

ELECTRIC HYDRO RATE ADJUSTER

UTILITY RATE SCHEDULE E-HRA

A. APPLICABILITY:

This schedule applies to all Customers receiving Electric Service from the City of Palo Alto Utilities.

B. TERRITORY:

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

C. RATES:

Per kWh

Hydro Rate Adjustment:(\$0.066) - \$0.048

D. SPECIAL NOTES:

1. Hydro Rate Adjustment

- a. The Hydro Rate Adjustment is a surcharge or discount applied to Electric rates based on the strength of the City’s hydrological generation portfolio, applied to manage volatility in energy costs and generation and the impact of that volatility on customer rates.
- b. The Hydro Rate Adjustment is determined based on the level of funding in the Hydro Stabilization Reserve, including transfers or withdrawals projected to be made in the current fiscal year according to the City’s Electric Utility Reserve Management Practices, and on the forecasted amount of annual generation the City of Palo Alto Utilities will receive from its hydroelectric generation resources through the end of the current fiscal year.

2. Calculation of Hydro Rate Adjustment

- a) Staff calculates the Hydro Rate Adjustment surcharge or discount annually in May, or whenever hydrologic conditions are poor and Hydro Stabilization Reserves are projected to fall below the 25% level within the current fiscal year.
- b) The Hydro Rate Adjustment will be applied to all Customers’ Electric rate schedules upon Council approval, and re-evaluated annually.
- c) The Hydro Rate Adjustment surcharge or discount will fall within the minimum/maximum range set forth in Section C, and will be applied as follows:

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Hydro Rate Adjustment (\$/kWh)

Hydro Stabilization Reserve Level	Projected Hydro Generation vs. Average Hydro Generation (GWh/year)			
	Less than 319	319 to 480	480 to 642	Over 642
Above Maximum	\$-	\$(0.024)	\$(0.024)	\$(0.066)
75% to 100%	\$-	\$-	\$(0.024)	\$(0.048)
25% to 75%	\$-	\$-	\$-	\$-
25% and below	\$0.048	\$0.024	\$-	\$-

{End}

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