



**Natural Gas Transmission Rate
Increase**

**Low-Income Gas Discount Rate
Increase**

How Are LB Gas Transmission Rates Established?

Long Beach City Charter

ARTICLE XV. DEPARTMENT OF PUBLIC UTILITIES

Sec. 1502. UTILITY RATES*

The rates to be charged users for any services or commodities supplied by any public utility owned and operated by the City shall be based upon the prevailing rates for similar services and commodities supplied or sold by other like utilities whether public or private, operating in the Southern California area.

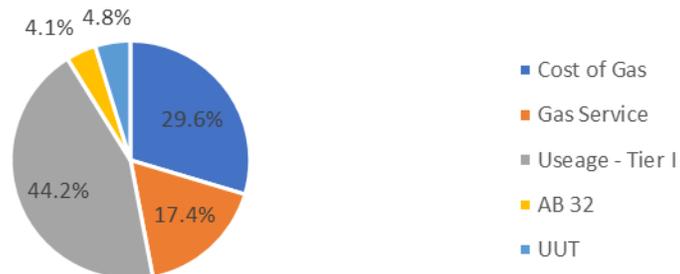
** Sec. 1502. Utility Rates - adopted in 1980 with 67.3% majority vote from Long Beach voters*

What is the Natural Gas Transmission (Usage) Rate?

Average LB Residential Winter Gas Bill

Commodity		(\$)/th	\$ 0.4009	21	\$ 8.42
Non Commodity:					
Gas Service	per day		\$ 0.1644	30	\$ 4.93
Transmission (Usage) - Tier I	(\$/th)		\$ 0.5979	21	\$ 12.56
Transmission (Usage) - Tier II	(\$/th)		\$ 0.8579	0	\$ -
Total Non Commodity					\$ 17.49
Taxes & Fees					
AB 32 Fee			\$ 0.0550	21	\$ 1.16
UUT 5%					\$ 1.35
Total Taxes & Fees					\$ 2.51
Total Bill					\$ 28.42

Average LB Residential Winter Bill Components



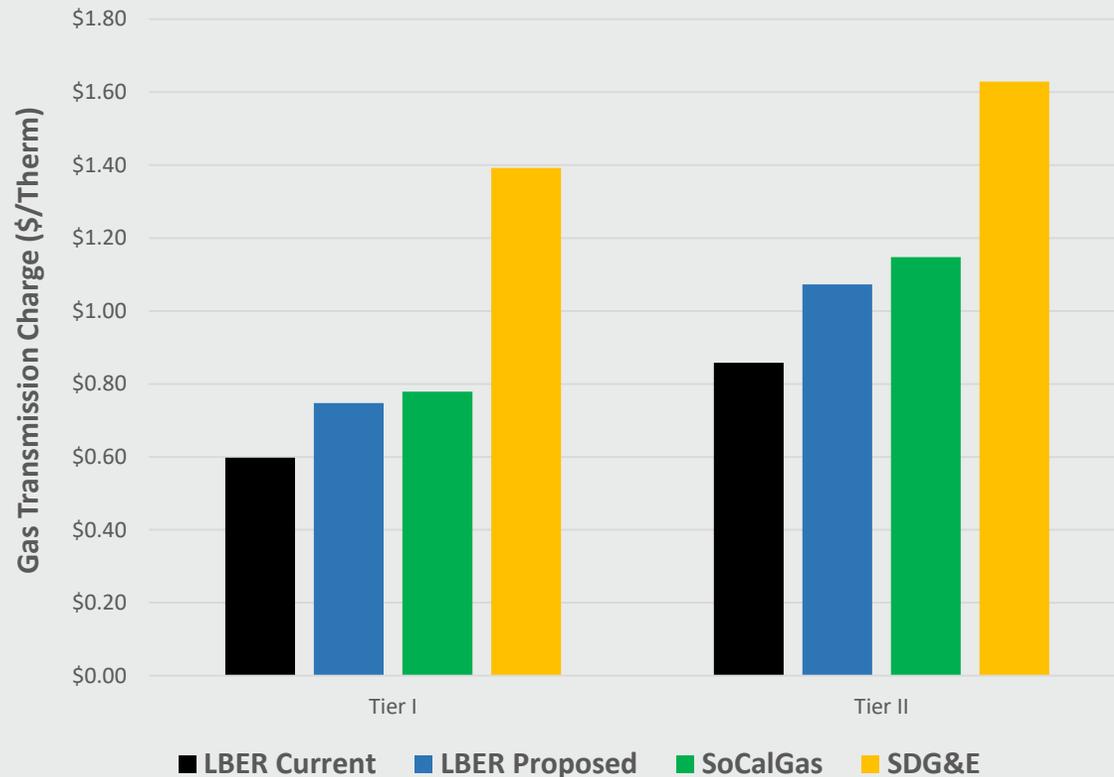
- **Commodity** - Cost of natural gas from producers and marketers based on a 30-day forecast of natural gas market prices. By law, these costs cannot be marked up and are passed directly through to our customers.
- **Gas Service** – This is a customer charge based on the number of days of service provided.
- **Transmission (Usage) Charge** – Based on customer’s actual usage and is the cost to deliver natural gas. These costs include pipeline, meter, regulator and service line maintenance.
 - **Tier I** - Baseline allowance determined by CPUC (Summer @ 0.473 th/day; Winter @ 1.691 th/day) to be the amount of natural gas needed to meet the minimum basic needs of the average home while at the same time encouraging the efficient use of natural gas. Usage below baseline allowance is billed at the lowest rate.
 - **Tier II** – All usage above the baseline allowance and billed at a higher rate.
- **AB 32 Fee** – State mandated charge with all proceeds used to fund programs that reduce greenhouse gas emissions at State and local levels.
- **UUT** – City tax applied to gas utility charges. Does not apply to low-income senior citizens (> 62 yrs.) or disabled low-income individuals that apply and are approved for UUT exemption.

Who Are The "Like" Utilities in the Southern CA ?



Southern CA Gas Transmission Utility Rates

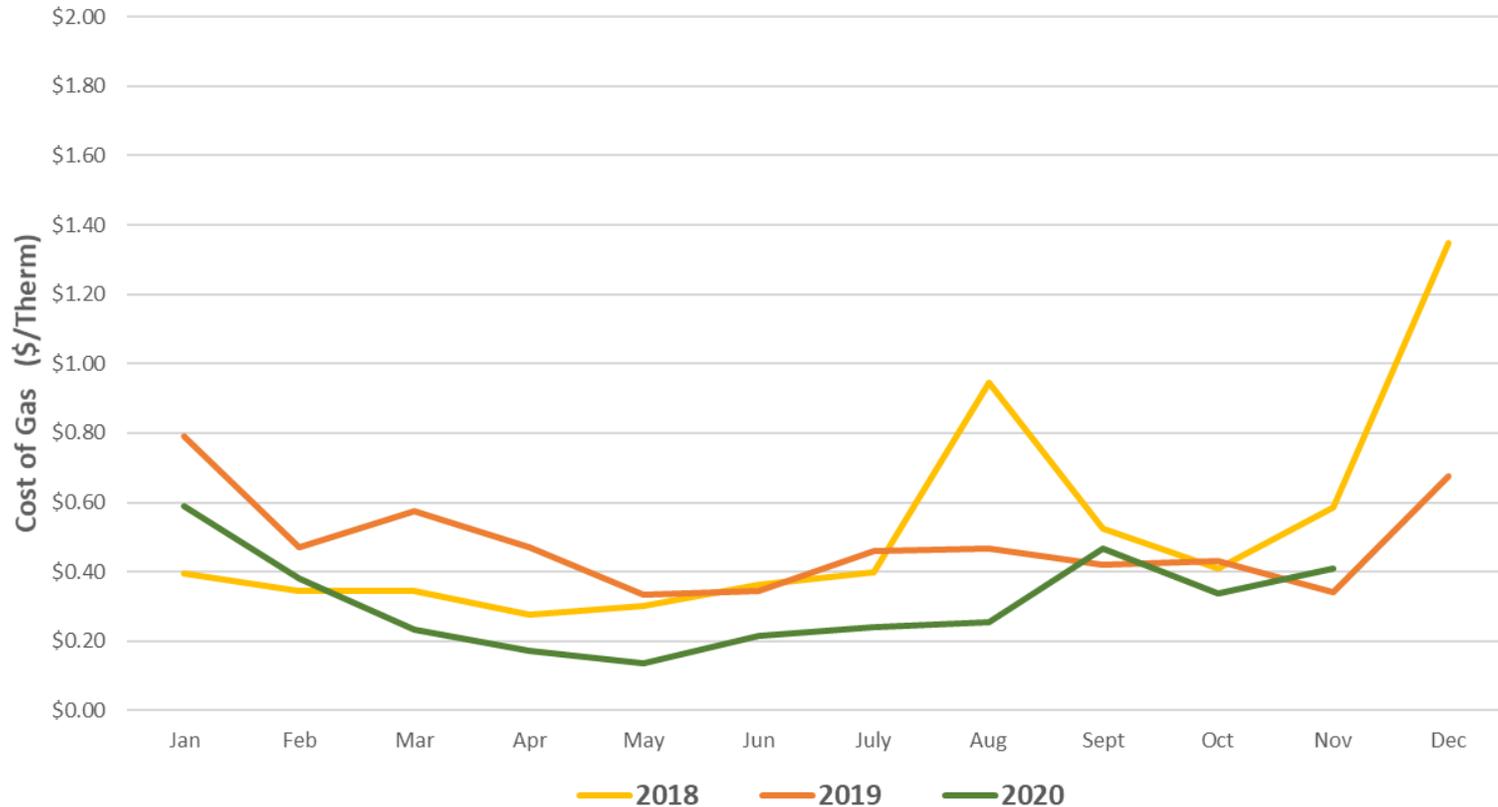
Residential Gas Transmission Charges -
Southern CA Utilities



- Last gas transmission rate increase for Long Beach Energy Resources (LBER) residents & businesses occurred on October 1, 2016.
- LBER residential gas transmission rates are currently 32% below SoCalGas residential gas transmission rates.
- Proposed 25% increase to ER's residential gas transmission rate is still 7% below SoCalGas residential gas transmission rate.

Historical Natural Gas Costs

LB Residential Cost of Gas (Commodity Cost)



- 2020 YTD gas commodity prices have averaged 32.5% below 2019 gas commodity prices.

Low-Income Gas Discount Program

- Customers who qualify currently receive a 5% discount on their gas bills at their primary residence or non-profit group home. Eligible customers include:
 - Low-Income Residents - Households that meet certain qualifications and income requirements
 - Low-Income Senior Citizen/Disabled Residents – Households that meet certain qualifications and income requirements are also eligible for UUT exemption.
 - Non-Profit Group Living Facilities - Includes nonprofit group living facilities and non-licensed facilities such as homeless shelters, women’s shelters, and group homes. Each resident must meet income requirements for a one-person household.
- Approximately 7,000 residents currently participating in program.
- ER is seeking Council approval to increase the Low-Income Gas Discount from its current 5% discount to a 20% discount.

Low-Income Gas Discount Program

- Applications available at:
 - Long Beach City Hall, Lobby Level
 - Main Library and Branches
 - Neighborhood Resource Center, 425 Atlantic Avenue
 - Energy Resources, 2400 East Spring Street
 - Call (562) 570-2068
- Apply online at: <https://forms.longbeach.gov/Forms/GasDiscount>



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