

RESIDENTIAL GAS SERVICE

UTILITY RATE SCHEDULE G-1

A. APPLICABILITY:

This schedule applies to the following Customers receiving Gas Service from City of Palo Alto Utilities:

1. Separately-metered single-family residential Customers;
2. Separately-metered multi-family residential Customers in multi-family residential facilities.

B. TERRITORY:

This schedule applies everywhere the City of Palo Alto provides Gas Service.

C. UNBUNDLED RATES:

Per Service

Monthly Service Charge:\$ 18.40

Tier 1 Rates:

Per Therm

Supply Charges:

- | | |
|---|---------------|
| 1. Commodity (Monthly Market-Based) | \$0.10-\$4.00 |
| 2. Cap and Trade Compliance Charge | \$0.00-\$0.25 |
| 3. Transportation Charge | \$0.00-\$0.30 |
| 4. Carbon Offset Charge | \$0.00-\$0.10 |

Distribution Charge:..... \$ 0.8944

Tier 2 Rates: (All usage over 100% of Tier 1)

Supply Charges:

- | | |
|---|---------------|
| 1. Commodity (Monthly Market-Based) | \$0.10-\$4.00 |
| 2. Cap and Trade Compliance Charge | \$0.00-\$0.25 |
| 3. Transportation Charge | \$0.00-\$0.30 |
| 4. Carbon Offset Charge | \$0.00-\$0.10 |

Distribution Charge:..... \$ 2.2873

CITY OF PALO ALTO UTILITIES

Issued by the City Council

*Supersedes Sheet No G-1-1
dated 11-1-2024*



Effective 7-1-2025
Sheet No **G-1-1**

RESIDENTIAL GAS SERVICE

UTILITY RATE SCHEDULE G-1

D. SPECIAL NOTES:

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.

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

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

² Adopted via Resolution 10187 on August 19, 2024.

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

CITY OF PALO ALTO UTILITIES

Issued by the City Council

RESIDENTIAL GAS SERVICE

UTILITY RATE SCHEDULE G-1

Transportation Charges are posted on the City Utilities website.⁴

2. Seasonal Rate Changes:

The Summer period is effective April 1 to October 31 and the Winter period is effective from November 1 to March 31. When the billing period includes use in both the Summer and the Winter periods, the usage will be prorated based on the number of days in each seasonal period, and the charges based on the applicable rates for each period. For further discussion of bill calculation and proration, refer to Rule and Regulation 11.

3. Calculation of Usage Tiers

Tier 1 natural gas usage is calculated and billed based upon a level of 0.667 therms per day during the Summer period and 2.0 therms per day during the Winter period, rounded to the nearest whole therm, based on meter reading days of service. As an example, for a 30 day bill, the Tier 1 level would be 20 therms during the Summer period and 60 therms during the Winter period months. For further discussion of bill calculation and proration, refer to Rule and Regulation 11.

{End}

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

CITY OF PALO ALTO UTILITIES

Issued by the City Council