

Rule No. 40  
ON-BILL FINANCING PROGRAM

Sheet 1

A. APPLICABILITY

The terms and conditions of this Rule shall apply to the loans offered by the Utility to facilitate the purchase and installation of energy efficiency measures by its commercial or industrial customers, as well as owners of residential multi-family units who do not live on the premises. In order to receive the on-bill financing, customer must complete an application to Utility's energy efficiency programs and sign a separate loan contract (On-Bill Financing Loan Agreement, Form No. 7150 or On-Bill Financing Loan Agreement for Self-Installers, Form No. 7150-A). The customer must accept responsibility for purchasing and installing the energy efficiency measures.

B. PROGRAM DESCRIPTION

The On-Bill Financing (OBF) Program is primarily designed to facilitate the purchase and installation of qualified energy efficiency measures by customers who might otherwise not be able to act given capital constraints or other barriers to participation. Approved customers will be offered zero percent financing according to the OBF program guidelines in effect at the time of customer application. Monthly payment requirements on the loan will be billed as part of the participating customer's energy bill.

C. CUSTOMER ELIGIBILITY

1. All of the Utility's existing non-residential customers (including government accounts) and owners of residential multi-family units who do not live on the premises are eligible to participate in the OBF Program.
2. To be eligible for consideration for On-Bill Financing, the customer must be in good credit standing as determined by the Utility. The credit eligibility criteria are documented in the program guidelines.

D. LOAN AGREEMENT

Customer participation in the OBF Program requires customer to sign a loan agreement (On-Bill Financing Loan Agreement, Form No. 7150 or On-Bill Financing Loan Agreement for Self-Installers, Form No. 7150-A) which specifies loan repayment obligations.

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(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 3936  
DECISION NO.

ISSUED BY  
**Lee Schavrien**  
Senior Vice President  
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
DATE FILED Dec 17, 2008  
EFFECTIVE Jan 16, 2009  
RESOLUTION NO. \_\_\_\_\_

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Sheet 2

(Continued)

E. BILLING AND COLLECTION

1. The customer will be responsible to repay loans in accordance with the terms and conditions of the contract (Form No. 7150 or Form No. 7150-A). The monthly amounts due shall appear as a line item on the customer's monthly energy bill.
2. Customer's loan obligation shall be subject to the provisions of Rule No. 9, Discontinuance of Service, Section C, Non-Payment of Bills.
3. OBF Program loan installments are not subject to the late payment charge provision of Rule No. 12, Payment of Bills.

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3673  
DECISION NO.

2C9

ISSUED BY

**Lee Schavrien**  
Vice President  
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Oct 31, 2006  
EFFECTIVE Nov 30, 2006  
RESOLUTION NO. \_\_\_\_\_