



Rules and Regulations for Cerritos Electric Utility Electric Service

1. Rules for Electric Service

These are the Rules for electric service (“**direct access service**” or “**CEU’s service**”) from Cerritos Electric Utility (“**CEU**”), a community aggregator providing direct access service to customers within the city of Cerritos.

2. Agreement to Purchase Direct Access Service

These Rules and the “Electric Service Confirmation” form the “**Agreement**” between CEU and Customers. Subject to CEU’s acceptance of the Agreement and enrollment by Southern California Edison Company (“**SCE**”), Customer agrees to become a CEU Customer and CEU will act as Customer’s limited agent to perform the necessary tasks associated with Customer’s direct access service and fulfill the terms of the Agreement. In this role, CEU will acquire supplies necessary to meet energy needs, while SCE will continue to deliver Customers’ electricity. CEU agrees to sell and deliver to Customer, and Customer agrees to purchase and accept, the quantity of electricity delivered to Customer, all in accordance with the prices and other terms and conditions set forth in the Agreement and SCE’s direct access rules.

3. Full Requirements Service

CEU agrees to provide, and Customer agrees to receive, one hundred percent of the electricity requirements for Customer’s designated account(s) (“**Designated Account(s)**”).

4. Obtain Credit History

CEU may investigate at any time Customer’s credit history and choose to obtain a consumer credit report on Customer from a consumer reporting

agency. If CEU learns that Customer’s credit, payment history, or account status is not satisfactory, at CEU’s sole discretion, CEU may decline to provide direct access service, terminate existing direct access service, or require a deposit as described in Section 7.

5. Information Release Authorization

Customer specifically authorizes CEU to obtain information from SCE with respect to Customer’s billing and credit history, electricity usage, load shape, and other similar customer-specific billing and electricity usage data. In connection with the Agreement, Customer agrees to (a) provide CEU with electricity statements relating to the Designated Account(s); (b) execute any separate written agreement that may be required from time to time by SCE in connection with implementation of the Agreement; and (c) provide CEU with such other information and take such other action as may be reasonably required and requested from time to time to implement the Agreement. CEU will protect customer specific information consistent with CEU’s Privacy Policy, available at cerritos.us/main/privacy_policy.php.

6. Right to Cancel

Customers have a right to rescind or cancel the Agreement until midnight of the 3rd business day after the day on which Customer signs the Agreement, without fee or penalty. This cancellation occurs when Customer provides written notice to CEU at the physical or electronic address specified below in Section 26. Notice is effective when transmitted and the notice of cancellation may be in any form that expresses the intention of Customer to not be bound by the Agreement.





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7. Deposits

CEU may, at its sole discretion, require a deposit from Customers before providing direct access service or as a result of CEU determining that Customer's credit, payment history or account status is unsatisfactory, as determined solely by CEU. The deposit will not be more than Customer's estimated bill for a three-month period.

8. Direct Access Rules

Direct access service provided under the Agreement is subject to (a) SCE's tariffs and rules relating to direct access service, including but not necessarily limited to Rule 22—Direct Access, (b) the AB 80 Agreement and associated agreements and (c) SCE Schedule CCA-CRS (Community Choice Aggregation Cost Responsibility Surcharge), all of which as may be revised from time to time and approved by the California Public Utilities Commission and made applicable to the provision of direct access service by CEU to Customer ("**Direct Access Rules**").

9. Fees for Switching to SCE Service

SCE may apply a fee for requesting to be returned to SCE electric generation service. If Customer returns to SCE after previously switching to CEU, Customer may or may not be served under the same rates, terms and conditions that apply to other customers that SCE serves. Additionally, Customer may not have the ability to return to CEU electric generation service for a specified period.

10. Term of Agreement

The Agreement will be effective on the date on which CEU provides written notice to the Customer that CEU has received and approved the Agreement ("**Effective Date**"). Thereafter, Customer and CEU will work cooperatively to switch the Designated Account(s) to direct access service as soon as practicable. Direct access service from CEU will commence on the applicable meter read cycle date specified by SCE pursuant to the Direct Access

Rules ("**Initial Service Date**"). Customer will buy electricity from CEU on a month-to-month basis. Direct access service will automatically renew for successive one (1) month periods ("**Renewal Term**") unless either party notifies the other party in writing at least thirty (30) days prior to the next meter read date of the desire not to renew. Termination will occur as of the applicable meter read cycle date associated with the transfer of Customer to SCE's electric generation service.

CEU may terminate the Agreement without penalty, at any time, if CEU is precluded from providing direct access service in accordance with the Direct Access Rules, an order of the CPUC, other governmental authority, or the California Independent System Operator ("**CAISO**") or other action beyond the reasonable control of CEU.

Upon termination, the Customer will be returned to SCE's electric generation service. If CEU is required by law to continue to supply electricity to the terminated Customer after the effective date of termination, Customer will be required to pay the amount owed by Customer to CEU, as determined in a commercially reasonable manner by CEU, for any post-termination energy deliveries.

11. Rate

Customer will pay CEU for direct access service at the price ("**Rate**") as set forth in the Confirmation. CEU's Rate is for generation-related charges only and excludes taxes and charges from SCE, including but not limited to, charges for delivery service and public purpose programs. Charges under the Agreement are subject to adjustment as may be reasonably necessary to reflect supplemental, modified, additional or late charges imposed by CEU, SCE under the Direct Access Rules, or charges imposed by CAISO. Customer is responsible for all charges applied by SCE under SCE's applicable tariffs. CEU customers with onsite generation may be receive CEU services under CEU's NEM rate schedule.

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12. Billing and Payment

Customer will receive two bills for electric service. SCE will submit a bill for delivery and other services provided by SCE. Customer will make payment directly to SCE in accordance with the payment terms stated in SCE's tariffs. Separately, CEU will bill Customer for electric generation service provided by CEU. Upon reasonable notice to the Customer, CEU may change its billing process to consolidated SCE billing, whereby SCE would send a single, consolidated bill to the Customer that will include CEU's charges under the Agreement. Customer's payment to CEU will be due by the date specified on CEU's bill ("**Late Payment Date**"). CEU only accepts payments from Customers in either cash or by check. Payments by cash must be completed at Cerritos City Hall, 18125 Bloomfield Avenue, Cerritos, CA 90703. Payments not received by the Late Payment Date will be subject to delinquency charge of 2 percent of the past due amount and a late interest rate of 1 percent per month from the Late Payment Date until the date CEU receives payment in full.

13. Billing Disputes

If Customer in good faith disputes an invoice, Customer must provide CEU a written explanation ("**Dispute Notice**") specifying the dispute, and Customer must pay the entire invoice by the Late Payment Date. Disputed amounts subsequently determined to be in error will be repaid with interest accrued at the prime lending rate as published in the Wall Street Journal from the date of payment by Customer until the date of refund by CEU.

14. Events of Default

"**Customer Default**" means: (a) Customer's failure to make, when due, any payment required by the Agreement, unless remedied within 10 business days following written notice; or (b) the failure to take electric supply when delivered under terms of the Agreement unless remedied within 10 business days following written notice; or (c) tampering or

disconnecting of Customer's electric meter which may cause or may reasonably be expected to cause an inaccurate reading or no reading of the usage data provided by the meter.

"**CEU Default**" means the failure to fulfill the material obligations of the Agreement with regard to rate, term, and electric supply if not remedied within 30 business days following written notice, unless excused by the occurrence of a Force Majeure Event, as defined in Section 23.

15. Remedies for Customer Default

If a Customer Default occurs under the Agreement, CEU may terminate the Agreement 10 business days after providing written notice. Following termination of CEU's service, Customer will be returned to SCE electric generation service.

In place of termination, CEU may require a deposit from Customer consistent with Section 7. CEU may charge Customer for any and all fees or charges reasonable and necessary in order to collect or attempt to collect delinquent balances. CEU may use the services of debt-collection agencies, consumer reporting agencies, and other remedies as allowed by law to collect any unpaid balances on Customer accounts. CEU may apply any deposit to balances owed at the time Customer accounts are placed in collections status.

16. Electric Emergencies and Power Quality

SCE will continue to operate the electric system and maintain responsibility for power outages and quality. Customer will hold CEU harmless in the event of a loss of power caused by any entity other than CEU. If Customer has an electrical emergency, power outage, or reduction in power quality, Customer should contact SCE at its emergency number on Customer's SCE invoice.

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17. Delays or Failure to Exercise Rights

No partial performance, delay, or failure on the part of CEU in exercising any rights under the Agreement and no partial or single exercise thereof shall constitute a waiver of such rights or of any other rights hereunder.

18. Acceptance and Amendments

CEU may amend the terms of these Rules at any time, consistent with any applicable law, rule, or regulation, by providing notice to Customer of such amendment at least 30 days prior to the effective date thereof.

Upon receipt of written notice of a material change, customer may terminate the Agreement prior to the date such change becomes effective without penalty.

19. Assignment

Customer may not assign the Agreement, in whole or in part, or any of its rights or obligations hereunder without the prior written consent of CEU.

20. Governing Law

The Agreement shall be governed by, enforced, and performed in accordance with laws of California.

21. Entire Agreement

The Agreement sets forth the entire agreement between Customer and CEU with respect to the terms and conditions of direct access service to Customer. Any and all other agreements, understandings and representations between Customer and CEU with respect to the matters addressed therein are superseded by the Agreement.

22. Unenforceable Provisions

The terms, conditions, and covenants of the Agreement shall be construed whenever possible as consistent with all applicable laws and regulations. To the extent that any provision of the Agreement is held to violate any applicable law or regulation, the remaining provisions shall nevertheless be carried into full force and effect and shall remain enforceable.

23. Limitations of Liability

Liability for damages will be limited to direct actual damages. CEU does not produce, transmit, or distribute electricity and will not be liable for any damages for interruptions in electric service. Neither Party will be liable to the other for consequential, incidental, punitive, exemplary or indirect damages, including lost profits or penalties of any nature, which are hereby waived, whether or not there was actual knowledge of such possible damages, or if such damages could have been reasonably foreseen. These limitations apply without regard to the cause or responsibility of any liability or damage.

CEU will endeavor in a commercially reasonable manner to provide direct access service but cannot guarantee a continuous supply of electrical energy. Force Majeure Events may result in interruptions in service. **“Force Majeure Events”** mean an event or circumstance not reasonably within the control of, or due to the negligence of, CEU, including without limitation acts of God, accidents, strikes, labor disputes, required maintenance work, inability to access the SCE system, nonperformance of SCE, and disconnection of SCE's electric circuits.

24. Indemnity

Each Party shall indemnify, defend and hold harmless the other from and against any claims arising from or out of any event, circumstance, act or incident that the indemnifying party caused due to its negligence, willful misconduct, strict liability, or any action or inaction which gives rise to any liability.

25. Dispute Resolution

All disputes arising in connection with the Agreement (**“Claims”**) will be resolved exclusively through self-administered binding arbitration pursuant to the Agreement. A Party that wishes to refer a Claim to arbitration must provide written notice to the other Party. The Parties shall, within 30 days after such notice, each designate one arbitrator who need

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not be impartial. The two arbitrators so designated shall promptly designate a third arbitrator, who shall take an oath of neutrality. The arbitration hearing will commence on or before the 120th day following the designation of the third arbitrator, and will take place in Cerritos, California. The validity, performance, and construction of the Agreement will be governed and interpreted in accordance with the laws of California, without giving effect to conflict of law principles. The arbitration will be conducted under the procedures set forth in The Commercial Arbitration Rules of the American Arbitration Association to the extent not inconsistent with the provisions of the Agreement. There will be no transcript of the hearing. Each Party may submit a post-hearing brief to the arbitrators, which will be submitted within 10 days of the completion of the final hearing. All proceedings conducted hereunder and the decision of the arbitrators will be kept confidential by the Parties. All decisions of the three arbitrators will be made by majority vote, and the arbitrators will render their award in writing on or before the 30th day following the last session of the hearing. Any award of the arbitrators will be consistent with the limitations

and terms of the Agreement. The decisions of the arbitrators will be final and binding on the Parties and non-appealable to the maximum extent permitted by law. EACH PARTY UNDERSTANDS AND AGREES THAT, EXCEPT AS EXPRESSLY PERMITTED HEREIN, IT WILL NOT BE ABLE TO BRING A LAWSUIT CONCERNING ANY DISPUTE THAT MAY ARISE UNDER THE AGREEMENT, OTHER THAN TO COMPEL ARBITRATION OR TO ENFORCE AN ARBITRATION AWARD.

26. Notices

All Notices and correspondence will be in writing and delivered to Customer and CEU, as applicable, by regular mail, courier, and electronic mail. The Notice will be effective upon receipt by the person to whom it is addressed. Notices provided to CEU should be addressed to the following addresses:

Cerritos Electric Utility
18125 Bloomfield Avenue
Cerritos, California 90703

Email: power@cerritos.us