Cordoba Corporation has the resources of over 140 employees ranging from engineers and attorneys, to technical editors who can be made available for any portion of this scope.

Attached please find a Task Proposal for the identified projects with a summary of specific activities. The last attachment is a budget for each of the tasks.

We look forward to discussing these tasks in greater detail and moving forward in assisting the City of Industry. If you have any questions, please do not hesitate in contacting me at (714) 558-6124.

Sincerely,
CORDOBA CORPORATION


Henry Martinez
Senior Vice President

TASK 1 — METROLINK 2 MW_{DC} SOLAR CARPORT FACILITY

In response to your current needs involving the Industry MetroLink 2 MW_{DC} Solar Carport Facility, we propose to revise and reissue the pending Operations and Maintenance RFP.

One of the goals of the RFP to operate and maintain the MetroLink 2 MW_{DC} Solar Carport Facility should be to establish a process that facilitates the selection of a lowest cost, technically qualified and responsible company. The process should also allow the City of Industry to retain the necessary control to ensure that the contractual requirements with Southern California Edison are being met and at the same time maximize the revenue stream for the City.

In order to issue an RFP that will provide the necessary response, Cordoba Corporation is prepared to assist with the process comprising the following elements:

Review of the RFP— The overall task is the process of reviewing and updating the RFP prepared by the City of Industry to ensure that it meets the objectives and that the request is stated to provide for an efficient and cost effective response. In addition to the technical components, Cordoba Corporation staff will review for general organization of the proposal response (components of the respondents' document).

- Evaluate existing RFP
- Update and rewrite technical portion
- Screen potential service providers
- Organize proposal response

Evaluation of Bids— Evaluation of the responses will be conducted in close collaboration with the City.

- Finalize scoring matrix
- Score responses

Award Phase Activities— Procurement activities will be completed in support of the City.

- Meetings with City
- Review of contract
- Assist in preparing award resolution

Timeline

Start: June 2016

End: July 2016

TASK 2 —WADDINGHAM WAY SUBSTATION

For the Waddingham Way Substation, we propose to oversee and manage the commissioning, distribution circuit construction, and connections necessary to integrate the substation into IPUC electric grid. Completing this work is critical to reduce the energy delivery expenses currently paid to Southern California Edison and begin utilizing an idle energy infrastructure asset. This effort includes: 1) preparing a new RFP for the substation's long term operations and maintenance and

installation of new underground electrical circuits, including supporting IPUC in the subsequent procurement and selection process, and 2) preparing a substation operations and maintenance manual, implementing the commissioning process for the substation and new underground circuits and transferring the two SCE energy service points to the substation. Lastly, our team is able to provide additional, as-needed construction management and consulting as may be necessary.

Commissioning Of Substation

The main task is project management and overseeing the commissioning of the existing Waddingham Way Substation. This includes additional distribution circuit work required to connect the substation and transfer power load from two existing Wholesale Distribution Access Tariff (WDAT) access points.

The substation commissioning and the distribution circuit construction will be competitively bid and awarded by the City and the selection process supported by Cordoba Corporation. The contractor(s) chosen will be highly qualified and experienced in this field and submit the lowest firm price for the scope of work requested in the RFP. Cordoba Corporation will provide overall coordination between existing energy providers, SCE, selected contractor(s), and the customers in order to minimize impact to IPUC customers.

Highlighted components of this task include the following:

- Evaluate Commissioning Process with Bustko Utility Design and substation construction firm
- Prepare RFP for Operation and Maintenance of substation and select contractor
- Review design of underground circuit connection with Butsko Utility Design
- Prepare RFP for underground line constructions and select contractor
- Oversee construction of underground circuits to substation per final design
- Complete service request with Southern California Edison to terminate the two 12Kv WDAT service interconnections

Operations and Maintenance Manual

An integral component of the commissioning process and the RFP process is the development of an Operations and Maintenance (O&M) Manual.

The creation of an O&M manual will provide clear and specific detail of the facility's configuration and maintenance routines, yielding optimal performance of the O&M contractor's services and service reliability to the IPUC customers.

- Compile components from existing sources or research materials and write the O&M Manual
- Ensure that the manual is edited and critiqued as part of the development process
- Develop a system that enables ongoing manual updates

Operations and Maintenance RFP

Cordoba Corporation staff will develop an RFP document that provides clear direction to respondents in delivering a response and will ensure that the required elements can be compared

across all respondents. One of the goals of the RFP is to establish a process that ensures the selection of the lowest cost, technically qualified and responsible firm(s). The process also allows the City of Industry to retain the necessary control to ensure that all current IPUC provided services are not interrupted and all contractual obligations for energy delivery are upheld.

- Elements of the process include development of criteria, desired qualifications, scoring points, and clear instructions to bidders/respondents.
- Evaluate bids in close collaboration with the City
- Includes finalizing scoring matrix, developing standard criteria for evaluation, reviewing responses for adherence to the RFP, and scoring responses.
- Award phase and procurement in support of the City
- Process will include review of contract and participating in negotiations, if necessary.

Timeline

Start: ---June 2016

End: ---August 2016

TASK 3 — BUSINESS PLAN

The Business Plan for the IPUC will serve as the roadmap for ongoing operations and develop organizational structures for achieving long term operational goals. Although the IPUC currently has an allocated budget, it is not formally recognized as a department within the City structure. As outlined in our recommendation provided in the April 12, 2016 report, the IPUC needs to be led by a Utility Administrator and follow a proprietary department structure. A proprietary structure for the department, if adopted, will establish a method to track the financial performance of the IPUC, providing solid and auditable information to make business decisions in operating and growing the utility. The business plan will undertake this analysis.

Anticipated activities include the following categories and specific subtasks:

- Planning sessions with designated City leaders and technical experts — Confirm assumptions and goals to be achieved in growing the IPUC over time. Identify resources within the City staff who will provide information and time. Identify critical affiliates of the City and along with designated City leaders develop a SWOT analysis for IPUC. Identify key success factors to determine progress and success for IPUC. Interview large SCE current customers within the City boundaries and determine the key drivers for switching to a new service provider. Measure and quantify current customer service satisfaction from existing IPUC customers. Review current rate structure to verify its accuracy.
- Analysis and development of potential projects — Analyze proposed capital and O&M expenditures for system expansion, replacement or modifications, examine financial impact on existing IPUC customers and justification for investment. Analyze and research best method to add existing SCE customers to IPUC service, utility condemnation, WDAT requests and/or Community Choice Aggregation.

- Prioritization — Prioritize actions driven by the SWOT analysis, method recommended for additional customer growth and customer information gathered to attract additional customers. Identify key system improvements and additions to serve new customers and corresponding impact to rate structure. re
- Development of business plan — Deliver the document and assist the IPUC staff with decision making, and briefing commission members

Timeline

The activities necessary for the business plan are anticipated to take place over a year as projects are identified for analysis.

Start: June 2016

End: November 2016

TASK 4 — PROGRAM MANAGEMENT

Cordoba Corporation is pleased to be able to provide to the City of Industry a team of seasoned industry professionals. These professionals have valuable expertise that will be made available to the City on an as-needed basis. Given the structure of City services, it is not feasible to maintain on staff experts in the various topics that will come up as projects are brought online. We will be available to augment City expertise.

Potential assignments may include:

- Consulting services related to electric grid contracts, power procurement, regulatory matters and IPUC owned transmission and distribution operations
- System planning, development and other opportunities
- Providing oversight of IPUC vendors and contractors engaged in O&M work
- Completing legal transfer of MetroLink 2 MW_{DC} Solar Carport Facility from the LLC to the City
- Assisting IPUC in implementing Business Plan actions approved by the commission

Timeline

Cordoba Corporation will remain on call for specific assignments for a full year.

Start: June 2016

End: June 2017

TASK 5— STAFF AUGMENTATION

As the activities around improving and expanding the energy profile of the City moves into high gear for the next 12 months, an extra burden will be placed on existing staff. To address a higher level of activity and assist City staff to organize and address the various energy related activities on an on-going basis, a full time assistant with an energy background is proposed. This Cordoba Corporation employee will report to the City daily and work directly with City and Cordoba's staff to organize, collect, resolve and implement required changes to begin restructuring the IPUC. Cordoba

Corporation's Energy Division currently has on staff several individuals who are available for this assignment on a temporary 12-month basis.

Timeline

Start: June 2016

End: June 2017

TASK 6 — RECRUITING FOR BUSINESS EXPANSION

To continue the "organic" expansion of IPUC, additional effort is required to identify "high quality" firms that are interested in relocating or expanding their existing business and establishing new businesses in IPUC's service territory. Cordoba Corporation professionals support would include identifying and targeting firms requiring reliable, cost effective, high electric energy consumption, an employment base of highly skilled employees and interested in reducing their "carbon footprint". The results of the research and analysis will assist the City to work with Majestic Realty Co. to attract higher quality businesses to the yet to be developed area inside IPUC's footprint.

Timeline

Start: June 2016

End: December 2016

TASK 7 — RENEWABLE ENERGY INVESTMENTS

The goal is to establish relationships and explore potential membership in the Southern California Public Power Authority (SCPPA) as a means to investigate and potentially participate in publicly owned joint renewable energy investments for current and future energy supply to IPUC customers. SCPPA is a Joint Powers Authority formed in 1980 under the Joint Exercise of Powers Act of the State of California and has twelve public power agency members. The Authority has the ability to finance the construction or acquisition of generation, transmission, natural gas and renewable energy projects and can issue tax-exempt and taxable revenue bonds. The Authority also provides regulatory advocacy for members and legislative review of proposed state and federal legislation impacting the member utilities. As the City contemplates future development of City-owned property and electric energy procurement, membership in SCPPA will provide an option not currently available to the IPUC and can assist both the IPUC and the City in cooperative efforts with other neighboring cities on projects of common interest.

Timeline

Start: June 2016

End: October 2016

TASK 8 — WASTE TO ENERGY PROJECT RESEARCH

As the City considers partnering with Los Angeles County to evaluate an unsolicited proposal from a private company to build a “waste to energy” facility within the City, Cordoba Corporation proposes to assist the City in conducting preliminary “due diligence” of the business and technical proposal. This analysis includes review of the technology proposed, applicability of the technology in the Los Angeles Basin, permitting requirements, sustainable disposal/sale of by-products and operating history of existing facilities in Japan (which offers the best comparison). This information will provide the City and County with a realistic assessment of the proposed project and the significant value and risks inherent in the proposal. Based on the information yielded by the analysis, the City and County will be able to decide if the project is financially and operationally viable.

Timeline

Start: July 2017

End: October 2017

BUDGET

	Program/Project Mgt		Sr. Tech Advising		Analysis/Research		Documents/Admin		Technical/Eng Support		
	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	
TASK 1: Waddingham Way Substation											
Commissioning	60	16500	80	19200	40	4400	0	0	100	16000	\$ 56,100.00
O&M Manual Development	40	11000	80	19200	40	4400	40	6120	40	6400	\$ 47,120.00
O&M RFP	40	11000	40	9600	40	4400	20	3060	40	6400	\$ 34,460.00
<i>Task Subtotal</i>											\$ 137,680.00

TASK 2: Metrolink Solar Facility											
Review of RFP	0	0	16	3840	20	2200	32	4896	0	0	\$ 10,936.00
Evaluation of Bids	8	2200	16	3840	20	2200	8	1224	8	1280	\$ 10,744.00
Award Phase Activities	8	2200	20	4800	16	1760	8	1224	8	1280	\$ 11,264.00
<i>Task Subtotal</i>											\$ 32,944.00

TASK 3: Business Plan											
Business Planning	100	27500	100	24000	20	2200	0	0	16	2560	\$ 56,260.00
Analysis of Projects	40	11000	40	9600	20	2200	0	0	16	2560	\$ 25,360.00
Prioritization	30	8250	40	9600	20	2200	0	0	8	1280	\$ 21,330.00
Business Plan Document	20	5500	20	4800	20	2200	24	3672	8	1280	\$ 17,452.00
Legal and Regulatory Support											\$ 15,000.00
<i>Task Subtotal</i>											\$ 135,402.00

TASK 4: Program Management											
Coordination/Task Definition	180	49500	160	38400	40	4400	0	0	40	6400	\$ 98,700.00
Analysis	200	55000	160	38400	40	4400	0	0	180	28800	\$ 126,600.00
Deliverable Development	100	27500	100	24000	40	4400	20	3060	80	12800	\$ 71,760.00
Legal and Regulatory Support											\$ 10,000.00
<i>Task Subtotal</i>											\$ 307,060.00

TASK 5: Staff Augmentation											
Executive Assistant		0		0		0		0	1920	163200	\$ 163,200.00
<i>Task Subtotal</i>											\$ 163,200.00

TASK 6: Business Expansion Recruiting											
Identify Businesses	160	44000	40	9600		0		0	80	12800	\$ 66,400.00
Opportunity analysis	40	11000	40	9600	40	4400		0	160	25600	\$ 50,600.00
Develop materials	6	1606	20	4800	32	3520	32	4896	8	1280	\$ 16,102.00
<i>Task Subtotal</i>											\$ 133,102.00

TASK 7: Renewable Energy (SCPPA)											
Evaluate membership	120	33000	40	9600	40	4400		0	8	1280	\$ 48,280.00
Develop partnering scenarios	40	11000	40	9600	20	2200		0	40	6400	\$ 29,200.00
Structure analysis for City	40	11000	20	4800	20	2200	8	1224	30	4800	\$ 24,024.00
<i>Task Subtotal</i>											\$ 101,504.00

TASK 8: Waste to Energy											
Review proposed technology	120	33000	60	14400	32	3520	8	1224	40	6400	\$ 58,544.00
Analyze tech implementation	20	5500	20	4800	16	1760	8	1224	40	6400	\$ 19,684.00
Permitting analysis		0	20	4800	32	3520	0	0	16	2560	\$ 10,880.00
<i>Task Subtotal</i>											\$ 89,108.00

TOTAL \$ 1,100,000

CITY OF INDUSTRY

NOTICE INVITING REQUEST FOR QUALIFICATIONS

(RFQ) FOR ELECTRIC UTILITY SERVICES BENCH



**SUBMIT PROPOSALS TO
City of Industry via
PlanetBids™ Vendor Portal:**

<http://www.cityofindustry.org/?p=proposal-and-bid>

DEADLINE TO SUBMIT:

THURSDAY, JULY 7, 2016

BY 1:00 PM

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SECTION 1 INTRODUCTION AND GENERAL INFORMATION

Overview of the Request for Proposals

The City of Industry (City) is requesting Qualifications to procure qualified contractors to provide technical, professional, and staff support services to manage the City's electrical utility and to develop a bench of qualified consultant firms that may be used as necessary for the development and operations of the City's electrical utility.

RFQ Guidelines

All contacts pertaining to this Request for Qualifications shall be directed via the City of Industry's PlanetBids™ vendor portal to:

Kristen Weger, Administrative Analyst
City of Industry
P.O. Box 3366
City of Industry, CA 91744-0366
(626) 333-2211

The City assumes no responsibility for any costs incurred by an individual/Contractor in the preparation and/or presentation of a proposal in response to this Request. To be considered, respondents must submit a complete response in accordance with the requirements contained in **Section 4** of this Request. Submittals must be signed by the individual or an officer of the Contractor authorized to bind the Contractor to its provisions.

All submittals and supporting materials become the property of the City of Industry upon its receipt by the City. The City reserves the right to reject any and all submittals received, or to request additional information from any or all of the respondents for the purpose of ascertaining the most qualified individual(s)/Contractor(s) for the services requested.

Response Date

To be considered, a statement of qualifications must be received by the City of Industry no later than 1:00 p.m., on Thursday, July 7, 2016 via the City of Industry's PlanetBids™ vendor portal. Proposals are to be submitted through <http://www.cityofindustry.org/?p=proposal-and-bid>.

Proposals cover page must clearly state: **ELECTRIC UTILITY BENCH**

Postmarks, mailed, emailed or hard copy proposals will not be accepted. Late proposals will not be accepted.

Selection of Contractor

The City shall select one or more Individual(s)/Contractor(s) based on a combination of factors, such as: responsiveness and comprehensiveness of the Proposer with respect to this Request for Qualifications (RFQ); technical background and experience of the firm; technical background and experience of the proposed team members; previous work performed for other public agencies; and information obtained from references. Cost will not be a deciding factor in selection, proposers will submit sealed price proposals that detail hourly rates for proposed staff. Markups for travel, subcontractor markups, or markups for other expenses that cannot be clearly documented and supported will not be accepted.

In addition, the following factors will be considered:

1. Completeness of the proposal and ability of the Proposer to comply with the mandatory requirements proposed under this RFQ;
2. Whether the Contractor has the financial resources and facilities to perform or provide the required services promptly, or within the time specified without delay or interference;
3. Experience implementing similar programs;
4. Recommendations from prior clients and record of performance on previous contracts or services;
5. Ability to communicate effectively with diverse population, particularly English, Spanish, Korean and Cantonese/Mandarin language speakers; and
6. Ability to respond or operate 24 hours a day, seven days a week.

Some or all of the respondents may be requested to make an oral presentation of their qualifications.

SECTION 2 SCOPE OF SERVICES

General Description

The City of Industry is seeking qualified contractors to provide management and operations oversight of electric utility services within the City. Services to be provided under this Request for Qualifications include, but are not necessarily limited to, the following:

1. **Utility Operations Management and Staff Support.** Contractor shall furnish all labor necessary for the management and operations of the City's Electrical Utility, under supervision of the City's Utility Director and Utility Administrator.
2. **Utility Billing Management and Staff Support.** Contractor shall furnish all labor, equipment and material necessary for the management and operations of the City's Electrical Utility billing systems, under supervision of the City's Utility Director, Utility Administrator, and City Controller.
3. **Coordination of Maintenance and Capital Improvements for the Electric Utility.** Contractor shall coordinate with engineering and construction firms procured by the Electric Utility and by the City to maintain and upgrade the electrical system. Contractor will coordinate with assigned City staff to ensure that the City's Municipal Code, the California Public Contract Code, and all required State, local and Federal regulations are met.
4. **Conduct a cost of service utility rate study.**

SECTION 3 CONTRACTOR QUALIFICATIONS AND REQUIREMENTS

General Qualifications and Requirements

In order to be considered, Proposers must meet the requirements outline in this section. Proposers that do not meet the requirements will be considered non-responsive and their submittal will be rejected.

1. **Experience.** The selected individual(s)/Contractor(s) will have previous electric utility experience that shows the Contractor(s) can provide professional, first-class service.
2. **Principal.** The account manager, or contact person, assigned to the City will be a consideration in the selection. Qualifications and prior experience in similar programs and activities must be demonstrated in the proposal. Once selected, the account manager, or contact person, assigned to the project or contract shall not be changed without prior written consent of the City. An organizational chart, if applicable, shall be submitted with the proposal.
3. **Appropriate Licenses or certifications.** Contractor is required to have in full force and affect all licenses and permits required by all applicable laws.

4. **Insurance.** The following are the legal and insurance requirements of the City of Industry for the selected Contractor, detailed insurance requirements are included in Exhibit A:
- a) Time for Compliance. Contractor shall not commence work under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the City that the subcontractor has secured all insurance required under this section.
 - b) Minimum Requirements. Contractor shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Contractor, its agents, representatives, employees or subcontractors. Contractor shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:
 1. Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
 2. Minimum Limits of Insurance. Contractor shall maintain limits no less than: (1) *General Liability*: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease.

SECTION 4 PROPOSAL SUBMITTAL REQUIREMENTS

Submittal Format and Content

1. The submittal should be typed and as brief as possible while adequately describing the qualifications of the Contractor.
2. Only one proposal per Contractor will be considered.
3. The proposing Contractor shall submit the following information with the package, including the same information on subcontractors, in the following format:
 - a. **Cover Letter.** In no more than two (2) pages, the Contractor should provide the name, address and phone number of the Consultant, the primary contact name and phone number, any qualifying statements or comments regarding the proposal and identification of any sub-consultants and their responsibilities. The signed letter should also include a paragraph stating that the Contractor is unaware of any conflict of interest in performing the proposed work.
 - b. **Qualifications.** This portion should include a description of the qualifications of the assigned staff and sub-contractors, relevant technical experience, and the availability of the staff for the services provided. After selection of a Contractor(s) by the City, no substitution of key staff or subcontractors may occur without the written approval of the City. A list of related projects should be included with the name of the contract person and the telephone number for which the Contractor has recently or currently provides services as outlined under the Scope of Work.
 - c. **Scope of Work.** The Contractor shall describe the proposed work by task, including any tasks to be performed by sub-contractors.
 - d. **Project Fees.** Proposing Contractors must submit a sealed hourly fee proposal that includes a schedule of fees for all pertinent employees proposed for the project. Fee schedules for contractors that are not chosen will not be opened. Hourly rates are not a deciding factor in the award.
 - e. **Acceptance of Conditions.** This section will be a statement offering the Contractor's acceptance of all conditions listed in the Request for Qualifications document. Any exceptions or suggested changes to the RFQ or any contractual obligations, including the suggested change, the reasons therefore and the impact it may have on cost or other considerations on the Contractor's behalf must be stated in the submittal. Unless specifically noted by the Contractor, the City will assume that the submittal is in compliance with all aspects of the RFQ.

Evaluation and Selection Process

Selection will follow these steps:

1. **Submittal Review:** Each submittal will be reviewed to determine if it meets the RFQ requirements. Failure to meet the requirements of the RFQ will be cause for rejection. The City will consider the following in selecting a contractor(s).

Response to requested Scope of Services and this RFQ;
Professional reputation;
Experience of the Contractor;
Qualifications;
Number and experience of personnel;
References provided.

2. **Interview.** Contractors may be interviewed by an oral board.
3. **Professional Services Agreement.** The Utility Administrator will request a professional services agreement subject to negotiation of precise work program, terms of payment and other City requirements from the Contractor(s) found most qualified. Nothing in this RFQ should imply a contractual obligation for employment.
4. **Contract Approval and Execution.** The agreement will be presented to the Industry Public Utilities Commission for approval and execution by the Utility Director.

Please submit the proposal **no later than 1:00 p.m., on Thursday, July 7, 2016** via City of Industry PlanetBids™ vendor portal <http://www.cityofindustry.org/?p=proposal-and-bid>.

Attachment 1

**City of Industry
Professional Services Agreement**

CITY OF INDUSTRY**PROFESSIONAL SERVICES AGREEMENT**

This PROFESSIONAL SERVICES AGREEMENT ("Agreement"), is made and effective as of July 28, 2016 ("Effective Date"), between the City of Industry, a municipal corporation ("City") and INSERT NAME OF CONSULTANT AND TYPE OF LEGAL ENTITY [i.e.-limited liability company, corporation, partnership, etc.]("Consultant"). The City and Consultant are hereinafter collectively referred to as the "Parties".

RECITALS

WHEREAS, City desires to engage Consultant to perform the services described herein, and Consultant desires to perform such services in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, City and Consultant agree as follows:

1. TERM

This Agreement shall commence on the Effective Date, and shall remain and continue in effect until tasks described herein are completed, but in no event later than July 30, 2019 unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

(a) Consultant shall perform the tasks ("Services") described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. ("Scope of Services"). Tasks other than those specifically described in the Scope of Services shall not be performed without prior written approval of the City. The Services shall be performed by Consultant, unless prior written approval is first obtained from the City. In the event of conflict or inconsistency between the terms of this Agreement and Exhibit A, the terms of this Agreement shall prevail.

(b) City shall have the right to request, in writing, changes to the Services. Any such changes mutually agreed upon by the Parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement.

(c) Consultant shall perform all Services in a manner reasonably satisfactory to the City and in a first-class manner in conformance with the standards of quality normally observed by an entity providing [redacted] services, serving a municipal agency.

(d) Consultant shall comply with all applicable federal, state, and local laws, regulations and ordinances in the performance of this Agreement, including but not limited to, the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 *et seq.*). During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working on the Effective Date if both (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute or law; and (ii) City has not consented in writing to Consultant's performance of such work. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.* Consultant hereby

warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Consultant was an employee, agent, appointee, or official of the City in the previous twelve (12) months, Consultant warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code §1090 *et. seq.*, the entire Agreement is void and Consultant will not be entitled to any compensation for Services performed pursuant to this Agreement, and Consultant will be required to reimburse the City for any sums paid to the Consultant. Consultant understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

(e) Consultant represents that it has, or will secure at its own expense, all licensed personnel required to perform the Services. All Services shall be performed by Consultant or under its supervision, and all personnel engaged in the Services shall be qualified and licensed to perform such services.

3. MANAGEMENT

City's **Utility Director or his designee** shall represent the City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but shall have no authority to modify the Services or the compensation due to Consultant.

4. PAYMENT

(a) The City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B ("Rate Schedule"), attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed **INSERT WRITTEN DOLLAR AMOUNT** dollars (\$) for the total Term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City and Consultant at the time City's written authorization is given to Consultant for the performance of said services.

(c) Consultant shall submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of Consultant's fees it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this Agreement shall be made within 45 days of receipt of an invoice therefore.

5. SUSPENSION OR TERMINATION OF AGREEMENT

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a

portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant shall submit an invoice to the City pursuant to Section 5 of this Agreement.

6. OWNERSHIP OF DOCUMENTS

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to review such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and may be used, reused, or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files, Consultant shall make available to the City, at the Consultant's office, and upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. Consultant hereby grants to City all right, title, and interest, including any copyright, in and to the documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared by Consultant in the course of providing the services under this Agreement. All reports, documents, or other written material developed by Consultant in the performance of the Services pursuant to this Agreement, shall be and remain the property of the City.

7. INDEMNIFICATION

(a) Indemnity for professional liability

When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless the City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or Subconsultants (or any agency or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement.

(b) Indemnity for other than professional liability

Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or agency for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

(c) DUTY TO DEFEND. In the event the City, its officers, employees, agents and/or volunteers are made a party to any action, claim, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this Agreement, and upon demand by City, Consultant shall have an immediate duty to defend the City at Consultant's cost or at City's option, to reimburse the City for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters.

Payment by City is not a condition precedent to enforcement of this indemnity. In the event of any dispute between Consultant and City, as to whether liability arises from the sole negligence of the City or its officers, employees, or agents, Consultant will be obligated to pay for City's defense until such time as a final judgment has been entered adjudicating the City as solely negligent. Consultant will not be entitled in the absence of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

8. INSURANCE

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached hereto and incorporated herein by reference.

9. INDEPENDENT CONSULTANT

(a) Consultant is and shall at all times remain as to the City a wholly independent consultant and/or independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultants exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against the City, or bind the City in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

10. LEGAL RESPONSIBILITIES

The Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

11. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure was used against or in concert with any officer or employee of the City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the City has or will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the City to any and all remedies at law or in equity.

12. NO BENEFIT TO ARISE TO LOCAL OFFICERS AND EMPLOYEES

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

13. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City, unless otherwise required by law or court order. (b) Consultant shall promptly notify City should Consultant, its officers, employees, agents, or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within the City, unless Consultant is prohibited by law from informing the City of such Discovery, court order or subpoena. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless City is a party to the lawsuit, arbitration, or administrative proceeding and is adverse to Consultant in such proceeding, Consultant agrees to cooperate fully with the City and to provide the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

14. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: City of Industry
15625 E. Stafford, Suite 100
City of Industry, CA 91744

Attention: City Manager

With a Copy To: James M. Casso, City Attorney
Casso & Sparks, LLP
13200 Crossroads Parkway North, Suite 345
City of Industry, CA 91746
Tel (626) 512-5470
jcasso@cassosparks.com

To Consultant: _____

15. ASSIGNMENT

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City.

Before retaining or contracting with any subconsultant for any services under this Agreement, Consultant shall provide City with the identity of the proposed subconsultant, a copy of the proposed written contract between Consultant and such subconsultant which shall include and indemnity provision similar to the one provided herein and identifying City as an indemnified party, or an incorporation of the indemnity provision provided herein, and proof that such proposed subconsultant carries insurance at least equal to that required by this Agreement or obtain a written waiver from the City for such insurance.

Notwithstanding Consultant's use of any subconsultant, Consultant shall be responsible to the City for the performance of its subconsultant as it would be if Consultant had performed the Services itself. Nothing in this Agreement shall be deemed or construed to create a contractual relationship between the City and any subconsultant employed by Consultant. Consultant shall be solely responsible for payments to any subconsultants. Consultant shall indemnify, defend and hold harmless the Indemnified Parties for any claims arising from, or related to, the services performed by a subconsultant under this Agreement.

16. GOVERNING LAW/ATTORNEYS' FEES

The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court in Los Angeles County, California. If any action at law or suit in equity is brought to enforce or interpret the provisions of this Agreement, or arising out of or relating to the Services provided by Consultant under this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and all related costs, including costs of expert witnesses and consultants, as well as costs on appeal, in addition to any other relief to which it may be entitled.

17. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the Parties relating to the obligations of the Parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written and pertaining to the subject of this Agreement or with respect to the terms and conditions of this Agreement, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

18. SEVERABILITY

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

19. COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

20. CAPTIONS

The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and shall have no significance in the interpretation of this Agreement.

21. WAIVER

The waiver by City or Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in writing.

22. REMEDIES

Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by

statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or remedies.

23. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Consultant represents and warrants that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the Effective Date.

“CITY”

“CONSULTANT”

City of Industry

INSERT NAME OF COMPANY

By: _____ By: _____

Paul Philips, City Manager

Name, Title

Attest:

By: _____

Cecelia Dunlap, Deputy City Clerk

Approved as to form:

By: _____

James M. Casso, City Attorney

Attachment 2

**City of Industry
Insurance Requirements**

EXHIBIT A

INSURANCE REQUIREMENTS

Without limiting Consultant's indemnification of City, and prior to commencement of the Services, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to Agency.

General liability insurance. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000.00 per occurrence, \$2,000,000.00 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

Automobile liability insurance. Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000.00 combined single limit for each accident.

Professional liability (errors & omissions) insurance. Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

Workers' compensation insurance. Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000.00).

Consultant shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of Agency, its officers, agents, employees and volunteers.

Proof of insurance. Consultant shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsement must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this contract. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

Duration of coverage. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Services hereunder by Consultant, his agents, representatives, employees or subconsultants.

Primary/noncontributing. Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a

provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

City's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant, or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

Waiver of subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

Enforcement of contract provisions (non estoppel). Consultant acknowledges and agrees that any actual or alleged failure on the part of the City to inform Consultant of non-compliance with any requirement imposes no additional obligations on the Agency nor does it waive any rights hereunder.

Requirements not limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

Additional insured status. General liability policies shall provide or be endorsed to provide that City and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess liability policies.

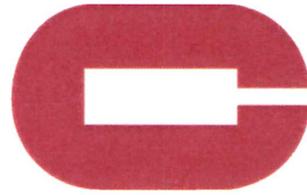
Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

Separation of Insureds. A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim

INDUSTRY PUBLIC UTILITIES COMMISSION

ITEM NO. 5.4

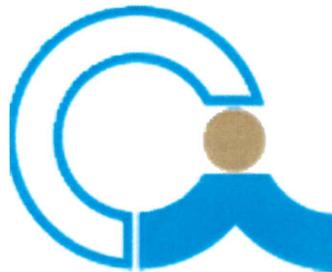
PRESENTATION HANDOUT



CORDOBA CORPORATION

LOS ANGELES • SAN FRANCISCO • SANTA ANA • SAN DIEGO

City of Industry
June 16th, 2016



Overview

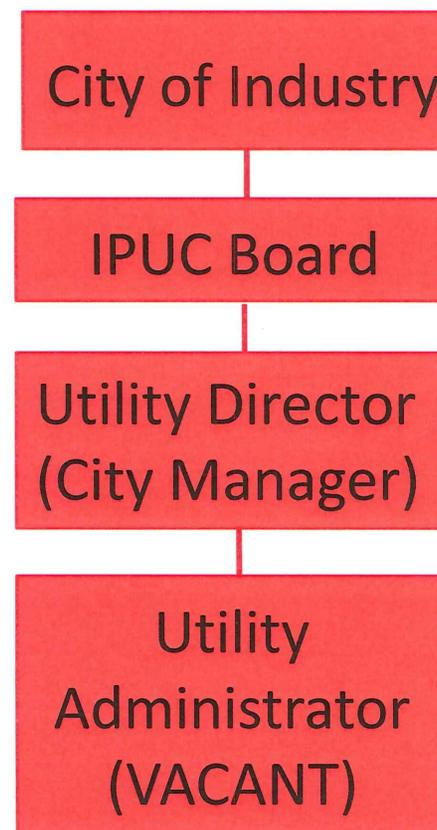
Cordoba is retained by the City of Industry to assess the Industry Public Utility Commission (IPUC) in order to determine the current status and best plan of future action for the IPUC. Based on current progress, the following preliminary findings will be discussed:

- Current IPUC status
- IPUC, City Engineer, and operational service contractors
- Electric energy procurement
- Status of major assets: Industry Metrolink PV1 Solar Carport Facility and Waddingham Substation
- Options for future IPUC growth



Findings: Current IPUC Status

- IPUC is currently organized with its own independent Board, Utility Director and Utility Administrator
- Manual accounting system currently in place; upgrade is recommended
- Electric rates, rules and regulations are not current
- Metrics are not in place to measure efficiency of operations, customer satisfaction, or financial performance
- Accountability for operational performance, long and short term strategy and investment priorities are dispersed across various City departments.
- Recent valuation of IPUC assets is not available
- IPUC is not leveraging current California Municipal Utilities Association (CMUA) membership

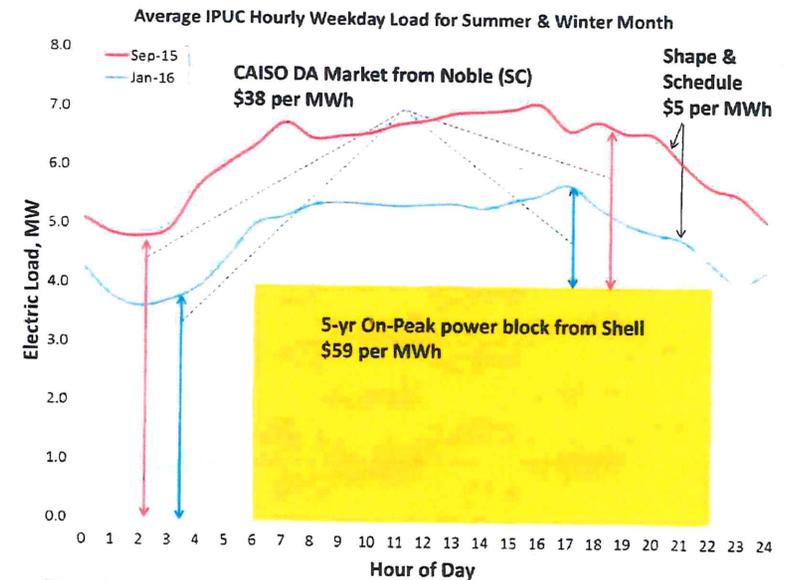


Findings: IPUC, City Engineering Dept. and Contractors

- Several contractors & City departments provide support to IPUC
 - Intertie, LLC was contracted in 2001 to provide overall strategic direction, investment recommendations, regulatory reporting, and operating oversight to IPUC
 - Butsko coordinates with the City Engineering Department to perform engineering design work and prepare RFPs for electric infrastructure projects, as well as directing repair functions using line repair contractor
 - ENCO Utility Services provides customer service, billing, electric metering and meter reading, emergency call center, and solar generation reporting services.
 - International Line Builders (ILB) performs as needed repair work on electric circuits for customer service restoration

Findings: IPUC Electric Energy Procurement

- IPUC procures 7MW of capacity using two suppliers, delivered to SP-15 Delivery Point
- Shell Energy – Fixed price 4MW purchasing agreement for IPUC service area energy delivery. Contract expires 12/31/2019. \$50.25/MWhr
- Noble Americas Energy Solutions – Energy purchasing contract for remainder of IPUC load; Day-ahead purchasing and scheduling of energy delivery
- Current structure obtains lower cost energy for existing load
- Contract structure will require future changes to address Renewables Portfolio Standard requirements



Findings: Industry Metrolink PV1 Solar Carport Facility

- 2 MW_{DC} Solar Facility constructed in 2012 by Industry Metrolink LLC, a Colorado based entity. Construction cost of \$11 Million.
- 20-year Power Purchase Agreement (PPA) with Southern California Edison, signed in 2012
- PPA contract is with LLC, not the City of Industry. Current ownership of facility is unclear
- Existing O&M contract with Snowden Electric renewed annually since 2012
- 32 Electric Vehicle charging stations currently installed and providing free charging to Metrolink customers. Facility is designed to accommodate up to 300 EV charging stations; 32 extra stations are ready to be installed



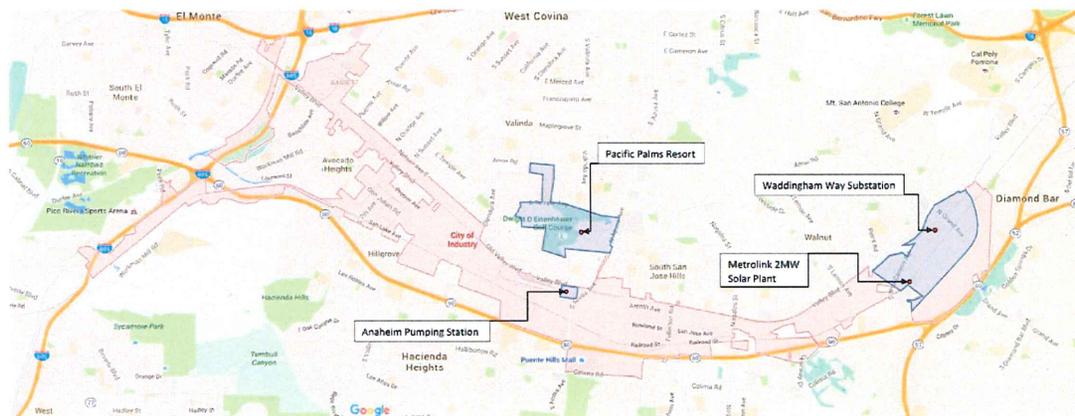
Findings: Waddingham Way Substation



- Constructed to accommodate future load of IPUC service area and reduce transmission/distribution charges from SCE
- IPUC has incurred \$300k additional expenses from SCE after connecting to transmission lines; Bills are currently being reviewed for accuracy
- Substation has not yet been connected to distribution grid; savings not yet realized
- Construction costs for substation and additional distribution circuits will be recovered through electric rate increase
- Substation capacity will accommodate new circuits to Business Center East

Findings: Options for Future IPUC Growth

- Expanding IPUC can be achieved through multiple paths
 - Exercising Eminent Domain over SCE distribution system
 - Community Choice Aggregation
 - Organic growth within existing service territory; attracting new businesses through favorable IPUC energy policies and rates
- Each option has risks and advantages; further strategic and financial analysis must be conducted to arrive at lowest cost, best fit option.
- Cost of Service Study and detailed implementation plan are necessary to achieve objective.



Findings: Options for Future IPUC Growth, cont.

- Possibilities for other developments through IPUC policy
 - Renewable energy investments
 - Waste to Energy Project
- CMUA membership allows the City to work with other municipalities and help influence state legislature on energy policy
- City has the opportunity to join Southern California Public Power Authority (SCPPA)
 - Membership allows for joint investment in generation and transmission resources between large group of municipal utilities
 - Allows City to stay connected and updated on relevant issues



Proposal

Cordoba Corporation has prepared a proposal for your consideration that addresses all key findings



Questions?



INDUSTRY PUBLIC UTILITIES COMMISSION

ITEM NO. 5.5

Memo



To: Alex Gonzalez, Director of Development Services and Administration
From: Greg B. Galindo, General Manager
Date: June 7, 2016
Subject: Industry Public Utilities 2015 Consumer Confidence Report

Summary

In 1996, Congress amended the Safe Drinking Water Act by requiring water systems to deliver an annual water quality report in the form of a consumer confidence report to all its customers, similarly to the Annual Water Quality Report (AWQR) that California water systems began distributing in 1990. However, the CCR calls for specific and detailed regulatory requirements in terms of content and format as opposed to those for the AWQR. The CCR includes information on source water, levels of any detected contaminants, and compliance with drinking water regulations along with brief educational material. Every community water system must prepare, distribute, and ensure that its customers receive a report containing all required content. The reports are based on calendar-year data and must be delivered to consumers annually by July 1st of the following year.

In 2013, the US EPA and the State Water Resources Control Board Division of Drinking Water (DDW) began allowing community water systems to distribute the CCR electronically. DDW provides guidance on the delivery methods to ensure all consumers of a community water system have access to the CCR. One method to ensure all consumers have access is to mail each customer a notification that the CCR is available and include in the notice the direct website link (URL) to the CCR on a publicly available site on the Internet where it can be viewed.

Enclosed for your review is the final draft of the Industry Public Utilities 2015 CCR along with the final draft of the postcard notice informing consumers that the CCR is available online. As expected, the drinking water provided in 2015 by the Industry Public Utilities met or surpassed all Federal and State drinking water standards. Any customer wishing to receive a hard copy of the CCR will be mailed upon request. In addition, a Spanish translated CCR will be posted online and hard copies will also be made available upon request. If you have any questions on the CCR or enclosures, please feel free to contact me.

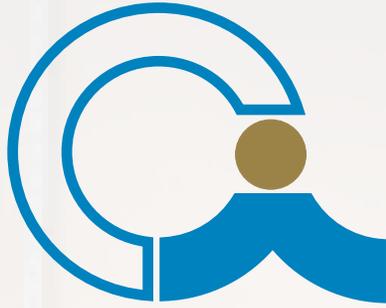
Respectfully Submitted,

Greg B. Galindo

General Manager

Enclosures

- Draft Industry Public Utilities Draft 2015 CCR
- Draft Postcard Notice of CCR Availability



INDUSTRY PUBLIC UTILITIES

2015 Consumer Confidence Report

KNOW YOUR WATER

Industry Public Utilities is committed to keeping you informed on the quality of your drinking water. This report is provided to you annually and it includes information on where your drinking water comes from, the constituents found in your drinking water and how the water quality compares with the regulatory standards. We are proud to report that during 2015, the drinking water provided by Industry Public Utilities met or surpassed all Federal and State drinking water standards. We remain dedicated to providing you with a reliable supply of high quality drinking water.

This report contains important information about your drinking water. Translate it or speak with someone who understands it. For more information or questions regarding this report, please contact Mr. Greg Galindo at (626) 336-1307.

Este informe contiene información muy importante sobre su agua potable. Para más información o preguntas con respecto a este informe, póngase en contacto con el Sr. Greg Galindo (626) 336-1307.

Connect With Us

Industry Public Utilities Commission

Mark D. Radecki
President

Abraham N. Cruz
Commissioner

Roy Haber, III
Commissioner

Cory C. Moss
Commissioner

Newell W. Ruggles
Commissioner

GOVERNANCE

Regularly scheduled meetings of Industry Public Utilities Commission are held on the third Thursday of each month at 9:00 am at 15651 East Stafford Street, City of Industry. These meetings provide an opportunity for public participation in decisions that may affect the quality of your water.

GENERAL INFORMATION

Office Hours: Monday - Friday 8 a.m.-5 p.m.
Phone: (626) 336-1307
Fax: (626) 330-2675
Email: service@lapuentewater.com
Address: 112 North First Street
La Puente, CA 91744
After hours emergency service: (626) 336-1307

WHERE DOES MY DRINKING WATER COME FROM?

WATER SOURCES

Industry Public Utilities water system is operated and managed by the La Puente Valley County Water District. During 2015, Industry Public Utilities' water supply came from San Gabriel Valley Water Company (SGVWC) and La Puente Valley County Water District wells and the City of Industry Well No. 5 all located within the Main San Gabriel Groundwater Basin. This well water is treated and then disinfected with chlorine before it is delivered to your home.



DRINKING WATER SOURCE ASSESSMENT

An assessment of the drinking water sources for SGVWC was updated in October 2008. The assessment concluded that SGVWC's sources are considered most vulnerable to the following activities or facilities associated with contaminants detected in the water supply: leaking underground storage tanks, hardware/lumber/parts stores, hospitals, gasoline stations, and known contaminant plumes. In addition, the sources are considered most vulnerable to the following activities or facilities not associated with contaminants detected in the water supply: above ground storage tanks, spreading basins, storm drain discharge points and transportation corridors. You may request a summary of the assessment by contacting La Puente Valley County Water District's office at 626-330-2126.

An assessment of the drinking water sources for La Puente Valley County Water District was completed in March 2008. The assessment concluded that the La Puente Valley County Water District's sources are considered most vulnerable to the following activities or facilities associated with contaminants detected in the water supply: leaking underground storage tanks, known contaminant plumes and high density of housing. In addition, the sources are considered most vulnerable to the following facility not associated with contaminants detected in the water supply: transportation corridors – freeways/state highways. You may request a summary of the assessment by contacting La Puente Valley County Water District's office at 626-330-2126.

WHAT ARE WATER QUALITY STANDARDS?

In order to ensure that tap water is safe to drink, the United States Environmental Protection Agency (USEPA) and the State Water Resources Control Board, Division of Drinking Water (DDW) prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. DDW regulations also establish limits for contaminants in bottled water that provide the same protection for public health.

Drinking water standards established by USEPA and DDW set limits for substances that may affect consumer health or aesthetic qualities of drinking water. The chart in this report shows the following types of water quality standards:

Maximum Contaminant Level (MCL): The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible.

Secondary MCLs are set to protect the odor, taste, and appearance of drinking water.

Maximum Residual Disinfectant Level (MRDL): The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

Primary Drinking Water Standard (PDWS): MCLs for contaminants that affect health along with their monitoring and reporting requirements and water treatment requirements.

Regulatory Action Level (AL): The concentration of a contaminant, which, if exceeded, triggers treatment or other requirements that a water system must follow.

Notification Level (NL): An advisory level which, if exceeded, requires the drinking water system to notify the governing body of the local agency in which users of the drinking water reside (i.e. city council/county board of supervisors).

In addition to mandatory water quality standards, USEPA and DDW have set voluntary water quality goals for some contaminants. Water quality goals are often set at such low levels that they are not achievable in practice and are not directly measurable. Nevertheless, these goals provide useful guideposts and direction for water management practices. The chart in this report includes three types of water quality goals:

Maximum Contaminant Level Goal (MCLG): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the USEPA.

Maximum Residual Disinfectant Level Goal (MRDLG): The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

Public Health Goal (PHG): The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.

WHAT CONTAMINANTS MAY BE PRESENT IN SOURCES OF DRINKING WATER?

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity.

Contaminants that may be present in source water include:

Microbial contaminants, such as viruses and bacteria that may come from sewage treatment plants, septic systems, agricultural livestock operations and wildlife.

Inorganic contaminants, such as salts and metals, that can be naturally-occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining or farming.

Pesticides and herbicides, which may come from a variety of sources such as agriculture, urban stormwater runoff and residential uses.

Radioactive contaminants, which can be naturally-occurring or can be the result of oil and gas production and mining activities.

Organic chemical contaminants, including synthetic and volatile organic chemicals that are by-products of industrial processes and petroleum production, and can also come from gasoline stations, urban stormwater runoff, agricultural application, and septic systems.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the USEPA's Safe Drinking Water Hotline (1-800-426-4791).

WHAT IS IN MY DRINKING WATER?

Your drinking water is tested by certified professional water system operators and certified laboratories to ensure its safety. The chart in this report shows the average and range of concentrations of the constituents tested in your drinking water during year 2015 or from the most recent tests. The State allows us to monitor for some contaminants less than once per year because the concentrations of these contaminants do not change frequently. Some of our data, though representative, are more than one year old. The chart lists all the contaminants detected in your drinking water that have Federal and State drinking water standards. Detected unregulated contaminants of interest are also included.

ARE THERE ANY PRECAUTIONS THE PUBLIC SHOULD CONSIDER?

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. USEPA/Centers for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline (1-800-426-4791).

INFORMATION ON LEAD IN DRINKING WATER

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. The Industry Public Utilities is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at: <https://www.epa.gov/lead>.

NITRATE ADVISORY

At times, nitrate in your tap water may have exceeded one-half the MCL, but it was never greater than the MCL. The following advisory is issued because in 2015 we recorded a nitrate measurement in the treated drinking water which exceeded one-half the nitrate MCL.

“Nitrate in drinking water at levels above 10 milligrams per liter (mg/L) is a health risk for infants of less than six months of age. Such nitrate levels in drinking water can interfere with the capacity of the infant’s blood to carry oxygen, resulting in a serious illness; symptoms include shortness of breath and blueness of the skin. Nitrate levels above 10 mg/L may also affect the ability of the blood to carry oxygen in other individuals, such as pregnant women and those with certain specific enzyme deficiencies. If you are caring for an infant, or you are pregnant, you should ask advice from your health care provider.”

2015 SAMPLE RESULTS

PRIMARY STANDARDS

ANALYTE	YEAR SAMPLED	UNIT	MCL (MRDL)	PHG (MCLG)	DLR	AVERAGE [1]	RANGE	VIOLATION	MAJOR SOURCE OF CONTAMINANT
INORGANIC CHEMICALS									
Arsenic	2015	µg/l	10	0.004	2	2.2	ND - 3	No	Erosion of natural deposits
Barium	2015	mg/l	1	2	0.1	0.12	ND - 0.19	No	Discharges of oil drilling wastes and from metal refineries; erosion of natural deposits
Fluoride	2015	mg/l	2	1	0.1	0.33	0.23 - 0.43	No	Erosion of natural deposits
Hexavalent Chromium	2015	µg/l	10	0.02	1	3.3	2.1 - 4.7	No	Runoff/leaching from natural deposits
Nitrate as N	2015	mg/l	10	10	0.4	7.1	1.7 - 8.4	No	Leaching from fertilizer use
RADIOLOGICALS									
Gross Alpha Particle Activity	2015	pCi/L	15	(0)	3	4.4	ND - 12	No	Decay of natural and man-made deposits
Uranium	2015	pCi/L	20	0.43	1	3.2	1.2 - 5.7	No	Erosion of natural deposits

SECONDARY STANDARDS

ANALYTE	YEAR SAMPLED	UNIT	MCL (MRDL)	PHG (MCLG)	DLR	AVERAGE	RANGE	VIOLATION	MAJOR SOURCE OF CONTAMINANT
Chloride	2015	mg/l	500	NA	NA	29	19 - 44	No	Runoff/leaching from natural deposits
Foaming Agents	2015	µg/l	500	NA	NA	<50 [2]	ND - 50	No	Municipal and industrial waste discharges
Odor-Threshold [6]	2015	TON	3	NA	1	1	1	No	Runoff/leaching from natural deposits
Specific Conductance	2015	µmho/cm	1,600	NA	NA	590	410 - 790	No	Substances that from ions in water
Sulfate	2015	mg/l	500	NA	0.5	44	26 - 70	No	Runoff/leaching from natural deposits
Total Dissolved Solids	2015	mg/l	1,000	NA	NA	380	260 - 530	No	Runoff/leaching from natural deposits

OTHER CONSTITUENTS OF INTEREST

ANALYTE	YEAR SAMPLED	UNIT	MCL (MRDL)	PHG (MCLG)	DLR	AVERAGE	RANGE	VIOLATION	MAJOR SOURCE OF CONTAMINANT
Alkalinity	2015	mg/l	NA	NA	NA	190	140 - 270	No	Runoff/leaching from natural deposits
Calcium	2015	mg/l	NA	NA	NA	80	54 - 110	No	Runoff/leaching from natural deposits
Hardness (as CaCO ₃)	2015	mg/l	NA	NA	NA	260	180 - 350	No	Runoff/leaching from natural deposits
Magnesium	2015	mg/l	NA	NA	NA	15	10 - 20	No	Runoff/leaching from natural deposits
pH	2015	Unit	NA	NA	NA	7.9	7.8 - 8	No	Hydrogen ion concentration
Potassium	2015	mg/l	NA	NA	NA	3.8	2.6 - 5.1	No	Runoff/leaching from natural deposits
Sodium	2015	mg/l	NA	NA	NA	20	13 - 29	No	Runoff/leaching from natural deposits

UNREGULATED SUBSTANCES [4]

ANALYTE	YEAR SAMPLED	UNIT	MCL (MRDL)	PHG (MCLG)	AVERAGE	RANGE	VIOLATION	MAJOR SOURCE OF CONTAMINANT
Chlorate	2015	µg/l	800	NA	260	210 - 300	No	Byproduct of drinking water chlorination; industrial processes
Chlorodifluoromethane	2015	µg/l	NA	NA	<0.08	ND - 0.13	No	Refrigerant
Molybdenum	2015	µg/l	NA	NA	2.6	2.3 - 2.8	No	Runoff/leaching from natural deposits
Strontium	2015	µg/l	NA	NA	630	590 - 660	No	Runoff/leaching from natural deposits
Vanadium	2015	µg/l	50	NA	1.6	ND - 3.2	No	Runoff/leaching from natural deposits

DISTRIBUTION SYSTEM WATER QUALITY

ANALYTE	YEAR SAMPLED	UNIT	MCL (MRDL)	PHG (MCLG)	AVERAGE	RANGE	MAJOR SOURCE OF CONTAMINANT
Total Coliform Bacteria	2015	positive/negative	< 1 positive monthly sample	0	0	0	Naturally present in the environment
Total Trihalomethanes	2015	µg/l	80	NA	13	4.2 - 13	By-product of drinking water disinfection
Haloacetic Acids	2015	µg/l	60	NA	1.4	ND - 1.4	By-product of drinking water disinfection
Chlorine Residual	2015	mg/l	(4)	(4)	1	0.8 - 1.4	Drinking water disinfectant added for treatment
Odor-Threshold [5]	2015	TON	3	NA	1	1	Naturally occurring organic materials
Turbidity [5]	2015	NTU	5	NA	<0.1 [3]	ND - 0.2	Runoff/leaching from natural deposits

LEAD & COPPER

ANALYTE	YEAR SAMPLED	UNIT	AL	PHG (MCLG)	90TH %TILE	SITES ABOVE AL	MAJOR SOURCE OF CONTAMINANT
Lead	2013	µg/l	15	0.2	ND <5	0/20	Corrosion of household plumbing
Copper	2013	mg/l	1.3	0.3	0.44	0/20	Corrosion of household plumbing

A total of 20 residences were tested for lead and copper in July 2013. Lead was not detected above the reporting limit in any of the samples. Copper was detected above the reporting limit in 11 samples, none of which exceeded the AL. The Industry Public Utilities complies with the Lead and Copper Rule. The next required sampling for lead and copper will be conducted in the summer of 2016.

NOTES

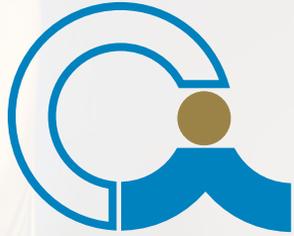
AL = Action Level
 DLR = Detection Limit for Purposes of Reporting
 MCL = Maximum Contaminant Level
 MCLG = Maximum Contaminant Level Goal
 mg/l = parts per million or milligrams per liter
 ng/l = parts per trillion or nanograms per liter

MRDL = Maximum Residual Disinfectant Level
 MRDLG = Maximum Residual Disinfectant Level Goal
 NA = No Applicable Limit
 ND = Not Detected at DLR
 NL = Notification Level
 TON = Threshold Odor Number

NTU = Nephelometric Turbidity Units
 pCi/l = picoCuries per liter
 PHG = Public Health Goal
 µg/l = parts per billion or micrograms per liter
 µmho/cm = micromhos per centimeter

- The results reported in the table are average concentrations of the constituents detected in your drinking water during year 2015 or from the most recent tests. Treated water data are provided by San Gabriel Valley Water Company and La Puente Valley County Water District.
- Constituent does not have a DLR. Constituent was detected but the average result is less than the analytical Method Reporting Limit.

- "<" means the constituent was detected but the average result is less than the indicated reporting limit or DLR.
- Monitoring data provided by San Gabriel Valley Water Company.
- This water quality is regulated by a secondary standard to maintain aesthetic characteristics (taste, odor, color).



Industry Public Utilities
2015 Consumer Confidence Report
Available Online July 1, 2016

<http://www.industrypublicutilities.com/ccr.pdf>



INDUSTRY PUBLIC UTILITIES
112 N. FIRST STREET
LA PUENTE, CA 91744
(626) 336-1307

WWW.INDUSTRYPUBLICUTILITIES.COM

Learn more about your water quality.

To reduce costs to ratepayers and allow for convenient online viewing, Industry Public Utilities' Annual Consumer Confidence Report will be available at <http://www.industrypublicutilities.com/ccr.pdf> starting July 1, 2016. If you have any further questions or would like a printed copy, please call (626) 336-1307 or stop by the district office.

Aprenda más acerca de la calidad de su agua.

Para reducir costos a los contribuyentes y proveer la manera más conveniente vía internet, El Informe Confidencial del Consumidor Anual de Industry Public Utilities estará disponible en <http://www.industrypublicutilities.com/ccr.pdf> a partir del 1 de julio, 2016. Si usted tiene alguna pregunta o desea una copia impresa, por favor llame al (626) 336-1307 o pase por la oficina del distrito.

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