TO:        HONORABLE CITY COUNCIL
FROM:      CITY MANAGER                      DEPARTMENT: UTILITIES
DATE:      JANUARY 14, 2008                          CMR:  108:08

SUBJECT:   EXPANSION OF GAS METER REMOVAL POLICY

This is an informational report and no Council action is required.

SUMMARY
This report describes a new Utilities Department policy that allows customers to have their gas meters removed and their natural gas service terminated, in order to eliminate the monthly natural gas “customer charge” that is part of the rate structure for natural gas service.

BACKGROUND
Effective July 1, 2007, the City Council adopted changes to the Gas Utility’s Rate Schedules, (CMR:204:07). One change established a monthly “customer charge” for all customer classes, irrespective of monthly gas consumption, in order to collect a portion of the utility’s fixed operating costs. Some residential and commercial customers with active utilities accounts and a natural gas meter in place do not consume natural gas and wish to be exempt from the “customer charge.”

The Utilities Department has a policy in place for “Utility Disconnections Prior to Building Demolition,” which includes requirements for subsequent restoration of utility service. There was no policy, however, that addressed customers wishing to permanently remove gas meters.

Simple termination of gas service, without removal of the meter, would not eliminate the fixed costs incurred by the Gas Utility. The new policy (Attachment B), effective January 14, 2008, provides for gas meter removal, termination of the customer charge, and identification of customer requirements for future restoration of gas service.
The modified policy allows a customer to request removal of his or her gas meter, with the approval of the property owner, in order to officially terminate the monthly “customer charge.” Although gas meter removal would be free upon request, the re-establishment of natural gas service would be treated as a request for new natural gas service, and follow the procedures for installing a new natural gas meter. The current cost for installation of a new residential gas meter is $167 (subject to change in the future). The policy takes effect on January 14, 2007, and after that date, interested customers can complete and submit the required documentation to the Utilities Department. Given the number of customers likely to take advantage of this program, the financial impact will be inconsequential.

ENVIRONMENTAL REVIEW
This policy does not meet the definition of a project under Section 21065 of the California Environmental Quality Act (CEQA).

ATTACHMENTS
A. Gas Meter Removal Application (Non-Demo)
B. Gas Meter Removal Policy (Non-Demo), Effective January 14, 2008

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