

COMPRESSED NATURAL GAS SERVICE

UTILITY RATE SCHEDULE G-10

A. APPLICABILITY:

This schedule applies to the sale of Gas to the City-owned compressed natural gas (CNG) fueling station at the Municipal Service Center in Palo Alto.

B. TERRITORY:

Applies to the City's CNG fueling station located at the Municipal Service Center in City of Palo Alto.

C. UNBUNDLED RATES: Per Service

Monthly Service Charge:\$ 115.34

Per Therm

Supply Charges:

Commodity (Monthly Market Based).....	\$0.10-\$4.00
Cap and Trade Compliance Charges.....	\$0.00-\$0.25
Transportation Charge	\$0.00-\$0.30
Carbon Offset Charge	\$0.00-\$0.10

Distribution Charge.....\$ 0.0190

D. SPECIAL CONDITIONS

1. Calculation of Cost Components

The actual bill amount is calculated based on the applicable rates in Section C above and adjusted for any applicable discounts, surcharges and/or Taxes. On a Customer's bill statement, the bill amount may be broken down into appropriate components as calculated under Section C.

The Commodity Charge is based on the monthly natural gas Bidweek Price Index for delivery at PG&E Citygate, adjusted to account for delivery losses to the Customer's Meter. The Commodity Charge also includes adjustments to account for Council-approved programs implemented to reduce the cost of Gas, including a municipal purchase discount¹ and \$0.055 per therm for mitigating the impact of short-term natural gas market price spikes².

¹ Adopted via Resolution 9451, on September 15, 2014.

² Adopted via Resolution 10187 on August 19, 2024.

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The Cap and Trade Compliance Charge reflects the City's cost of regulatory compliance with the state's Cap and Trade Program, including the cost of acquiring compliance instruments sufficient to cover the City's Gas Utility's compliance obligations. The Cap and Trade Compliance Charge changes in response to changing market conditions, retail sales volumes and the quantity of allowances required, and is calculated based on the Cap-and-Trade Program's quarterly auction allowance closing prices.

The Carbon Offset Charge reflects the City's cost to purchase offsets for greenhouse gases produced when Gas is burned. The Carbon Offset Charge changes in response to changing market conditions, sales volumes and the quantity of offsets purchased within the Council-approved per therm cap.

The Transportation Charge is based on the current PG&E G-WSL³ (Gas Transportation Service to Wholesale/Retail Customers) rate for Palo Alto, accounting for delivery losses to the Customer's Meter.

The Commodity, Cap and Trade Compliance, Carbon Offset and Transportation Charges will fall within the minimum/maximum ranges set forth in Section C. Current and historic per therm rates for the Commodity, Cap and Trade Compliance, Carbon Offset and Transportation Charges are posted on the City Utilities website.⁴

{End}

³ https://www.pge.com/tariffs/assets/pdf/tariffbook/GAS_SCHEDS_G-WSL.pdf

⁴ Monthly gas and commodity and volumetric rates are available [here](https://www.paloalto.gov/files/assets/public/utilities/business/business-rates/monthly-gas-volumetric-and-service-charges-commercial.pdf), or by visiting <https://www.paloalto.gov/files/assets/public/utilities/business/business-rates/monthly-gas-volumetric-and-service-charges-commercial.pdf>

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