A. APPLICABILITY:

This voluntary Rate Schedule applies to Demand Metered Service for non-residential Customers with a Maximum Demand of at least 1,000KW per month per site, who have sustained this Demand level at least 3 consecutive months during the last twelve months. In addition, this Rate Schedule is applicable for Customers who did not pay power factor adjustments during the last 12 months.

B. TERRITORY:

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

C. UNBUNDLED RATES:

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

<table>
<thead>
<tr>
<th>Summer Period</th>
<th>Commodity</th>
<th>Distribution</th>
<th>Public Benefits</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand Charge (per kW)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peak</td>
<td>$3.11</td>
<td>$8.62</td>
<td></td>
<td>$11.73</td>
</tr>
<tr>
<td>Mid-Peak</td>
<td>0.97</td>
<td>8.62</td>
<td></td>
<td>9.60</td>
</tr>
<tr>
<td>Off-Peak</td>
<td>0.97</td>
<td>8.62</td>
<td></td>
<td>9.60</td>
</tr>
<tr>
<td>Energy Charge (per kWh)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peak</td>
<td>$0.11356</td>
<td>$0.00053</td>
<td>$0.00447</td>
<td>$0.11856</td>
</tr>
<tr>
<td>Mid-Peak</td>
<td>0.14299</td>
<td>0.00053</td>
<td>0.00447</td>
<td>0.14799</td>
</tr>
<tr>
<td>Off-Peak</td>
<td>0.08776</td>
<td>0.00053</td>
<td>0.00447</td>
<td>0.09276</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Winter Period</th>
<th>Commodity</th>
<th>Distribution</th>
<th>Public Benefits</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand Charge (per kW)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peak</td>
<td>$1.47</td>
<td>$7.17</td>
<td></td>
<td>$8.63</td>
</tr>
<tr>
<td>Off-Peak</td>
<td>1.47</td>
<td>7.17</td>
<td></td>
<td>8.63</td>
</tr>
<tr>
<td>Energy Charge (per kWh)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peak</td>
<td>$0.07619</td>
<td>$0.00053</td>
<td>$0.00447</td>
<td>$0.08119</td>
</tr>
<tr>
<td>Off-Peak</td>
<td>0.06540</td>
<td>0.00053</td>
<td>0.00447</td>
<td>0.07040</td>
</tr>
</tbody>
</table>

Minimum Bill ($/day) | |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>49.1139</td>
</tr>
</tbody>
</table>
D. SPECIAL NOTES:

1. Calculation of Charges

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. Definition of Time Periods

SUMMER PERIOD (Service from May 1 to October 31):

- Peak: 12:00 noon to 6:00 p.m. Monday through Friday (except holidays)
- Mid Peak: 8:00 a.m. to 12:00 noon and 6:00 p.m. to 9:00 p.m. Monday through Friday (except holidays)
- Off-Peak: 9:00 p.m. to 8:00 a.m. All day Monday through Friday, Saturday, Sunday, and holidays

WINTER PERIOD (Service from November 1 to April 30):

- Peak: 8:00 a.m. to 9:00 p.m. Monday through Friday (except holidays)
- Off-Peak: 9:00 p.m. to 8:00 a.m. All day Monday through Friday, Saturday, Sunday, and holidays

SEASONAL RATE CHANGES: 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. Request for Service

Qualifying Customers may request Service under this schedule for more than one Account or one Meter if the Accounts are on one site. A site, for the purposes of this Rate Schedule, consists of
LARGE NON-RESIDENTIAL ELECTRIC TIME OF USE SERVICE

UTILITY RATE SCHEDULE E-7 TOU

one or more Accounts which cover contiguous parcels of land with no intervening public right-of-ways (e.g. streets) and which have a common billing address.

4. **Demand Meter**

Whenever the monthly use of energy has exceeded 8,000 kilowatt-hours for three consecutive months, a 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 kilowatt-hours for twelve consecutive months, whereupon, at the option of the City, it may be removed.

The **Billing Demand** to be used in computing charges under this schedule will be the actual Maximum Demand in kilowatts taken during any 15-minute interval in each of the designated time periods as defined under Section D.2.

5. **Power Factor Adjustment**

Time of Use Customers must not have had a power factor adjustment assessed on their Service for at least 12 months. Power factor is calculated based on the ratio of kilowatt hours to kilovolt-ampere hours consumed during the month, and must not have fallen below 95% to avoid the power factor adjustment.

Should the City of Palo Alto Utilities Department find that the Customer’s Service should be subject to power factor adjustments, the Customer will be removed from the E-7-TOU rate schedule and placed on another applicable rate schedule as is suitable to their kilowatt Demand and kilowatt-hour usage.

6. **Changing Rate Schedules**

Customers electing to be served under E-7 TOU must remain on said Rate Schedule for a minimum of 12 months. Should the Customer so wish, at the end of 12 months, the Customer may request a Rate Schedule change to any applicable City of Palo Alto full-service Rate Schedule as is suitable to their kilowatt Demand and kilowatt-hour usage.

7. **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.

8. **Standby Charge**

   a. **Applicability:** The standby charge, subject to the exemptions in subsection D(8)(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.

   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>$0.84</td>
<td>$12.55</td>
<td>$13.39</td>
</tr>
<tr>
<td>Winter Period</td>
<td>$0.72</td>
<td>$6.04</td>
<td>$6.76</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 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}