MEDIUM NON-RESIDENTIAL ELECTRIC SERVICE

UTILITY RATE SCHEDULE E-4

A. APPLICABILITY:

This Rate Schedule applies to Demand metered Secondary Electric Service for Customers with a maximum Demand below 1,000 kilowatts. This Rate Schedule applies to three-phase Electric Service and may include Service to master-metered multi-family facilities or other facilities requiring Demand-metered Service, as determined by the City.

B. TERRITORY:

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

C. UNBUNDLED RATES:

Rates per kilowatt (kW) and kilowatt-hour (kWh):

<table>
<thead>
<tr>
<th></th>
<th>Commodity</th>
<th>Distribution</th>
<th>Public Benefits</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summer Period</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand Charge (per kW)</td>
<td>$4.41</td>
<td>$24.50</td>
<td></td>
<td>$28.91</td>
</tr>
<tr>
<td>Energy Charge (per kWh)</td>
<td>0.10536</td>
<td>0.01865</td>
<td>0.00447</td>
<td>0.12848</td>
</tr>
<tr>
<td>Winter Period</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand Charge (per kW)</td>
<td>$2.75</td>
<td>$16.22</td>
<td></td>
<td>$18.97</td>
</tr>
<tr>
<td>Energy Charge (per kWh)</td>
<td>0.07634</td>
<td>0.01865</td>
<td>0.00447</td>
<td>0.09946</td>
</tr>
<tr>
<td>Minimum Bill ($/day)</td>
<td></td>
<td></td>
<td></td>
<td>17.2742</td>
</tr>
</tbody>
</table>

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.

CITY OF PALO ALTO UTILITIES
Issued by the City Council

Supersedes Sheet No E-4-1
dated 7-1-2018

Sheet No E-4-1
Effective 7-1-2019
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 both in 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**

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 if the Customer’s load is intermittent or subject to 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.

4. **Power Factor**

For new or existing Customers whose Demand is expected to exceed or has exceeded 300 kilowatts for three consecutive months, the City has the option of installing applicable Metering to calculate a Power Factor. The City may remove such Metering from the Service of a Customer whose Demand has been below 200 kilowatts for four consecutive months.

When such metering is installed, the monthly Electric bill will include a “Power Factor Adjustment”, if applicable. The adjustment will be applied to a Customer’s bill prior to
the computation of any primary voltage discount. The Power Factor Adjustment is applied by increasing the total energy and Demand charges for any month by 0.25 percent (0.25%) for each one percent (1%) that the monthly Power Factor of the Customer’s load was less than 95%.

The monthly Power Factor is the average Power Factor based on the ratio of kilowatt hours to kilovolt-ampere hours consumed during the month. Where time-of-day Metering is installed, the monthly Power Factor shall be the Power Factor coincident with the Customer's Maximum Demand.

5. Changing Rate Schedules

Customers may request a rate schedule change at any time to any City of Palo Alto full-service rate schedule as is applicable to their kilowatt-Demand and kilowatt-hour usage profile.

6. Primary Voltage Discount

Where delivery is made at the same voltage as that of the line from which the Service is supplied, a discount of 2 1/2 percent for available line voltages above 2 kilovolts will be offered, but the City is not required to supply Service at a particular line voltage where it has, or will install, ample facilities for supplying at another voltage equally or better suited to the Customer's electrical requirements, as determined in the City’s sole discretion. The City retains the right to change its line voltage at any time after providing reasonable advance notice to any Customer receiving the discount in this section. The Customer then has the option to change his system so as to receive Service at the new line voltage or to accept Service (without voltage discount) through transformers to be supplied by the City subject to a maximum kilovolt-ampere size limitation.

7. Standby Charge

a. Applicability: The standby charge, subject to the exemptions in subsection D(7)(e), applies to Customers that have a non-utility generation source interconnected on the Customer’s side of the City’s revenue meter and that occasionally require backup power from the City due to non-operation of the non-utility generation source.
MEDIUM NON-RESIDENTIAL ELECTRIC SERVICE

UTILITY RATE SCHEDULE E-4

b. Standby Charges:

<table>
<thead>
<tr>
<th>Standby Charge (per kW of Reserved Capacity)</th>
<th>Commodity</th>
<th>Distribution</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summer Period</td>
<td>$0.69</td>
<td>$15.23</td>
<td>$15.92</td>
</tr>
<tr>
<td>Winter Period</td>
<td>$0.63</td>
<td>$9.04</td>
<td>$9.67</td>
</tr>
</tbody>
</table>

c. Meters. A separate Meter is required for each non-utility generation source.

d. Calculation of Maximum Demand Credit.

1. In the event the Customer’s Maximum Demand (as defined in Section D.3) occurs when one or more of the non-utility generators on the Customer’s side of the City’s revenue meter are not operating, the Maximum Demand will be reduced by the sum of the Maximum Generation of those non-utility generators, but in no event shall the Customer’s Maximum Demand be reduced below zero.

2. If the non-utility generation source does not operate for an entire billing cycle, the standby charge does not apply and the Customer shall not receive the Maximum Demand credit described in this Section.

e. Exemptions.

1. The standby charge shall not apply to backup generators designed to operate only in the event of an interruption in utility Service and which are not used to offset Customer electricity purchases.

2. The standby charge shall not apply if the Customer meets the definition of an “Eligible Customer-generator” as defined in California Public Utilities Code Section 2827(b)(4), as amended.

3. The applicability of these exemptions shall be determined at the discretion of the Utilities Director.

{End}