

SMALL COMMERCIAL ELECTRIC SERVICE

UTILITY RATE SCHEDULE E-2

A. APPLICABILITY:

This schedule applies to non-demand metered electric service for small commercial customers and master-metered multi-family facilities.

B. TERRITORY:

This rate schedule applies everywhere the City of Palo Alto provides electric service.

C. UNBUNDLED RATES:

| <u>Per kilowatt-hour (kWh)</u> | <u>Commodity</u> | <u>Distribution</u> | <u>Public Benefits</u> | <u>Total</u> |
|--------------------------------|------------------|---------------------|------------------------|--------------|
| Summer Period | \$0.08219 | \$0.05505 | \$0.00321 | \$0.14045 |
| Winter Period | 0.07406 | 0.04934 | 0.00321 | 0.12661 |

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.

2. Seasonal Rate Changes

The Summer Period is effective May 1 to October 31 and the Winter Period is effective from November 1 to April 30. 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 therein. For further discussion of bill calculation and proration, refer to Rule and Regulation 11.

3. Maximum Demand Meter

CITY OF PALO ALTO UTILITIES

Issued by the City Council

Supersedes Sheet No E-2-1 dated 11-1-2008



CITY OF PALO ALTO
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Whenever the monthly use of energy has exceeded 8,000 kWh for three consecutive months, a maximum demand meter will be installed as promptly as is practicable and thereafter continued in service until the monthly use of energy has fallen below 6,000 kWh for twelve consecutive months, whereupon, at the option of the City, it may be removed.

The maximum demand in any month will be the maximum average power in kilowatts taken during any 15-minute interval in the month provided that in case the load is intermittent or subject to violent fluctuations, the City may use a 5-minute interval. A thermal-type demand meter which does not reset after a definite time interval may be used at the City's option.

The billing demand to be used in computing charges under this schedule will be the actual maximum demand in kilowatts for the current month. An exception is that the billing demand for customers with Thermal Energy Storage (TES) will be based upon the actual maximum demand of such customers between the hours of noon and 6 pm on weekdays.

{End}

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