



November 20, 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 five percent discount on monthly gas bills to qualifying low-income 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 3,300 customers annually and provided an average annual savings of \$18.66 per service customer in Fiscal Year 2011. The current 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 not considered direct LBGO customers, as they receive their gas service indirectly as LBGO delivers and bills the gas through a master meter to the mobile-home park owner. The mobile-home park owner then redelivers the gas through the mobile-home park's own gas system and individual submeters, with the owner billing the individual mobile-home customers for gas service.

LBGO Discount Program Implementation

Both the low-income discount percentage, five percent, and the maximum household income requirements will be identical to what is currently in place for low-income single family home customers. 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 allow a customer to demonstrate eligibility by providing documentation of current participation in any of several government means-tested programs, 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

Since the City does not have direct data on gas usage for each mobile-home occupant, LBGO staff intends to calculate the applicable rebates using the following methodology:

For each discrete mobile-home park, LBGO will use that park's last 12 months actual LBGO gas billings, then divide by the number of individual residential units in the mobile-home park (adjusted by a vacancy factor) to replicate a reasonably accurate average annual gas billing amount for each residential unit within the mobile-home park. The five percent low-income discount will be applied against this annual amount on a per mobile-home park basis and a check for that discount amount will be mailed directly to the qualifying mobile-home resident.

The actual discount amount will vary depending upon usage and the fluctuating market price for natural gas. For illustrative purposes only, a qualifying low-income resident of Windward Village mobile-home park would have received a discount of approximately \$20 based upon 2012 gas billings.

Outreach

LBGO will send direct mailings notifying mobile-home park residents of the amended Program, along with information on the income qualifications and how to submit an application.

This matter was reviewed by Deputy City Attorney Richard Anthony on October 22, 2012 and by Budget Management Officer Victoria Bell on October 31, 2012.

TIMING CONSIDERATIONS

City Council action is requested on November 20, 2012 in order to enact amendment of the controlling ordinance.

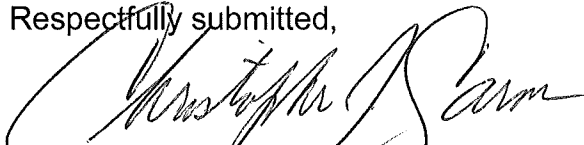
FISCAL IMPACT

All expenditures under the proposed Program modifications are budgeted in the Gas Fund (EF 301) in the Long Beach Gas and Oil Department (LBGO). The estimated expenditure for additional low-income residential mobile-home park customers is projected to be less than \$25,000 annually. This additional expenditure 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:



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 ~~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'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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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