



October 9, 2012

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**RECOMMENDATION:**

Declare ordinance amending the Long Beach Municipal Code Section 15.36.120(A) regarding expansion of the low-income gas discount to include sub-metered residential gas service customers of master-metered mobile-home parks read the first time and laid over to the next regular meeting of the City Council for final reading. (Citywide)

**DISCUSSION**

On July 24, 2012, the City Council approved a recommendation to draft an ordinance amending Section 15.36.120(A) of the Long Beach Municipal Code (Code) to allow residential mobile-home occupants in master-metered mobile-home parks access to the Utility Discount Program (Program). The Program, as presently codified, provides for a 5 percent discount on monthly gas bills to qualifying low-income service customers. To qualify under current regulations, residents must receive service and monthly bills from the Long Beach Gas and Oil Department (LBGO). On average, the Program provides assistance to 3,337 customers annually and provided an average annual savings of \$18.66 per service customer in Fiscal Year 2011. The total Program cost averages \$62,000 annually.

The proposed ordinance will expand the scope of the Program to include all low-income mobile-home customers who are currently considered indirect residential service customers because they receive their gas service through gas systems not directly operated or billed by LBGO.

### **LBGO Discount Program Implementation**

The ordinance for the LBGO Program proposes to streamline implementation of the Program to low-income mobile-home occupants through a modified utilization of the same processes currently implemented in Long Beach for its Utility Users Tax Refund Program for senior and disabled low-income residential customers at locations with master meters. Most notably, the current qualifying condition which requires that applicants must be named on the City utility bill will be eliminated. However, the maximum household income requirements will remain in place. The Program's maximum income thresholds are set at 200 percent of the federal poverty guidelines, which is the industry standard set by the California Public Utilities Commission for energy assistance discount programs. Currently, this income threshold is \$46,100 for a household of four.

To further streamline the qualification process, the Program application will emphasize the practice of categorical eligibility. Categorical eligibility is an enrollment procedure designed to ease the Program's enrollment processes. Categorical eligibility permits a customer to demonstrate eligibility, with documentation of participation in a government means-tested program, rather than having to provide evidence of income. These qualifying programs are found to have similar income guidelines as the Long Beach Program. A list of the qualifying programs is presented on the Program application.

### **Long Beach Rebate Methodology**

To ensure pass-through of low-income rebates to mobile-home service customers, the ordinance proposes an annual direct mailing of the applicable qualifying rebate to the indirect service customer. Since the City does not have data on gas usage for sub-metered mobile-home occupants, LBGO staff has calculated applicable rebates for each mobile-home park in the City using the following methodology.

For each discreet mobile-home park, LBGO staff accessed the City's Utility Billing system to determine the actual flow of natural gas through the mobile-home park's master-meter over the last service year. The annualized total flow is then divided by the number of individual residential units in the mobile-home park to calculate the monetized average per unit consumption for each mobile-home park. Five percent of this average dollar usage will be mailed directly to the qualifying mobile-home resident on a per mobile-home park basis. The expected discount amount is estimated to average \$5.00 annually per qualifying residential mobile-home service customer. There are an estimated 3,700 to 4,000 mobile-home residential units in the City. It is unknown at this time how many of these units are income-qualified under the Program.

**Outreach**

LBGO will send direct mailings notifying mobile-home park residents of the amended Program.

This matter was reviewed by Deputy City Attorney Richard Anthony on September 13, 2012 and by Budget Management Officer Victoria Bell on September 18, 2012.

TIMING CONSIDERATIONS

City Council action is requested on October 9, 2012 in order to enact amendment of the controlling ordinance.

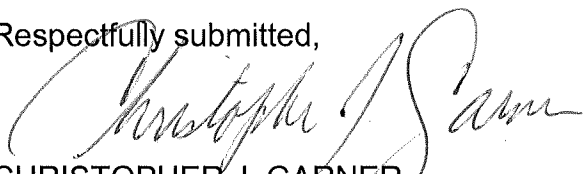
FISCAL IMPACT

All expenditures under the proposed Program modifications are budgeted in the Gas Fund (EF 301). The estimated expenditure for additional low-income residential mobile-home park customers is projected to be \$10,000 to \$15,000 annually. These additional expenditures would be over and above the \$62,000 currently rebated under the Program. There is no impact to local jobs.

**SUGGESTED ACTION:**

Approve recommendation.

Respectfully submitted,



CHRISTOPHER J. GARNER  
DIRECTOR OF LONG BEACH GAS AND OIL

CJG:CAB:LAF

Attachment

APPROVED:



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PATRICK H. WEST  
CITY MANAGER

REDLINE

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15.36.120 Low income gas discount.

A. The payment of gas bills as outlined in this sSection is subject to a low income gas discount for any person applying and qualifying for a low income gas discount. No person shall be entitled to any discount unless the person is (i) a service customer of the City's gas utility, or (ii) an occupant of a mobile home who receives a gas bill from an operator of a mobile home park which is a customer of the City's gas utility, and in either case an application is completed and approved by the City's gas utility and commercial services bureau.

OFFICE OF THE CITY ATTORNEY  
ROBERT E. SHANNON, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

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ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE  
CITY OF LONG BEACH AMENDING THE LONG BEACH  
MUNICIPAL CODE BY AMENDING SUBSECTION  
15.36.120.A, RELATING TO LOW INCOME GAS  
DISCOUNT

The City Council of the City of Long Beach ordains as follows:

Section 1. Subsection 15.36.120.A of the Long Beach Municipal Code is amended to read as follows:

A. The payment of gas bills as outlined in this Section is subject to a low income gas discount for any person applying and qualifying for a low income gas discount. No person shall be entitled to any discount unless the person is (i) a service customer of the City's gas utility, or (ii) an occupant of a mobile home who receives a gas bill from an operator of a mobile home park which is a customer of the City's gas utility, and in either case an application is completed and approved by the City.

Section 2. The City Clerk shall certify to the passage of this ordinance by the City Council and cause it to be posted in three (3) conspicuous places in the City of Long Beach, and it shall take effect on the thirty-first (31st) day after it is approved by the Mayor.

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ROBERT E. SHANNON, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

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I hereby certify that the foregoing ordinance was adopted by the City Council of the City of Long Beach at its meeting of \_\_\_\_\_, 2012, by the following vote:

Ayes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Noes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

Absent: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
City Clerk

Approved: \_\_\_\_\_  
(Date)

\_\_\_\_\_  
Mayor