

Level Pay Terms and Conditions

Level Pay The LADWP Level Pay program (“Level Pay” or the “Program”) is intended to assist eligible residential customers with current bill budgeting while mitigating existing arrears. Level Pay flattens out or “levelizes” bill fluctuations by billing customers a monthly, recurring amount based on an average of their usage and costs over a period of time that will mitigate seasonal swings that may normally occur on bills. Level Pay will also incorporate a customer’s eligible existing arrears into the customer’s future payments by amortizing the arrears over the number of months of your term. The Program may be modified without prior notice and terminated at any time.

Please note that there are certain instances where changes to the recurring amount will be warranted and they are discussed in the different sections below.

Eligible Customers Level Pay enrollment is limited to LADWP residential customers that have a minimum of 60-days of service and have received at least one commodity bill for all active eligible service agreements at their current service address. The customer’s account must have only active eligible service agreements. Accounts with a mixture of ineligible and eligible service agreements will not be allowed to enroll. Customers that have recently relocated from one service address to another service address or who have relocated within LADWP service territory with arrears from the prior service addresses may not be able to immediately enroll their entire arrears in Level Pay. If a customer with prior service address arrears requests Level Pay, please allow for a minimum of two (2) weeks to incorporate all eligible arrears in the Level Pay Payment Schedule. Customers may have to contact LADWP once all arrears have been transferred to eligible active service agreements in order to enroll all arrears in Level Pay.

Eligible Active Service Agreements Level Pay enrollment is limited to active LADWP residential service agreements such as those for residential electric, water, and sanitation services.

Level Pay Eligibility The LADWP will make the final determination on whether a particular customer account is eligible for Level Pay. These factors include but are not limited to total amount of arrears, number of defaulted payments on other programs, age of arrears, among other factors.

Scheduled Payment Amount The Level Pay scheduled payment amount is an estimation of the customer’s future utility charges for their enrolled eligible service agreement(s). It does not represent the actual charges incurred by the customer and may therefore need to be adjusted based on actual charges. The levelized payment amount is based on the service address’s (premise) utility charges for the past 12 billed months for each of the qualifying electric, water, and sanitation services included in your Level Pay plus any outstanding balances (arrears) amortized over the number of months of your term. If twelve (12) months of premise history for the customer’s service address is not available on the account, a minimum of nine (9) months of premise history will be used. If nine (9) months is not available, area trend calculations will be used. The scheduled payment amount will also include any historical estimated bills and discounts. **Historical Consumption/Charges** The Level Pay Scheduled Payment Amount is based on the service address’ (premise) historical utility charges for the past 12 billed months for each of the qualifying electric, water, refuse, and sewer services. This will include any estimated bills and account adjustments. If only nine (9) months of service history exists, then a monthly

payment amount will be based on a nine-month average. When a nine-month minimum service history is not present, a trend estimate is used to calculate the average payment amount.

If there was an issue with the historical consumption (i.e., Underground Water Leak (UGL), high/low consumption reads, delayed billing, balance transfer, or any other type of issue that could impact the Monthly Scheduled Payment amount), LADWP may adjust the Monthly Scheduled Payment Amount to account for the historical consumption/charges impacts.

Outstanding Balances and Taxes Upon Level Pay enrollment or renewal, any outstanding balances on enrolled service agreements will be incorporated into the monthly payment amount by amortizing the outstanding balance over the Level Pay term duration and adding, or, if a credit, subtracting, the amount from your average monthly consumption. The LADWP acts as a collection agency for the California State Energy Surcharge, the Los Angeles City Utility User' Tax, and Bureau of Sanitation Charges. The taxes are included as part of the calculation.

Level Pay Scheduled Payment Notice While enrolled in Level Pay, customers will receive monthly Scheduled Payment Notices regarding their Level Pay scheduled payment that is due each month. The levelized payment amount is based on the service address's (premise) utility charges for the past 12 months for each of the qualifying electric, water, and sanitation services included in their Level Pay plus any outstanding balances amortized over the number of months of the term. If twelve (12) months of usage history for the customer's service address is not available on the account, a minimum of nine (9) months of history will be used. If nine (9) months is not available, area trend calculations will be used.

Billing In addition to the monthly Level Pay Scheduled Payment Notice, customers will continue to receive their standard bill, online or via mail from LADWP every two (2) months, which will provide (among other things) any estimated or actual meter readings taken at the premises, actual or estimated consumption for the period, charges not included as part of their Monthly Level Pay Scheduled Payment Notice (see Non-Eligible Charges for Level Pay), and other useful information about their Electricity/Water/Sanitation accounts and the services LADWP provides. Most of the time, the standard bill will have a \$0 balance on a bi-monthly basis, but if a customer is past due on their Level Pay monthly payments or a non-eligible Level Pay charge is applied to a customer account, the standard bill will have charges, and will need to be paid.

Level Pay Termination LADWP reserves the right to terminate the Level Pay Program from individual customers at any time and without advanced notice to the customer.

LADWP Obligation LADWP reserves the right to choose which customers Level Pay is offered to and is under no obligation to offer Level Pay to specific customers, customer types, customer classes, etc.

Cancellation of a Specific Level Pay Payment When a Level Pay Payment has been cancelled either by the customer or due to insufficient funds, the amount cancelled will appear on the following standard bill and must be paid, in addition to the next regularly scheduled Level Pay Payment.

Automatic Renewal At the end of the customer's term, Level Pay will automatically renew. The automatic renewal term will be for a period of 12 months regardless if their Level Pay was started with a term greater than 12 months. A new levelized scheduled payment amount will be calculated. To cancel automatic re-enrollment, you must call 1-800-DIAL-DWP (1-800-342-5397), seven (7) business days before the renewal day. Also see Level Pay Cancellation Request below.

A customer's renewal monthly Scheduled Payment Amount will include the differences from what the customer should have been billed over the Level Payment Term vs the actual Level Pay Scheduled Monthly Payment Amount the customer had been paying over the term of the Level Pay Schedule. Factors that can impact differences between the actual charges the customer would have paid and the amount the customer was paying while enrolled in Level Pay include but are not limited to, rate factor changes, changes to consumption compared to historical consumption, among other factors.

Pre-Term Level Pay Adjustment LADWP uses historical information at the service address to calculate the monthly Level Pay amount for the Level Pay Term. There may be instances where a Level Pay Payment Schedule needs to be adjusted well in advance of the end of the Level Pay Term. In the event this occurs, LADWP, at the Utility's discretion, may break and re-enroll a customer into Level Pay. Situations that may warrant a pre-term Level Pay adjustment include but are not limited to ineligible service agreement amounts not incorporated in the initial Level Pay Monthly Payment Schedule Amount, significant fluctuations in consumption, significant changes to rates/tariffs, eligible service agreements added to an account, estimated standard commodity bills, delays in providing a standard commodity bill, and large credit/debit adjustments applied to the account, among other reasons.

Automatic Payment If a customer is currently enrolled in Automatic Payment they shall also be enrolled in Automatic Payment for their Level Pay plan. If a customer signs up for Automatic Payment while enrolled in Level Pay, please allow for a minimum of two (2) weeks to process the change. While on Automatic Payment, in Level Pay, a customer's account will make the payment on the 10th day prior to their selected day of the month. An automatic payment may also be processed if the customer incurs a Non-Eligible Charge for Level Pay that will be reflected in their standard bill.

Other LADWP Payment Assistance Options While enrolled in Level Pay, customers will not be able to utilize other Payment Options such as Payment Plans and Payment Arrangements. If a Payment Plan or Payment Arrangement is created on an account in Level Pay, those Payment Plans and Payment Arrangements may be deleted upon discovery without further notice to the customer.

Discounts LADWP does not offer any additional discounts specifically for customers opting to enroll in Level Pay. Any discounts or financial assistance customers may already be receiving will be calculated in to the Level Pay Monthly Payment Amount.

Unenrollment from Level Pay:

There are several circumstances that may lead to a customer being unenrolled from Level Pay, the most common are detailed below. If the following situations occur a customer may be unenrolled from Level Pay without notice. The customer will be sent a confirmation of the unenrollment. If a customer believes they should not have been unenrolled, the customer may contact 1-800-DIAL-DWP (1-800-342-5397) to review their account.

Delinquent Payments Customers who become delinquent or miss payments may be removed from Level Pay. If a customer is removed from Level Pay due to delinquent or missed payments, the customer will not be able to re-enroll in the program for 180 days from the date of their removal. Once removed from Level Pay, delinquent accounts are subject to collection and disconnection for non-payment.

Starting Non-Qualifying Services While in Level Pay Customers starting new services that do not qualify for inclusion in Level Pay and therefore cannot be included into Level Pay may be removed from the program.

Customer Initiated Cancellation Customers can choose to terminate their Level Pay enrollment at any time during the Level Pay Term. In order to unenroll from Level Pay, the customer must contact LADWP via phone or in person at one of our Customer Service Centers. Upon cancellation of Level Pay the customer's payoff balance will all become immediately due by the next regularly scheduled payment date for the customer's standard billing.

Changes in Account Status to Non-Qualifying Statuses Customers whose account status changes to Cash Only or Bankruptcy may be removed from Level Pay. Customers may re-enroll if the account status returns to normal.

Unpaid Non-Eligible Charges for Level Pay Customers who become delinquent on Non-Eligible Charges for Level Pay may be removed from Level Pay. If a customer is removed from Level Pay due to non-payment, all unpaid charges will be due immediately in order to avoid collection and/or severance.

Transfer of Commodity Services If the service agreements enrolled in Level Pay are stopped at one service address due to a customer relocating to another service address within LADWP service territory, the Level Pay will also be cancelled at the prior service address. The customer that transfers service must have a minimum of 60-days of service and receive at least one commodity bill for all eligible service agreements at their new current service address to enroll again in Level Pay.

Termination of Commodity Services If the service agreements enrolled in Level Pay are stopped at the customer's request, the Level Pay will also be cancelled. LADWP must be notified when a customer intends to vacate the premises and the meter(s) must be accessible for a final read and turn off. We must receive one (1) business-days' notice (Monday through Friday) for these requests. A customer may be held liable for any service used until such notification is received and meter access is available. Customers may request termination of service online at www.LADWP.com and at 1-800-342-5397.

Energy Theft Investigations In the event that LADWP investigates and determines that a customer enrolled in Level Pay has actively participated in Energy Theft, which is the unlawful taking of energy from the utility company or their customers, the customer will be immediately removed from Level Pay and all existing charges, in addition to those charges applied by the Energy Theft Investigation team, will be due immediately.

Requests to Cancel Level Pay A customer may request to cancel their Level Pay at any time except for the period of seven (7) business days before renewal day. To cancel customers must call 1-800-DIAL-DWP (342-5397). Any balances in their standard bill will become due on their account.

After Cancelling Your Level Pay If a customer had enrolled in Level Pay with a past due balance, the remainder of that outstanding balance will be due once the Level Pay Plan is cancelled. Additionally, at the time the customer requests to cancel Level Pay an outstanding balance for the account may exist. In both cases, payment of the outstanding balance will be due and will follow normal collections procedures. LADWP has other payment options available that you may explore, such as payment arrangements and payment plans.

Outside of Level Pay, LADWP disconnects service for non-payment of a bill. Current LADWP policy provides for no less than 10 days notification prior to discontinuance of service for non-payment. Termination for failure to make proper application, tampering, or safety violations may be made without notice.

Additional Details:

Advance Payments Customers making payments larger than their monthly Level Pay amount will have the balance of the advance payment held as a credit on the Level Pay Plan account. The credit will be applied to future Level Pay installments if no payment or a partial payment is made. This also applies to Customer Assistance program pledges including but not limited to, LIHEAP or LIHWAPP.

Service Account Credit Adjustments Prior to enrolling in Level Pay, any credit adjustments applied to a customer's service agreements will be incorporated into the monthly scheduled payment amount. While enrolled in Level Pay, any credit adjustments applied to the account will not be reflected in the monthly scheduled payment amount but will be reflected in the Level Pay Payoff Balance and applied to the account at the end of the Level Pay Payment Term. In the event the credit adjustment is large enough to significantly reduce the monthly scheduled payment amount, a pre-term Level Pay review/adjustment may be required to reduce the monthly payment schedule.

Ineligible Service Account Credits Credits or credit adjustments on service agreements that are ineligible for Level Pay will not be reflected in the Level Pay Payment Schedule and will not reduce the amount of the Level Pay Payment Schedule. Customers who would like their Level Pay Payment Schedule to reflect credits from ineligible accounts should contact LADWP at 1-800-DIAL-DWP (1-800-342-5397).

Meter Reading There will be no changes to the customer's routine bi-monthly meter reading as a result of Level Pay enrollment. LADWP still needs access to a customer's meter(s) to obtain an accurate meter reading to ensure that their true-up billings are as accurate as possible. Customers must maintain access arrangements to ensure their meter(s) can be read on a routine basis. If a customer needs to make arrangements for access, or for additional information they may need concerning this service, please contact Meter Reading Unit Monday through Friday between 7:30 a.m. and 4:30 p.m. at 310-524-8725.

LADWP reserves the right to remove a customer from Level Pay if that customer does not provide access to obtain regular routine meter readings

Glossary

Arrears: Arrears refers to past due billing amounts owed by the customer.

Billing : In addition to the monthly Level Pay Scheduled Payment Notice, customers will continue to receive their standard bill, online or via mail from LADWP every two (2) months, which will provide (among other things) any estimated or actual meter readings taken at the premises, actual or estimated

consumption for the period, charges not included as part of their Monthly Level Pay Scheduled Payment Notice (see **Non-Eligible Charges for Level Pay**), and other useful information about their Electricity/Water/Sanitation accounts and the services LADWP provides. Most of the time, the standard bill will have a \$0 balance on a bi-monthly basis, but if a customer is past due on their Level Pay monthly payments or a non-eligible Level Pay charge is applied to a customer account, the standard bill will have charges, and will need to be paid.

Credit Adjustments: Credit adjustments are often applied to a customer's eligible service agreement in lieu of a cancel re-bill or in the event LADWP cannot perform a cancel/re-bill on a specific account. Credit adjustments may not impact the monthly Payment Schedule amount if applied when a customer is currently enrolled in Level Pay. Credit adjustments will impact the payoff balance and the customer will see the adjustment at the time of Level Pay Renewal.

Future Utility Charges Covered by Plan: Referenced on page 2 of this letter, this is the estimated consumption over the Level Pay term.

Level Pay Due Date: The date that your Level Pay scheduled payments are due. During enrollment, customers select the scheduled day of the month that they would like to make their Level Pay payments. During the course of the Level Pay term, if the selected day of the month falls on a weekend or holiday, the due date will default to the next business day.

Level Pay Start Date: The Level Pay start date will be the date that the customer signs-up for Level Pay. If the start date of Level Pay is within a bill cycle and/or before the current outstanding bill amount is due for payment, the accrued current amount will be allocated into the Level Pay Payment Schedule for the Level Pay Payment Period. If the customer is due to receive their bi-monthly bill at the time the customer signs-up for Level Pay, the current bi-monthly charges will not be factored in to the Level Pay Monthly Payment Schedule and will still be due as part of the bi-monthly billing.

Level Pay Term : The standard Level Payment Term in a Level Pay Payment schedule will be based on a 12-month term, one (1) payment per month for one (1) year. The 12-months will include all seasons, which should create a more balanced commodity usage average. At LADWP's discretion, there are extenuating circumstances where the Level Pay Term may extend beyond the 12-month period.

Level Pay Scheduled Payment Notice : The Level Pay Scheduled Payment Notice is a payment reminder generated and distributed to the customer on a monthly basis. Customers must be pay their scheduled amount by the due date each month in order to ensure a customer is not removed from Level Pay.

Non-Eligible Charges for Level Pay: There are certain charges or adjustments that are not enrolled into a customer's Level Pay plan. Charges such as, but not limited to, charges from non-eligible service agreements, one-time service fees, insufficient funds or bank returned check penalties, account deposits, and prior premise debts are not included in the Level Pay plan. When enrolling into Level Pay, these charges will still appear on your standard commodity bill, will still be due and must still be paid separately. If these charges occur while a customer is enrolled in Level Pay, they must also be paid separately as part of your standard commodity bill.

Outstanding Balances : Prior to enrolling in Level Pay, Outstanding Balances consists of any amount currently owed for your various utility services and can include current amounts due as well as arrears. While enrolled in Level Pay, Outstanding Balances refers to variances that are: 1) not associated with a

Service Agreement eligible for Level Pay, 2) balance transfers associated with the customer account, 3) any unpaid Level Pay statements not paid while on Level Pay, 4) Any additional debits applied to the account not called out above.

Pre-Term Level Pay Adjustment : An adjustment to the Level Pay Scheduled Payment amount prior to the end of the Level Pay Term. In the event this occurs, LADWP, at the Utility's discretion, may break and re-enroll a customer into Level Pay.

Premise History : This pertains to the specific commodity consumption history at a specific address regardless of the customer using the consumption. When applying for Level Pay and not at a residence for at least 12-months, the Level Pay calculation will be based on premise consumption history and not specific customer consumption history. In the event the premise has only 60 days of recent premise history, the average of the 60 days will be leveraged to generate payment schedule.

Scheduled Payment Amount: The levelized payment amount is based on the service address's (premise) utility charges for the past 12 billed months for each of the qualifying electric, water, and sanitation services included in your Level Pay plus any outstanding balances (arrears) amortized over the number of months of your term. If twelve (12) months of premise history for your the customer's service address is not available on the account, a minimum of nine (9) months of premise history will be used. If nine (9) months is not available, area trend calculations will be used. The scheduled payment amount will also include any historical estimated bills and discounts.

Service Agreements: A service agreement is a technical term used by LADWP's system to help define the terms and conditions controlling how the system manages the specific service supplied to the customer. Every customer account can also have multiple Service Agreements but should have at least one (1). There are different types of service agreements for each service, for example Residential Electric and Residential Water. A separate service agreement is required for every service supplied to a customer account. For example, a residential customer may have three (3) services - water, electric and refuse - at their residence so they will have three (3) different service agreements - Residential Electric, Residential Water, and Residential Refuse (Sanitation).

Utility Services or Services: Refers to your electric, water, and sanitation services.