

**LARGE COMMERCIAL GAS SERVICE**

UTILITY RATE SCHEDULE G-3

**A. APPLICABILITY:**

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

1. Commercial Customers who use at least 250,000 therms per year at one site;
2. Customers at City-owned generation facilities.

**B. TERRITORY:**

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

**C. UNBUNDLED RATES:**

Per Service

Monthly Service Charge: \$ 717.89

Per Therm

Supply Charges:

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

Distribution Charge: .....\$ 1.0702

**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

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purchase discount<sup>1</sup>, and a maximum \$0.15/per therm cost for capped price winter natural gas purchases<sup>2</sup>.

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 will change in response to changing market conditions, retail sales volumes and the quantity of allowances required.

The Carbon Offset Charge reflects the City's cost to purchase offsets for greenhouse gases produced when Gas is burned. The Carbon Offset Charge will change in response to changing market conditions, changing 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-WSL 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.<sup>3</sup>

### **2. Request for Service**

A qualifying Customer may request service under this schedule for more than one account or meter if the accounts are located on one site. A site consists of one or more contiguous parcels of land with no intervening public right-of- ways (e.g. streets).

### **3. Changing Rate Schedules**

Customers may request a rate schedule change at any time to any applicable City of Palo Alto full-service rate schedule.

***{End}***

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

2 Adopted via Resolution 10126, on September 18, 2023.

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

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