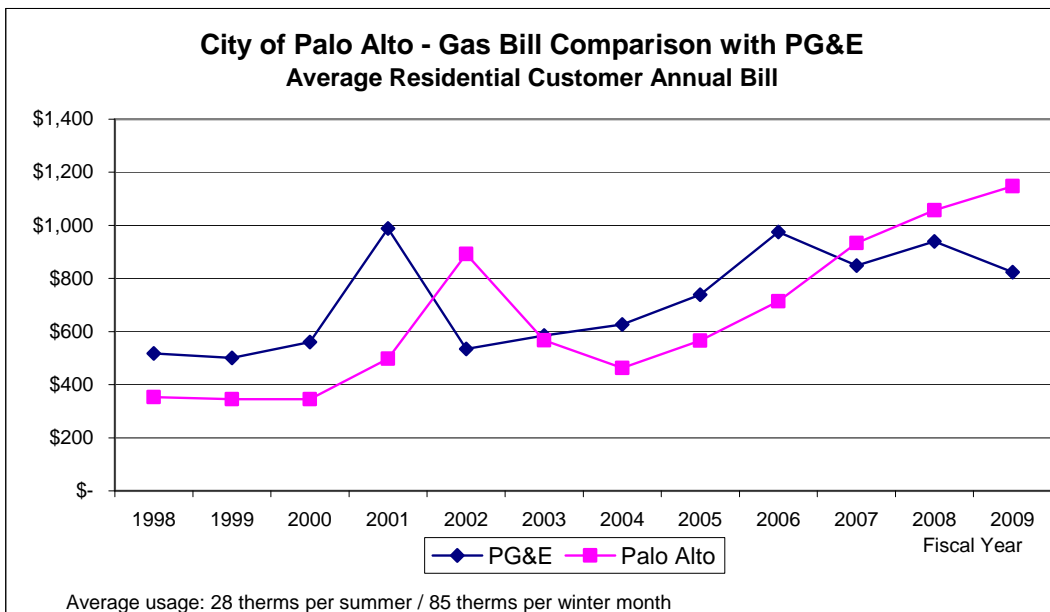


COMPARISON OF CITY OF PALO ALTO AND PG&E UTILITY BILLS
FOR AVERAGE PALO ALTO RESIDENTIAL AND BUSINESS CUSTOMERS
June 2009

- Over the past 10 years, Palo Alto residents and businesses have enjoyed significant savings in their City of Palo Alto Utilities (CPAU) gas and electric bills compared to Pacific Gas and Electric (PG&E) customers.
- In addition, the residents and businesses in Palo Alto benefit from the investment returns to the General Fund in the form of City services from Police, Fire, Community Services and Libraries.
- Historically, Palo Alto residents and business owners enjoyed significant savings in their gas bills compared to those of PG&E. (See Chart 1).
- In recent months, Palo Alto's natural gas rates have been higher than PG&E's. This is mainly due to the differences in rate making and supply procurement strategy between the two utilities, which currently favors PG&E.
- Palo Alto's electric rates have been lower than PG&E's regardless of energy market price trends. In fact, CPAU offers one of the lowest rates among the 22 municipal and investor owned utilities included in a recent survey. (See Chart 2).
- As expected, CPAU customers continue to enjoy significant savings over PG&E customers for their electric use, but they are currently at a rate disadvantage with respect to their natural gas charges.
- Combined electric and gas utility charges still favor CPAU although with a minimal difference at this time. (See Tables 1 – 2 and Charts 3 – 4).

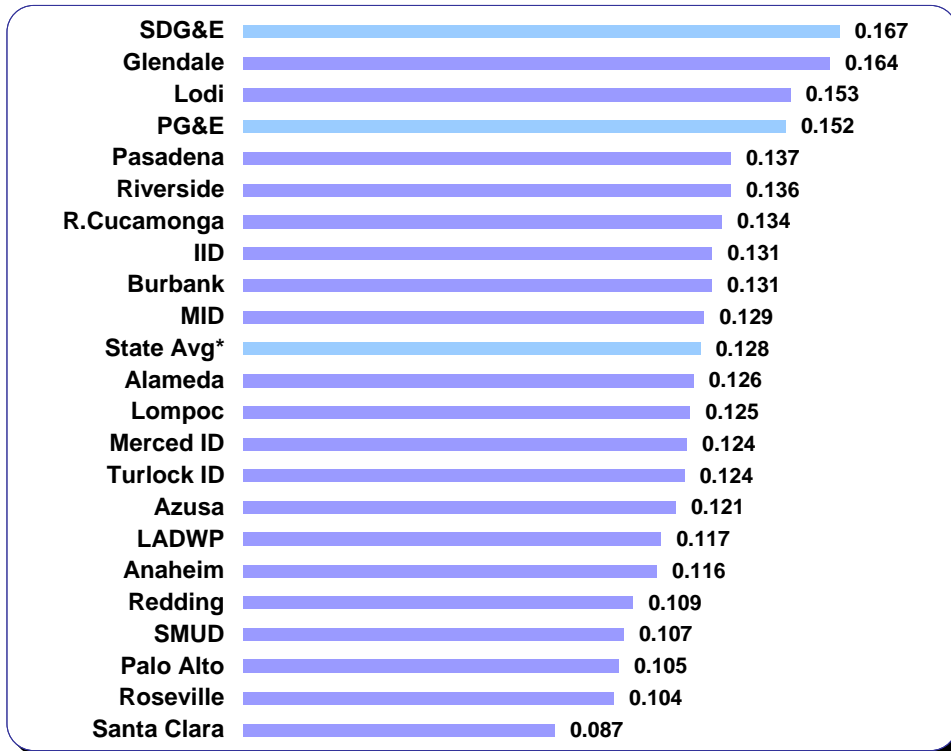
Chart 1



Last update: June 2009

Chart 2

Expected 2009 Average System Revenue Per KWh (\$/kWh)



Source: Self reported survey of California Municipal Rates Group members (May, 2009)

(*) Data from "Retail Electricity Rates in Deregulated and Regulated States", by APPA,

Table 1
Monthly Bill Components for CPAU and PG&E Bills
Average Residential Customer

	RESIDENTIAL BILL COMPARISON					
	Electric		Gas		Total Electric & Gas	
	PG&E	Palo Alto	PG&E	Palo Alto	PG&E	Palo Alto
	\$	\$	\$	\$	\$	\$
May-08	92.21	58.92	44.07	50.01	136.28	108.93
Jun-08	92.21	58.92	48.70	50.01	140.91	108.93
Jul-08	92.21	67.15	57.11	53.75	149.32	120.90
Aug-08	92.21	67.15	50.39	53.75	142.60	120.90
Sep-08	92.21	67.15	41.03	53.75	133.24	120.90
Oct-08	95.46	67.15	37.45	53.75	132.91	120.90
Nov-08	119.67	83.61	100.20	137.52	219.86	221.13
Dec-08	119.67	83.61	88.55	137.52	208.22	221.13
Jan-09	119.56	83.61	103.86	137.52	223.42	221.13
Feb-09	119.56	83.61	99.85	137.52	219.41	221.13
Mar-09	122.64	83.61	89.77	137.52	212.41	221.13
Apr-09	122.64	83.61	98.85	137.52	221.49	221.13
May-09	97.28	67.15	27.03	53.75	124.31	120.90
Jun-09	97.28	67.15	30.32	53.75	127.60	120.90
FY Total	1,290.37	904.54	824.42	1,147.60	2,114.79	2,052.14

Table 2
Monthly Bill Components for CPAU and PG&E Bills
Average Commercial Customer

	MEDIUM COMMERCIAL					
	Electric		Gas		Total Electric & Gas	
	PG&E	Palo Alto	PG&E	Palo Alto	PG&E	Palo Alto
May-08	\$1,938.03	\$1,284.82	\$716.33	\$726.00	\$2,654.36	\$2,010.82
Jun-08	\$1,934.09	\$1,284.82	\$792.84	\$726.00	\$2,726.93	\$2,010.82
Jul-08	\$1,938.03	\$1,472.02	\$937.06	\$792.75	\$2,875.08	\$2,264.77
Aug-08	\$1,938.03	\$1,472.02	\$819.58	\$792.75	\$2,757.61	\$2,264.77
Sep-08	\$1,934.09	\$1,472.02	\$647.99	\$792.75	\$2,582.07	\$2,264.77
Oct-08	\$2,072.10	\$1,472.02	\$586.23	\$792.75	\$2,658.32	\$2,264.77
Nov-08	\$1,544.97	\$1,214.80	\$585.04	\$757.75	\$2,130.01	\$1,972.55
Dec-08	\$1,548.91	\$1,214.80	\$523.68	\$757.75	\$2,072.59	\$1,972.55
Jan-09	\$1,512.56	\$1,214.80	\$591.00	\$757.75	\$2,103.56	\$1,972.55
Feb-09	\$1,500.73	\$1,214.80	\$561.65	\$757.75	\$2,062.38	\$1,972.55
Mar-09	\$1,644.95	\$1,214.80	\$505.57	\$757.75	\$2,150.52	\$1,972.55
Apr-09	\$1,641.01	\$1,214.80	\$441.25	\$757.75	\$2,082.25	\$1,972.55
Total	\$21,147.47	\$15,746.52	\$7,708.22	\$9,169.50	\$28,855.69	\$24,916.02

Chart 3

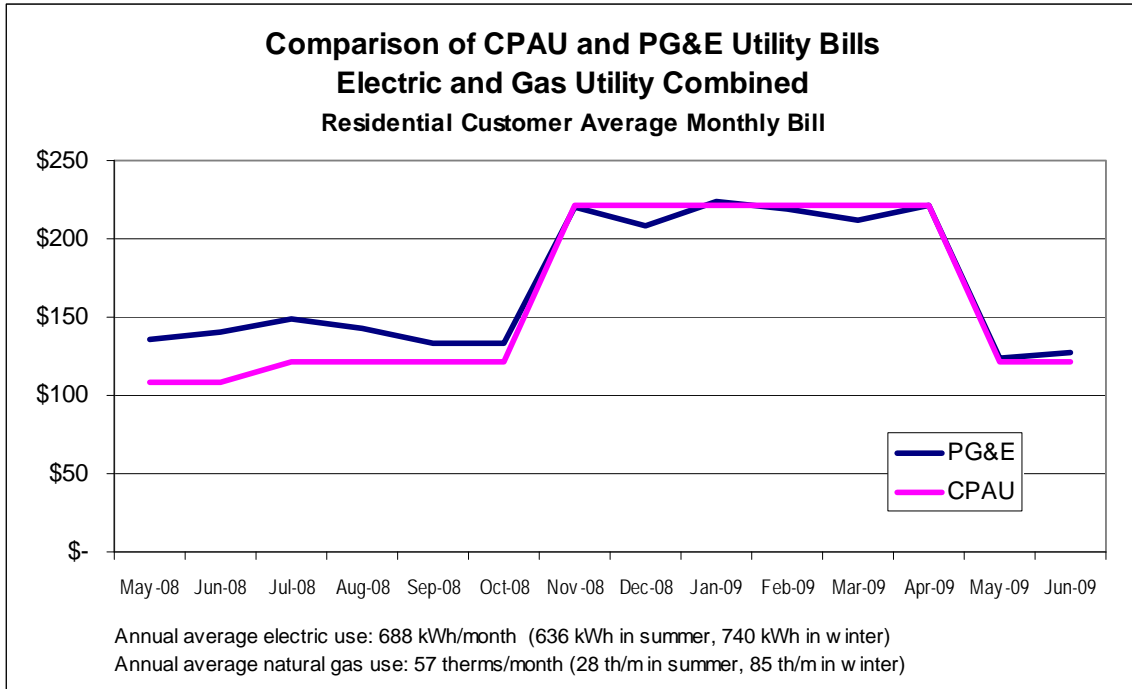


Chart 4

