

INFORMATION REGARDING YOUR UTILITY RATES.



The City of Palo Alto Utilities (CPAU) is Proposing Rate Changes Effective July 1, 2026

On June 15, 2026, the Palo Alto City Council will consider rate changes for electric, natural gas, water services, wastewater, stormwater, and refuse, effective July 1, 2026. Rates adjustments are proposed to support infrastructure upgrades, system maintenance, regulatory compliance, and to maintain adequate financial reserves. These investments are crucial to maintaining the integrity of our utility systems and ensuring that you receive the dependable service you rely on every day.

Utility Service	Bill Change Amount ¹	Percent Change
Electric	\$4.00	4.5%
Gas ²	\$7.30	9%
Water	\$10.00	8%
Wastewater Collection	\$10.70	16%
Stormwater	\$0.50	3%
Refuse	\$1.50	3%
Monthly Bill Change³	\$35.20	8%

¹ Estimated monthly bill change for the median residential utilities customer rounded to ten cents, based on projected fiscal year (FY) 2026 monthly median residential bill of \$441.50.

² Changes shown with commodity rates held constant; actual gas commodity rates vary monthly.

³ The monthly bill change includes an increase in Utility Users Tax (UUT), which is calculated as 5% applied to the increase on the electric, gas, and water utility bills.

Why Are Utility Rates Changing

These rate increases are essential for maintaining safe, reliable, and environmentally sustainable utility services. Rate increases are necessary for the City to continue to provide high quality utility services to the community. Factors contributing to the need for increases include:

- Increased costs for wastewater treatment and facility upgrades at the Regional Water Quality Control Plant (RWQCP) and main replacement in the wastewater collection system.
- Upgrades to the City's electric grid distribution system.
- Replenish utilities financial reserves.

How Do Our Utility Rates Compare to Other Utilities

Despite these increases, Palo Alto residents still benefit from lower utility rates compared to neighboring communities. Palo Alto residents pay about 47% less for electricity than PG&E customers and those in neighboring communities served by Silicon Valley Clean Energy (SVCE), Peninsula Clean Energy (PCE), and San Jose Clean Energy (SJCE) when comparing the median residential bill.

ELECTRIC RATE COMPARISON (\$/KWH)

Average Residential Total Electric Rate — \$/kWh	Palo Alto ¹	PG&E ²	Combined SVCE ² + PG&E	Combined SJCE ² + PG&E	Combined PCE ² + PG&E
	\$0.22	\$0.42	\$0.41	\$0.41	\$0.41

¹ Palo Alto rate as of July 1, 2026. ² PG&E (Pacific Gas & Electric) and combined Community Choice Aggregation (CCA) rates as of March 1, 2026.

How Do Our Bills Compare to Neighboring Cities

Palo Alto's costs are often lower than those in neighboring cities, making the entire monthly bill less than what the median residential utility customer pays for these services in the Bay Area.

FISCAL YEAR 2026 (\$/MONTH)

	Palo Alto	Menlo Park	Redwood City	Mountain View	Hayward
Electric	\$89	\$160	\$160	\$160	\$160
Gas	\$78	\$88	\$88	\$88	\$88
Water	\$125	\$103	\$129	\$101	\$106
Wastewater	\$67	\$120	\$105	\$58	\$48
Stormwater ¹	\$17	N/A	N/A	N/A	N/A
Refuse	\$50	\$59	\$59	\$50	\$46
TOTAL	\$426	\$530	\$541	\$457	\$448

Note: Bill amounts do not include Taxes and Fees; calculated based on rates effective in FY26 at Palo Alto median usage levels.

¹ Most other cities do not have a Stormwater Management Fee since it requires voter approval; Palo Alto was forward thinking to pass this fee to help protect critical infrastructure from flooding.

We Are Here to Help

CPAU staff are here to answer any questions you may have and assist with resources to help manage your utility usage and expenses. Visit paloalto.gov/UtilitiesAssistance or call Utilities Customer Service at **(650) 329-2161** for information on financial assistance programs.



Our paloalto.gov/WaysToSave webpage lists no-cost and low-cost ways to save on energy and water usage to keep utility bill costs low.

For more information on utility rates, visit: paloalto.gov/RatesOverview

Stay Informed

Palo Alto community members can follow the public rate change process and provide input at the Utilities Advisory Commission, Finance Committee, and City Council meetings. View paloalto.gov/CouncilAgendas for meeting dates and agendas.

To stay updated on important City news, sign up for digital City newsletters at paloalto.gov/NewsletterSignUp. Visit the City's website to connect with us on social media at paloalto.gov/Connect

Contact Us

Phone: **(650) 329-2161** Email: UtilitiesCustomerService@paloalto.gov



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Individuals with disabilities who require accommodations to access City facilities, services or programs, or who would like information on the City's compliance with the Americans with Disabilities Act (ADA) of 1990, may contact the City's ADA Coordinator at (650) 329-2368 (voice) or email ada@cityofpaloalto.org
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