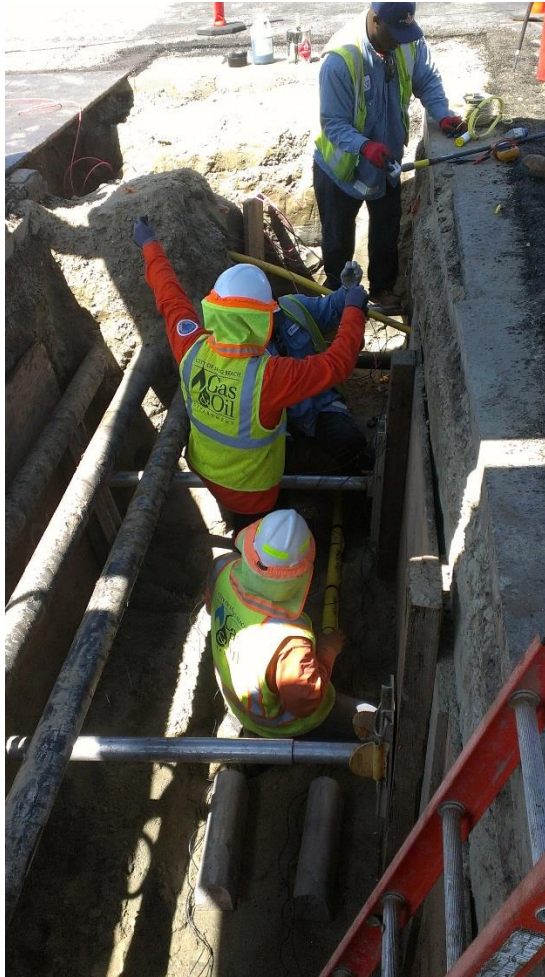


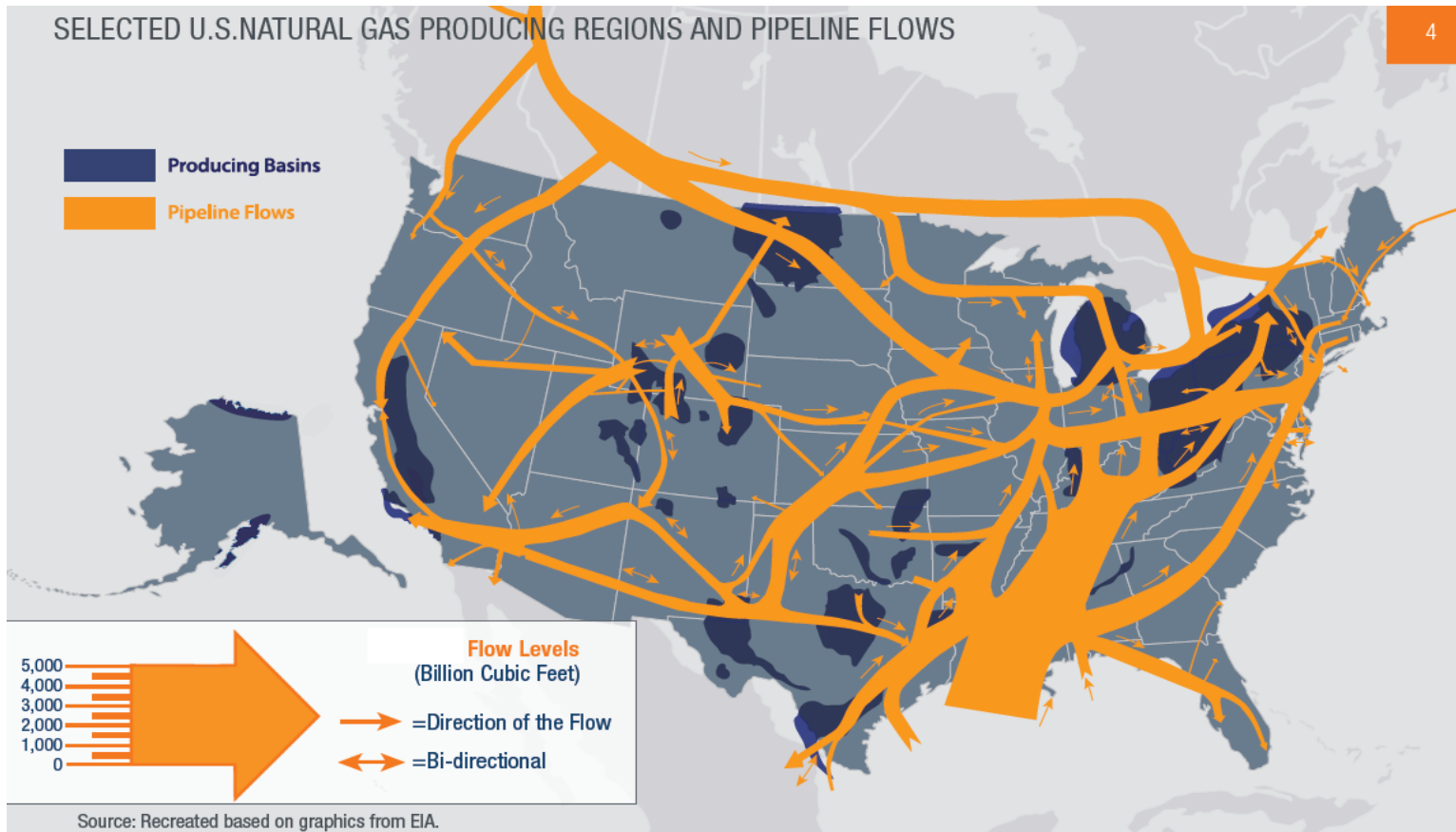
2018 Winter Natural Gas Prices

February 5, 2019

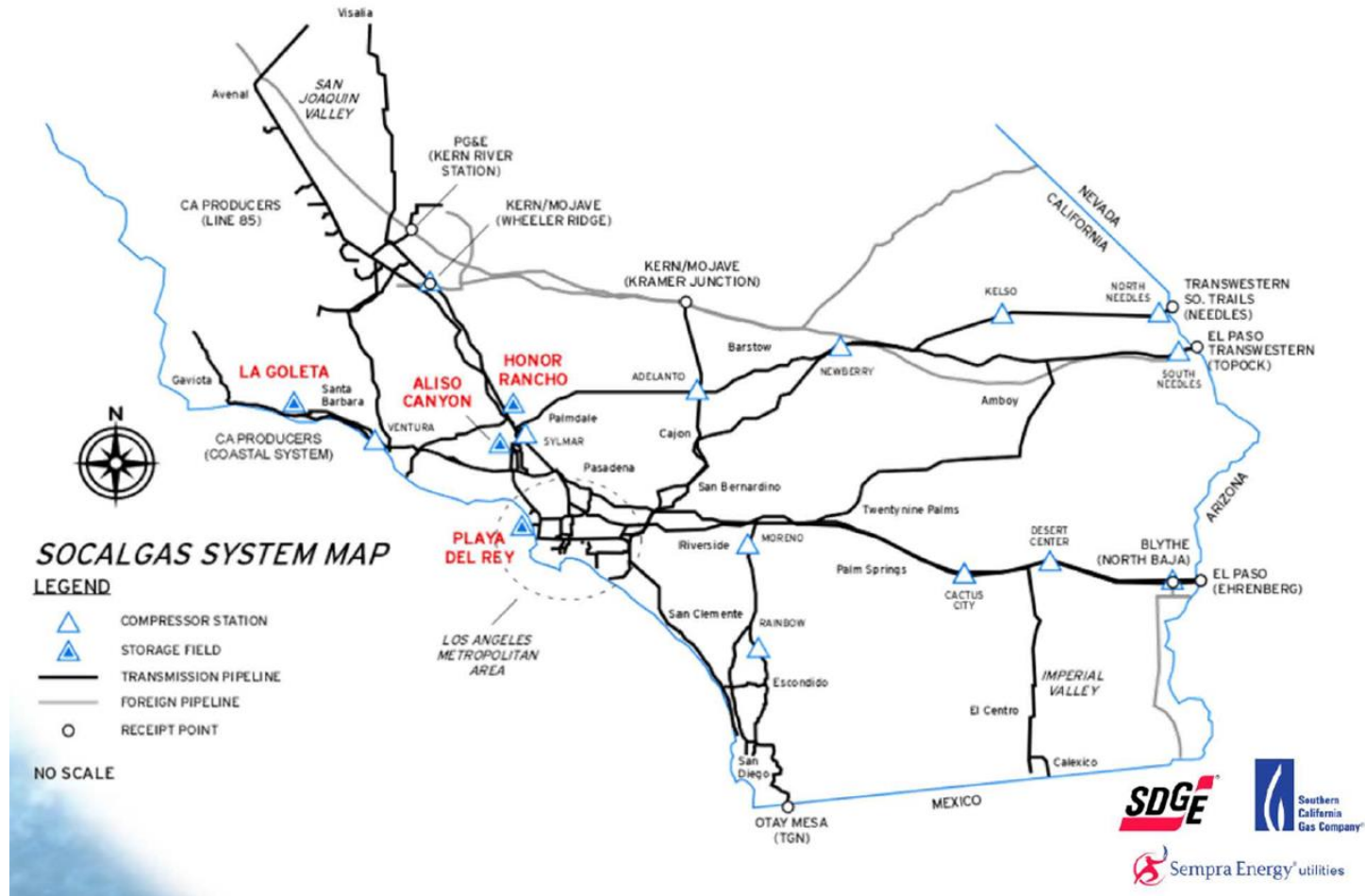


Where does the natural gas that Energy Resources purchases for its customers come from?

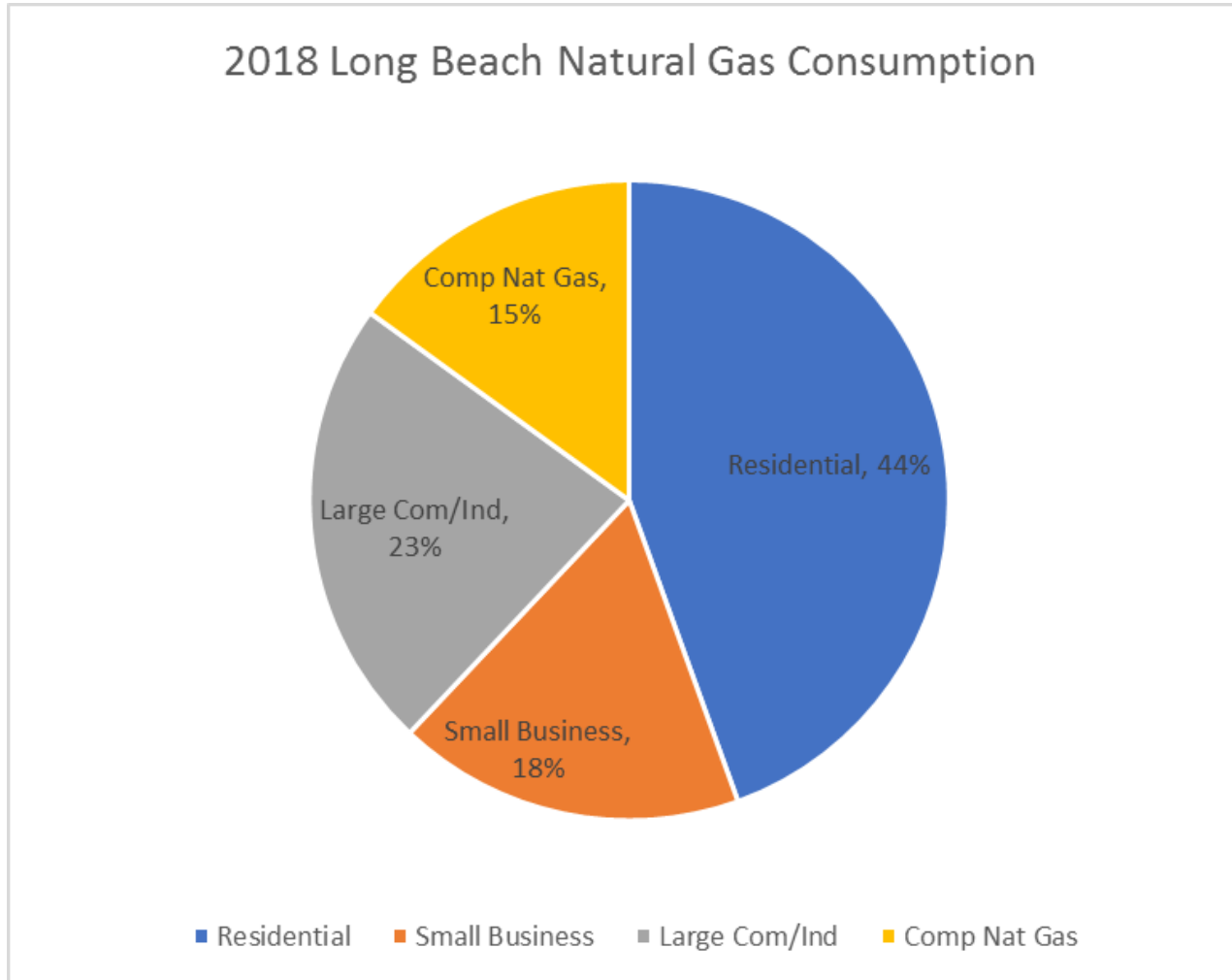
California continues to depend upon out-of-state imports for nearly 90 % of its natural gas supply



Where does the natural gas that Energy Resources purchases for its customers come from?

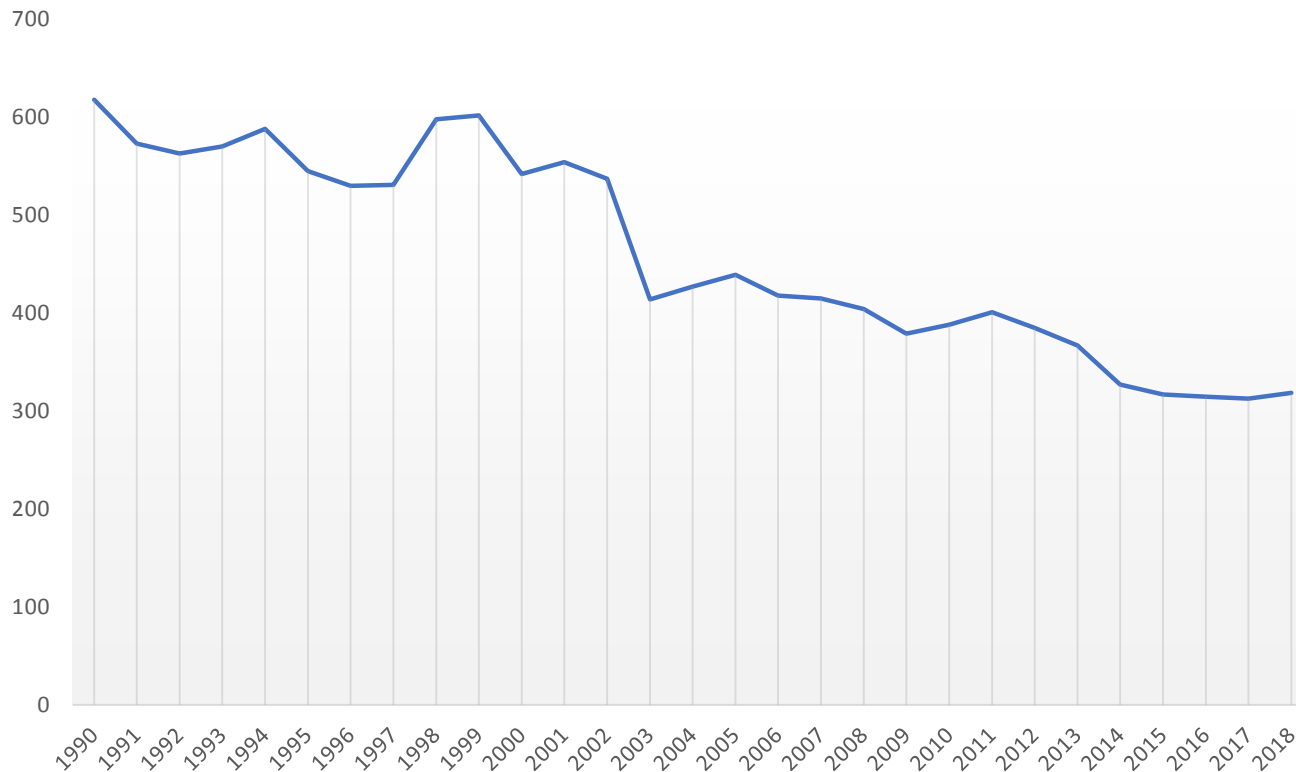


Who are the consumers of natural gas within Long Beach?



Who are the consumers of natural gas within Long Beach?

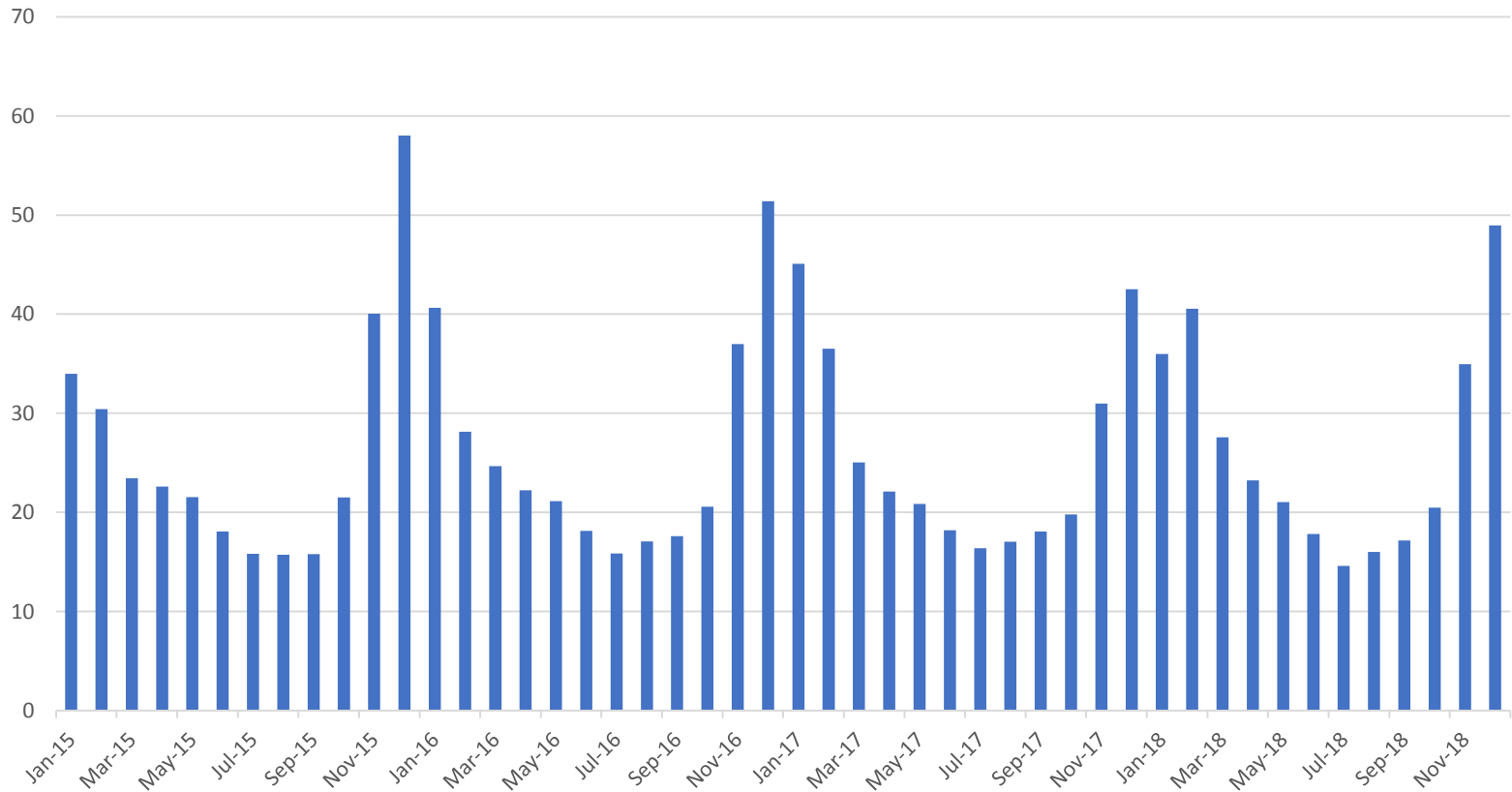
Average Annual Long Beach Residential Gas Consumption



Year	Therms
1990	618
1991	573
1992	563
1993	570
1994	588
1995	545
1996	530
1997	531
1998	598
1999	602
2000	542
2001	554
2002	537
2003	414
2004	427
2005	439
2006	418
2007	415
2008	404
2009	379
2010	388
2011	401
2012	385
2013	367
2014	327
2015	317
2016	314
2017	313
2018	318

Who are the consumers of natural gas within Long Beach?

Average Monthly Residential Gas Usage (Therms) Jan. '15 – Dec. '18



How is the cost of gas determined for Energy Resources customers?

- Energy Resources buys natural gas from producers and marketers at the best possible prices on the open market. ***By law, utilities may not mark-up the price of the natural gas commodity.***
- Market prices are posted on the first of every month and Energy Resources incorporates those prices into calculating its monthly Cost of Gas price. ***This price is published the 1st of every month on Energy Resources website.***
- Energy Resources has not increased its transportation rates, the cost of delivering the natural gas to its customers, since October 2016.

How is the cost of gas determined for Energy Resources customers?

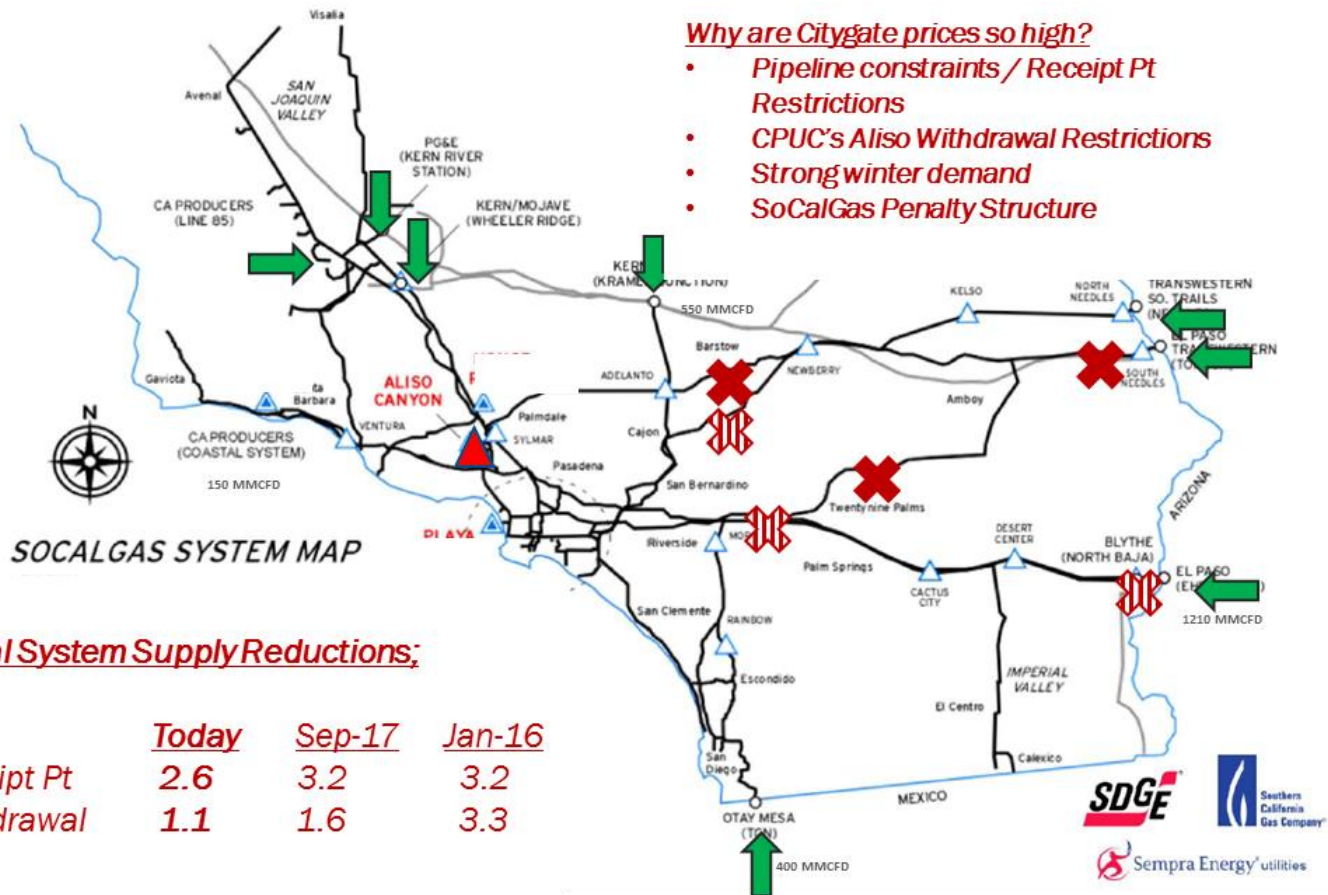
The screenshot shows a web browser window displaying the Long Beach Energy Resources website. The browser's address bar shows the URL www.longbeach.gov/energyresources/. The website header includes the Long Beach logo, a menu icon, a language selection dropdown, and a search bar. The main navigation bar contains links for Energy Resources Home, About Us, Services, Information, and Safety. A blue dropdown menu is open under the 'Information' link, listing several options: GENERAL INFO, How We Calculate the Cost of Gas (highlighted with a red arrow), Current Gas Rates, How We Calculate the Cost of Gas Energy Saving Ideas, Furnigation Guidelines, Engineering - Specs and Standards, Rebates, and Natural Gas Vehicles. Below the navigation bar, the page content includes a welcome message from Robert Dowell, Department Director, and a list of links for 'DECEMBER 2018 COST OF GAS', 'SMART GAS METERING PROGRAM', 'CUSTOMER HOUSELINE', and 'LINKLB'. The footer of the page shows the URL www.longbeach.gov/energyresources/information/cost-of-gas/ and a 'Show all' button.

How is the cost of gas determined for Energy Resources customers?

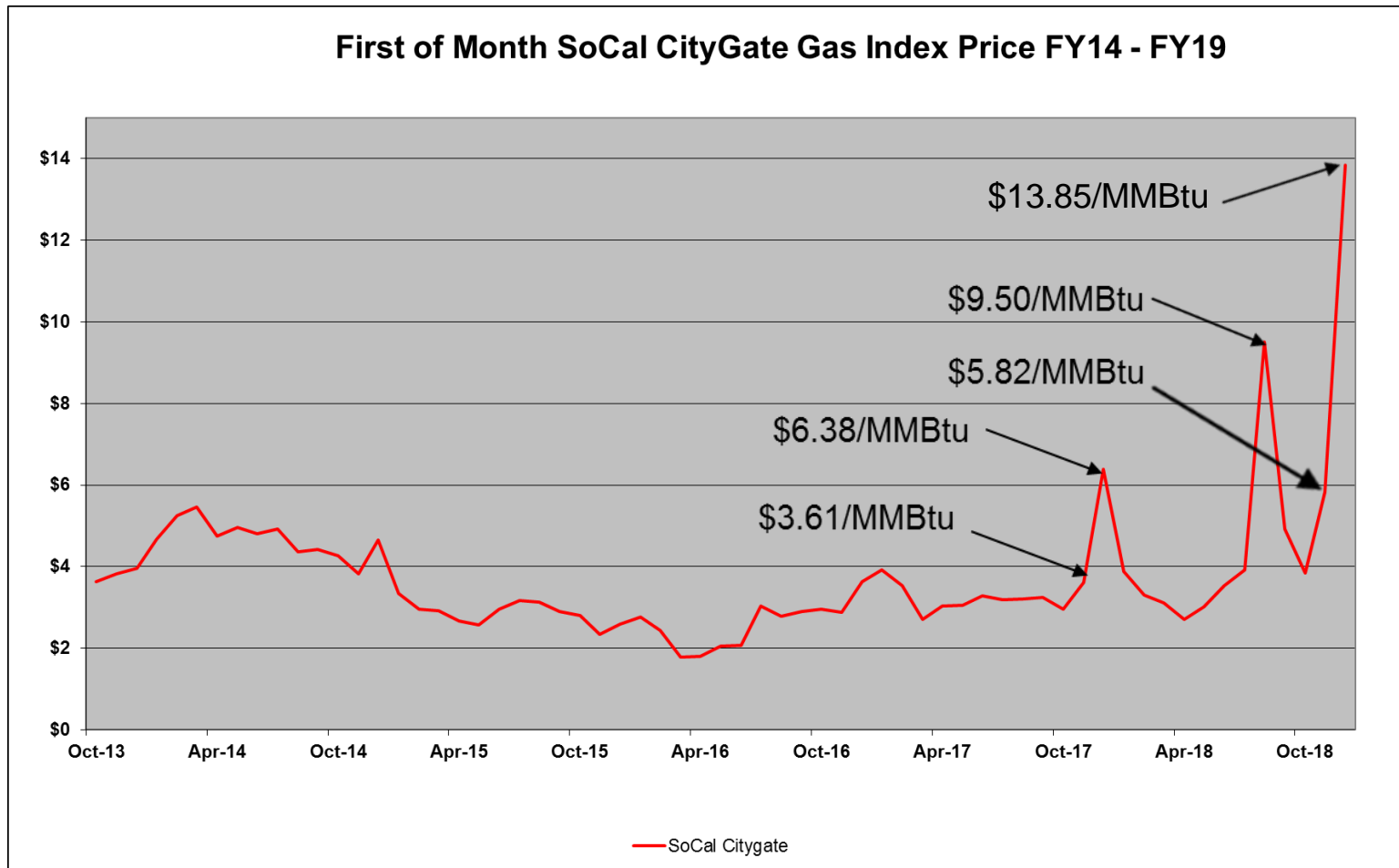
Core Commodity Charge (Per Therm)

February 2019	\$0.4707
January 2019	\$0.7895
December 2018	\$1.3465
November 2018	\$0.5858
October 2018	\$0.4090
September 2018	\$0.5238
August 2018	\$0.9449
July 2018	\$0.3993
June 2018	\$0.3615
May 2018	\$0.3013
April 2018	\$0.2764
March 2018	\$0.3440
February 2018	\$0.3440
January 2018	\$0.3943
December 2017	\$0.5732
November 2017	\$0.3757

What happened in December 2018 for natural gas costs to increase?



What happened in December 2018 for natural gas costs to increase?



Impacts to customers as result of December 2018 natural gas costs

- Impact to average residential customer (44 Therms) was determined to be approximately \$34 higher versus their Dec. 17 gas bill.
- Impact to high or significantly higher gas consumption customers (> 44 therms) would be predictably larger than the increase seen by the average customer.
- ER put a fact sheet on the front page of their website, utilized social media and worked with the Press-Telegram and other outlets to get stories out in the paper about this regional issue.
- Call center representatives were briefed with the appropriate information, including options of what can be done if any customers experienced financial burdens as a result of their high gas bill.

Impacts to customers as result of December 2018 natural gas costs

incentivize new building technologies to reduce GHG emissions, and the “Technology and Equipment for Clean Heating” initiative, which will incentivize the deployment of low-emissions technologies for space and water heating in both new and existing residential buildings. The programs will be funded through an annual \$50-million pool, drawn from the emissions allowances allocated to natural gas utilities as part of the cap-and-trade program between 2019 and 2023.

The order instituting rulemaking also noted that energy-efficiency incentives that utilities are currently providing to customers who are rebuilding after recent wildfires don’t have enough funding to allow for adequate electrification and decarbonization strategies. As part of the proceeding, the commission plans to consider whether it should develop decarbonization pilots targeted specifically to areas affected by the wildfires.

The Building Decarbonization Coalition, a group of industry stakeholders, energy providers, local governments and environmental organizations, released three white papers on Jan. 29 that included recommendations—such as creating time-of-use rates to incentivize energy usage during off-peak hours and

[10] Agencies Examine Natural Gas Price Volatility, SoCal Gas Pipeline Issues

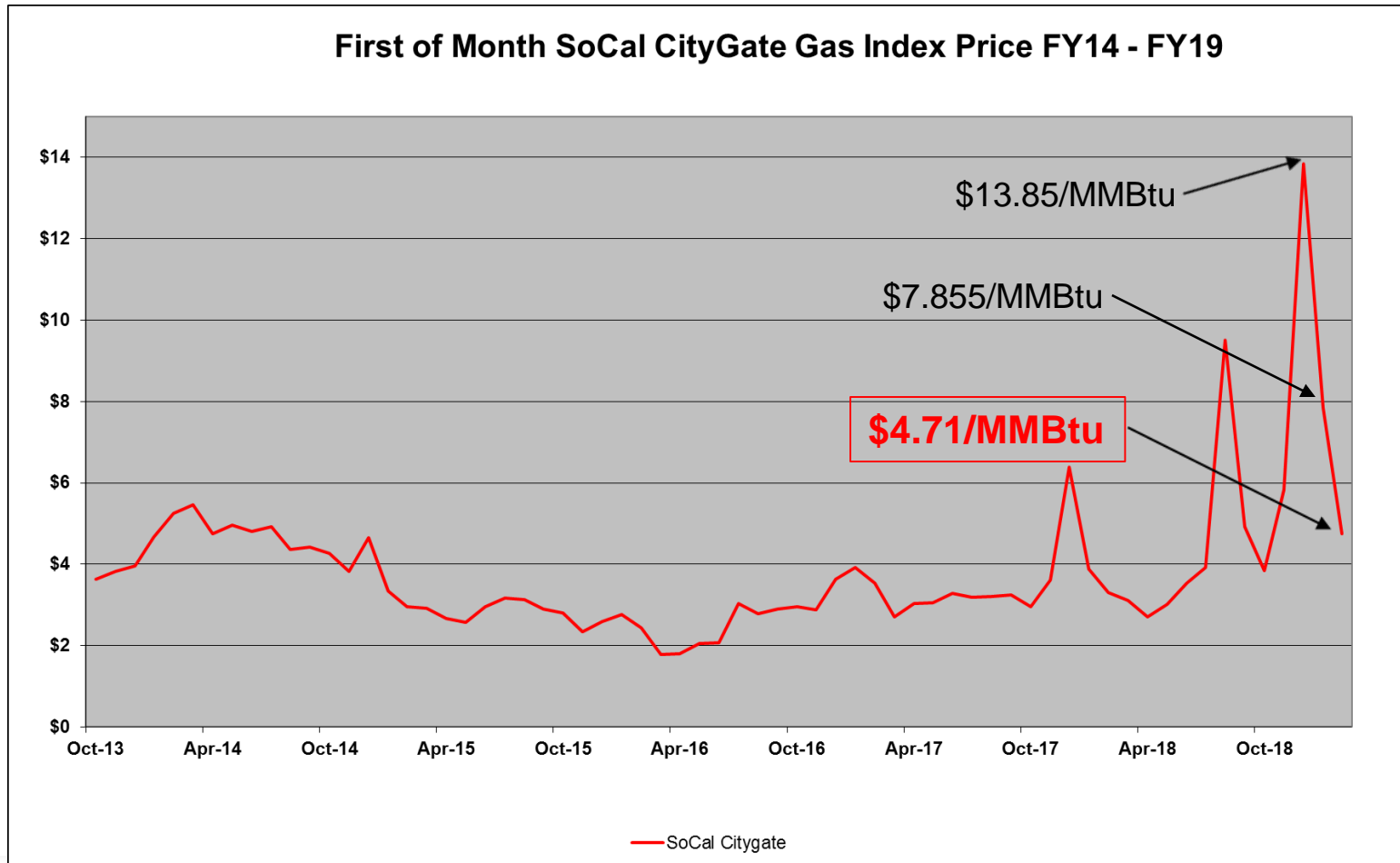
State agencies are focused on mitigating the impacts of high regional wholesale natural gas prices on customers, with some parties to the discussion suggesting the main problem is that Southern California Gas Co. hasn’t put key pipelines back into service.

The California Energy Commission and California Public Utilities Commission held a joint workshop on Southern California energy reliability Jan. 11; additional letters have recently been filed as the docket closed Jan. 25 [18-IEPR-03].

The central issues affecting volatility are reduced regional capacity because of Aliso Canyon storage limitations since February 2016 and outages of key natural gas pipelines, which are undergoing repairs. Constraints continue to trigger the issuance of low operational flow orders by SoCal Gas that force natural gas prices higher, precipitating higher wholesale and retail power prices.

As an example, between Nov. 29 and Dec. 6 regional energy prices skyrocketed due to inconsistent natural gas supplies and colder weather.

Impacts customers as result of December 2018 natural gas costs



Assistance for customers with financial hardships resulting from the 2018 winter gas costs


- ER call center staff have assisted numerous impacted customers during this difficult period through a variety of means.
- It is estimated that less than 1% of ER's 154,000 customers have contacted the call center regarding their December gas bills.
- Several customers have been enrolled into payment arrangement plans, which distribute the increased gas costs over several months.
- Staff is also promoting participation in the **Level Pay Plan** to smooth out the ups and downs of a customer's monthly natural gas bill.

Preparing for 2019 Winter Heating Season


- Energy Resources will continue to work to inform its customers in advance, when possible, of pending price spikes utilizing bill messaging, website, and social media postings.
- **LinkLB** can be used to provide updates to customers that subscribe and elect to receive notifications from Energy Resources.
- Communications campaign for the 2019 winter season to encourage everyone to keep their thermostats at 68°F, conserve where they can and sign up for the **Level Pay Program**.

Preparing for 2019 Winter Heating Season

- Develop messaging to better inform customers how to utilize information provided on their current bills to estimate their next months bill.



CITY OF LONG BEACH
UTILITY CUSTOMER SERVICE
333 WEST OCEAN BOULEVARD
LONG BEACH, CA 90802-4664

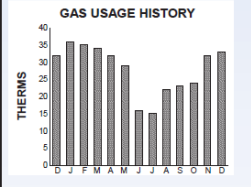


CUSTOMER SERVICE: (562) 570-5700
PAY BY PHONE: (833) 408-8405
WWW.LONGBEACH.GOV/UTILITYBILLING

ACCOUNT INFORMATION

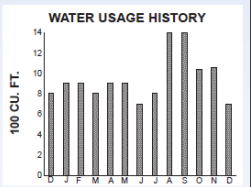
ACCOUNT NUMBER: 1234567890
ACCOUNT NAME: JOHN DOE
SERVICE ADDRESS: 1629 E MAIN ST
BILLING DATE: 12/28/18

HISTORICAL USAGE



GAS USAGE HISTORY

Y-axis: THERMS (0-45)
X-axis: Months (D, J, F, M, A, M, J, J, A, S, O, N, D)



WATER USAGE HISTORY

Y-axis: 100 CU. FT. (0-14)
X-axis: Months (D, J, F, M, A, M, J, J, A, S, O, N, D)

Water Usage	CCF/Day	Gal/Day
ThisYear	0.23	172

SPECIAL MESSAGE

FREE HOLIDAY TREE RECYCLING. FOR INFORMATION VISIT:
WWW.LONGBEACH-RECYCLES.ORG
FACEBOOK.COM/LBRECYCLES OR TWITTER: @LBRECYCLES

REGULAR BILL

GAS **\$68.31**

SERVICE PERIOD: 11/27/18 TO 12/27/18
METER READ: 1471 - 1503

	THERMS	RATE	TOTAL
GAS SERVICE CHARGE (30 DAYS)		0.164400	4.93
TIER I USAGE	33	0.597900	19.73
COST OF GAS	33	1.270303	41.92
(AB32) CA CARBON REDUCTION			1.32
(AB797) CA SOLAR THERMAL			0.41

WATER/SEWER **\$43.10**

SERVICE PERIOD: 11/27/18 TO 12/27/18
METER READ: 3405 - 3412

	100 CU. FT.	RATE	TOTAL
WATER SERVICE CHARGE (30 DAYS)		0.5870	17.61
TIER I USAGE	6	2.0520	12.31
TIER II USAGE	1	3.9280	3.93
SEWER SERVICE CHARGE (30 DAYS)		0.2250	6.75
SEWER USAGE	7	0.3570	2.50

REFUSE **\$24.11**

SERVICE PERIOD: 11/28/18 TO 12/28/18

REFUSE SERVICE CHARGE (30 DAYS)	0.8037	24.11
---------------------------------	--------	-------

ACCOUNT ACTIVITY

PREVIOUS BILL	\$141.07
PAYMENT RECEIVED - 12/11/18	-\$141.07
BALANCE FORWARD	\$0.00
NEW CHARGES (GAS, WATER, SEWER, REFUSE)	\$135.52
UTILITY USERS TAX = 5% (GAS, WATER)	\$5.09
CURRENT CHARGES	\$140.61



Preparing for 2019 Winter Heating Season

- Energy Resources is exploring solutions to utilize the data collected and managed by the utility billing and smart meter systems to actively alert customers of predetermined increases over their average or historical monthly bills.