

## **COMMUNICATIONS PLAN AND OUTREACH EXAMPLES**

The fiscal year (FY) 2026 gas utility communications strategy addresses cost drivers for rate increases including the need to rebuild financial reserves and ongoing capital investment in the natural gas distribution system. Financial reserves need to be replenished following a drawdown during the pandemic to keep customer rate changes at a minimal level. Additionally, the City used financial reserves to protect customers from surging gas prices in the winter of 2022-2023. Maintaining healthy financial reserves also ensures that the City of Palo Alto Utilities (CPAU) can continue to invest in capital improvement of the natural gas distribution system for safe and reliable service delivery.

CPAU continues to explore cost-containment measures for each utility fund, consistent with the Utilities Strategic Plan. CPAU was recently awarded a \$16.5 million grant by the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) which was intended to provide financial assistance for capital-related work that is additional to the utility's already planned capital work over the next five-year period. CPAU is awaiting an update from the federal administration about the ultimate issuance of this grant.

CPAU purchases gas as a commodity on the market, thus monthly gas rates can fluctuate due to external factors. Staff post the monthly rates online at [www.cityofpaloalto.org/RatesOverview](http://www.cityofpaloalto.org/RatesOverview) and provide updates on the rate setting process so members of the public can be informed and get involved in the public process. CPAU promotes gas use efficiency year-round, but most heavily during winter months to impact heating activities. Messaging emphasizes the importance of saving energy to keep utility costs low even if gas prices are high or utility rates are increasing. Programs such as advisor services for energy efficiency and electrification offer residents assistance for home upgrades. CPAU provides free consulting services and rebates for commercial energy efficiency upgrades. Throughout the year, CPAU hosts free educational workshops to help residents and businesses better understand energy usage and learn ways to improve efficiency to keep utility costs low. The MyCPAU online account management portal provides customers with direct access and more information about utility account and consumption data.

CPAU communicates about safety for all utility services year-round including the need to call USA (811) before digging to check for underground utility lines. Staff also emphasize the importance of contacting CPAU to check for potential sewer and gas line cross-bores prior to clearing a sewer line. Every year, CPAU publishes a gas safety awareness brochure and mails it to all customers in Palo Alto as well as other stakeholders. Staff talk with business customers at special facilities meetings and attend neighborhood safety and emergency preparedness fairs. While print materials and webpages still feature prominently, CPAU is increasing use of other outreach channels such as email newsletters, social media and online videos. The Gas Safety Public Awareness Plan contains saved copies of all outreach materials and activity logs. Additional CPAU communication methods include the utilities webpages, utility bill inserts, messaging on bills and envelopes, informational fliers and brochures, email newsletters, social media, print and digital ads in local publications, and participation in community outreach events.

# CALL BEFORE YOU DIG.

**Avoid costly accidents and dangerous conditions!** Call Underground Service Alert (USA), a free service, at 811 a minimum of 48 hours prior to any excavation.

**It is your responsibility to call USA** before digging begins. Failure to call this number can result in liability for any damage or loss of property.

### STEPS TO TAKE

1. Properly mark your excavation area.
2. Call USA and provide a detailed description where and when you plan to dig.
3. USA will have locate and mark all underground natural gas pipelines and other utilities prior to your excavation work.

### RECOGNIZING A PIPELINE LEAK

**SMELL:** Mercaptan, a sulfur compound, is added to natural gas to make it smell similar to rotten eggs. The smell of mercaptan helps you detect even the smallest amount of natural gas in the air.

**SOUND:** You may hear hissing, whistling or dead blowing sound of liquid or the ground, possibly building, pavement, surfaces or landscaping when, unexpected vegetation.

**EXPOSURE:** Exposure to gas pipelines, leading to missing sound.

**If you detect a gas leak or hit a pipeline while digging,** leave the area immediately and call from elsewhere. Call 911 or the City of Palo Alto 24-hour emergency number at (650) 329-2579. Do not strike a match or look for a gas leak!

For More Information, go to: [cityofpaloalto.org/safutility](http://cityofpaloalto.org/safutility)

## ONGOING METER REPLACEMENT IN YOUR NEIGHBORHOOD

# NEW METERS TO IMPROVE YOUR CUSTOMER EXPERIENCE.

All utility meters within the City of Palo Alto are being upgraded and replaced with those featuring Advanced Metering capabilities, which is commonly referred to as "smart metering" or "smart grid" technology.

The new and upgraded meters will be able to provide near-real time data on energy and water consumption. Advanced Metering Infrastructure (AMI) can display hourly utility consumption data at MyCPAL, enable time-of-use rates, and provide water leak alerts. AMI will enhance our billing efficiency and the customer experience.

The City is currently installing meters in residential areas through a phased rollout. Our contractor, Utility Partners of America (UPA), is exchanging electric meters with new advanced electric meters and retrofitting existing gas and water meters with AMI radios. Typically, meter installation will occur Monday through Friday between 7:30 a.m. and 4 p.m. **Here's what to expect:**

- You don't need to be home if installers have clear access to the meter.
- The installer will knock on your door before starting any work.
- Interruption of service should be minimal while your meter upgrades are completed.
- If you are not present on the day of the meter upgrade, a door hanger will be placed on your door after our visit with information on the work performed.
- If there is an issue that prevents us from upgrading your meter(s), we will note that on the door hanger with contact information to schedule an appointment.
- Please continue to provide our meter readers with access to your utility meters.

Learn more about the program at [www.cityofpaloalto.org/ami](http://www.cityofpaloalto.org/ami) or call UPA at (650) 331-2479 with any questions about meter installations.

**CITY OF PALO ALTO UTILITIES**

Please call 415-438-0000 for more information or to schedule an appointment. For more information on the City of Palo Alto's energy programs, or various smart solutions City's Smart Communities Group offers, visit [www.cityofpaloalto.org](http://www.cityofpaloalto.org).

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# INFORMATION REGARDING YOUR UTILITY RATES.

**The City of Palo Alto Utilities (CPAU) is proposing rate changes effective July 1, 2024.**

As your utility provider, we understand the impact that any rate increase can have on your household budget. We recognize that rising costs can be challenging. However, we want to assure you that these adjustments are necessary to ensure the continued reliability and quality of the services we provide. As a locally owned municipal utility, CPAU's rates are designed to recover the costs of purchasing and delivering these utility services to customers.

**Why Are Utility Rates Changing?**

The decision to increase rates is never taken lightly. It is the result of careful consideration of the need for infrastructure upgrades, system maintenance, regulatory compliance, and maintaining adequate financial reserves. These investments are crucial to maintaining the integrity of our utility systems and ensuring that you receive the dependable service you rely on every day.

While these factors are impacting utilities throughout California, Palo Alto consistently provides utility services at more affordable rates compared to surrounding communities.

**How Do Our Utility Rates Compare?**

Palo Alto residents pay about 50-60% less for electricity than PG&E customers when comparing the median residential bill. Similar residential customers in Palo Alto also pay half the cost for electricity than customers in neighboring communities served by Silicon Valley Clean Energy (SVCE), Peninsula Clean Energy (PCE), and San Jose Clean Energy (SJCE).

**Electric Rate Comparison (\$/kWh)**  
For Current Fiscal Year July 1, 2023-June 30, 2024

	Palo Alto	PCE	Combined SVCE + PCE	Combined SJCE + PCE	Combined PCE + PCE
Average Residential Total Electric Rate - \$/kWh	\$0.21	\$0.47	\$0.47	\$0.44	\$0.48
	(86%)	(96%)	(96%)	(96%)	(96%)

PG&E: Palo Alto Electric Rates as of April 1, 2024. SVCE: Silicon Valley Clean Energy Rates as of January 1, 2024. SJCE: San Jose Clean Energy Rates as of February 1, 2024. PCE: Peninsula Clean Energy Rates as of February 1, 2024.

**Median Residential Utility Bill Comparison, Calendar Year 2023 (\$/month)**

	Palo Alto	Merced Park	Redwood City	Mountain View	Hayward	Santa Clara
Electric	\$80.26	\$168.03	\$165.82	\$158.09	\$165.92	\$168.94
Gas	\$15.34	\$10.71	\$12.75	\$10.71	\$10.71	\$10.71
Water	\$10.77	\$105.21	\$10.76	\$10.51	\$10.50	\$10.50
Wastewater	\$40.82	\$100.75	\$40.26	\$40.60	\$40.30	\$40.58
TOTAL	\$147.19	\$424.74	\$229.39	\$249.95	\$236.93	\$240.70

While most of our utility rates are low compared to neighboring communities, CPAU continually strives to control costs.

**Proposed Rate Changes**

The proposed rate changes for all utilities beginning July 1, 2024 would increase the median residential bill by around 9% compared with the rates in effect July 1, 2023.

Utility	% Rate Change	Bill Change Amount*
Electric	9%	\$109
Gas	0.85%†	\$0.80
Water	0.5%	\$0.50
Wastewater	16%	\$130
Stormwater management	2.8%†	\$0.40
Rates	No Change	No Change

**We Are Here to Help**

CPAU staff are here to answer any questions you may have and assist with resources to help manage your utility usage and expenses. Visit [cityofpaloalto.org/AMI/assistance](http://cityofpaloalto.org/AMI/assistance) or call US&ES Customer Service at (650) 329-2387 for information on financial assistance programs.

Our [cityofpaloalto.org/utilityusage](http://cityofpaloalto.org/utilityusage) webpage lists no-cost and low-cost ways to save on energy and water usage to keep utility bill costs low.

For more information on utility rates, visit: [cityofpaloalto.org/utilityrates](http://cityofpaloalto.org/utilityrates)

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