



City of Palo Alto Monthly Gas Volumetric and Service Charges

Your gas bill consists of 2 types of charges: 1) a monthly service charge, and 2) “volumetric” or consumption-based charges which are based on your gas usage. The table below shows the monthly volumetric and service charges over the past two years for the **G-1 (Residential)** gas rate schedule.

The **monthly service charge** reflects the costs of customer service, account management, meter reading and meter equipment. The **volumetric charges** include the following 4 supply-related charges and 1 distribution charge:

1. **Commodity Charge:** This 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 price spikes.²
2. **Cap and Trade Compliance Charge:** This 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.
3. **Transportation Charge:** This 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.
4. **Carbon Offset Charge:** This 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.
5. **Distribution Charge:** This charge reflects the cost of all of the services required to move natural gas from the point of interconnection to the City’s distribution system to the customer, including the operations and maintenance of service lines and gas mains. The distribution charge for residential customers is split into two tiers based on usage during the applicable billing period. This means that only a specific amount of usage will be charged at the lower Tier 1 rate. If usage exceeds this limit, any remaining usage will be charged at the higher Tier 2 rate. The Tier 1 limit changes seasonally, and is higher in the Winter than in the Summer. For details about tiers, please refer to sections D.2 and D.3 of the [G-1 Rate Schedule](#).

Your gas rate is calculated by applying the sum of the monthly service charge and volumetric charges to your consumption, which are prorated based on the number of days in the applicable billing cycle during each billing period.

For more information related to your rates, your gas service rate schedule can be found here: [G-1 Rate Schedule](#). If you have questions regarding your bill, please contact the City of Palo Alto Utilities Customer Service Center at 650-329-2161.

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

2. Adopted via Resolution 101187 on August 19, 2024

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



City of Palo Alto
Utility Rate Schedule G-1 – Residential Gas Service
Monthly Gas Volumetric and Service Charges

Effective Date	Commodity Charge	Cap and Trade Compliance Charge	Transportation Charge	Carbon Offset Charge	Total Supply Charge	Distribution Charge		Total Volumetric Charge		Monthly Service Charge
						Tier 1	Tier 2	Tier 1	Tier 2	
	(a)	(b)	(c)	(d)	(a)+(b)+(c)+(d)=(e)	(f)	(g)	(e)+(f)	(e)+(g)	
	\$ per Therm									\$ per Month
8/1/2025	0.3788	0.1081	0.2168	0.0300	0.7337	0.8944	2.2873	1.6281	3.0210	18.40
7/1/2025	0.3705	0.1081	0.2122	0.0700	0.7608	0.8944	2.2873	1.6552	3.0481	18.40
6/1/2025	0.3528	0.1226	0.2122	0.0700	0.7576	0.8229	2.1043	1.5805	2.8619	16.93
5/1/2025	0.2855	0.1226	0.2122	0.0700	0.6903	0.8229	2.1043	1.5132	2.7946	16.93
4/1/2025	0.3361	0.1226	0.2122	0.0700	0.7409	0.8229	2.1043	1.5638	2.8542	16.93
3/1/2025	0.4177	0.1339	0.2122	0.0700	0.8338	0.8229	2.1043	1.6567	2.9381	16.93
2/1/2025	0.4207	0.1339	0.2122	0.0700	0.8368	0.8229	2.1043	1.6597	2.9411	16.93
1/1/2025	0.4911	0.1339	0.2122	0.0700	0.9072	0.8229	2.1043	1.7301	3.0115	16.93
12/1/2024	0.5144	0.1182	0.2715	0.0700	0.9741	0.8229	2.1043	1.7970	3.0784	16.93
11/1/2024	0.4850	0.1182	0.2715	0.0700	0.9447	0.8229	2.1043	1.7676	3.0490	16.93
10/1/2024	0.4450	0.1182	0.2500	0.0700	0.8832	0.8229	2.1043	1.7061	2.9875	16.93
9/1/2024	0.3411	0.1451	0.2500	0.0700	0.8062	0.8229	2.1043	1.6291	2.9105	16.93
8/1/2024	0.5179	0.1451	0.2201	0.0700	0.9531	0.8229	2.1043	1.7760	3.0574	16.93
7/1/2024	0.4197	0.1451	0.2206	0.0700	0.8554	0.8229	2.1043	1.6783	2.9597	16.93
6/1/2024	0.1918	0.1638	0.2206	0.0700	0.6462	0.6807	1.7406	1.3263	2.3868	14.01
5/1/2024	0.2142	0.1638	0.2206	0.0700	0.6686	0.6807	1.7406	1.3493	2.4092	14.01
4/1/2024	0.2388	0.1638	0.2206	0.0700	0.6932	0.6807	1.7406	1.3739	2.4338	14.01
3/1/2024	0.2956	0.1534	0.2104	0.0700	0.7294	0.6807	1.7406	1.4101	2.4700	14.01
2/1/2024	0.5967	0.1534	0.2022	0.0700	1.0223	0.6807	1.7406	1.7030	2.7629	14.01
1/1/2024	0.4805	0.1534	0.2022	0.0700	0.9061	0.6807	1.7406	1.5868	2.6467	14.01
12/1/2023	0.6901	0.1309	0.1350	0.0700	1.0260	0.6807	1.7406	1.7067	2.7666	14.01
11/1/2023	0.7383	0.1309	0.1350	0.0700	1.0742	0.6807	1.7406	1.7549	2.8148	14.01
10/1/2023	0.4065	0.1309	0.1350	0.0700	0.7424	0.6807	1.7406	1.4231	2.4830	14.01
9/1/2023	0.4928	0.1132	0.1350	0.0700	0.8110	0.6807	1.7406	1.4917	2.5516	14.01