

DEPARTMENT OF FOOD AND AGRICULTURE

A.G. KAWAMURA, Secretary

Division of Measurement Standards
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DMS Notice
D – 06 – 3

December 27, 2006

Discard: Retain

TO WEIGHTS AND MEASURES OFFICIALS

SUBJECT: Submeter Survey 2006

In the first statewide survey of private measurement and billing for utility service, 443 locations were visited by weights and measures officials between January 2006 and May 2006. Officials were instructed to select properties from county records of submeter locations and from rental directories, telephone books, or other "cold-call" visits in equal numbers.

217 locations were selected from local records and 226 properties were selected arbitrarily as "cold-calls". The sample was intended to estimate the level of utility submetering and allocation at California properties since these are often sources for inquiries and complaints. In recent years many locations were identified with unregistered, untested and unsealed meters installed. Properties selected were those that are typically regulated by weights and measures laws which included apartments, condominiums, manufactured homes, RV parks, and marinas.

Properties selected arbitrarily:

65 of the 226 properties (28.8%) used at least one type of submeter. 33 of these properties were found to be allocating at least one utility (22.8%), 9 of those involved illegal allocation of energy utilities.

Apartment and Manufactured Home Properties:

There are stricter rules for submeter use in manufactured home properties in the California Civil Code and Public Utilities Code than exist for the other property categories. Installing submeters is a relatively simple matter as each manufactured home has a single entry point for each utility. Though there are many problems associated with submeters and billing, allocation of utilities is not allowed and rents must be reduced to offset the cost of the average park usage bill. There has subsequently been little change in the rate of complaints at manufactured home properties.

In recent years more and more apartment properties have been implementing separate charges for utilities, resulting in increased complaints and inquiries. It is illegal to allocate energy utilities at most apartment properties and most tenants are served directly by regulated energy utility companies at apartment properties. Of the 168 apartment properties from the two sample groups, 29 properties indicated they allocated water costs without use of submeters, 3 allocated water with a submeter (hot water allocation), 9 of the properties used submeters to capture all water use. Since several properties did not volunteer information about allocation practices, the numbers may be non-representative of the actual marketplace conditions. A higher level of use is likely.

14 of the 168 apartment properties used gas submeters, 9 properties were noted as allocating gas in violation of California Public Utilities Code, 13 used watt-hour submeters, and 4 allocated electric energy, also in violation of California Public Utilities Code.

Many of these practices conflict with utility tariff rules and have hopefully been referred to the serving utility companies for a coordinated response and appropriate action. If you have specific questions or seek assistance with any specific locations, your area device specialist should be contacted.

Billing Format and Accuracy

Billing format and rate violations appeared at approximately the same levels for properties selected from county records and properties selected arbitrarily. It was not possible to determine accuracy on several bills due to lack of necessary and required information. Often information was not available or not provided to officials for a variety of reasons. A number of properties had locked offices with no on-site managers, some managers could not obtain clearance from the property owner, and several properties do not retain any customer bills on-site. It was not clear in several of these cases whether an official could obtain copies of billing when measurement is involved as required in Section 4090 of the California Code of Regulations. It also could not be determined if such properties charged separately for utility service by estimating consumption or by allocating the costs paid by property owners or whether it was included in rent.

Since most submeter properties serve several citizens and some billing companies provide billing services to many properties, it would be effective use of time to review any questionable billing practices with the serving utility companies to ensure properties are on the correct tariff schedules, offer required rate discounts to qualifying tenants, are not adding illegal charges or interest rates, and are displaying required information on customer bills. A few examples of billings are enclosed to give an idea of the variety of practices in the private utility marketplace in California.

Violation Summary

The table enclosed shows the total rates of violation associated with each type of submeter. The individual values for most of the subgroups are too small to be

meaningful but the “total” numbers for both groups are probably relevant in estimating where problems are concentrated. For example, watt-hour submeters had high rates of violations (22.22 % and 18.86%) in both groupings.

The table and the information gathered during the survey do not accurately capture the extent of violations where no devices are being used because of limitations in our authority as weights and measures officials to obtain the necessary information at such locations.

If you have questions or comments or would like assistance with some of the locations visited, you may contact your regional Measurement Standards Specialist or Ken Lake, Program Supervisor, at (916) 229-3047.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Cleary". The signature is stylized with a long horizontal stroke and a large, sweeping flourish on the right side.

Mike Cleary
Director

Enclosure(s)

cc: Ed Williams, Director, County Liaison Office

Properties Selected Arbitrarily "Cold Call"

	Number of Properties Selected	Properties with Gas Submeters	Gas Submeter Related Violations	Per Cent With Gas Submeter Related Violations	Properties with Watt-hour Submeters	Watt-hour Submeter Related Violations	Per Cent With Watt-hour Submeter Related Violations	Properties with Water Submeters	Properties with Water Submeters	Per Cent With Water Submeter Related Violations
Apartments	146	8	1	12.50	6	2	33.33	14	0	0.00
Condominiums	13	0	0	0.00	0	0	0.00	2	1	50.00
Manufactured Homes	46	27	3	11.11	31	5	16.13	12	2	16.67
RV Parks	6	3	0	0.00	3	1	33.33	0	0	0.00
Marinas	12	0	0	0.00	4	2	50.00	0	0	0.00
Other	3	1	0	0.00	1	0	0.00	0	0	0.00
Total	226	39	4	10.26	45	10	22.22	28	3	10.71

Selected From Records "Known Sites"

	Number of Properties Selected from County Records	Properties with Gas Submeters	Gas Submeter Related Violations	Per Cent With Gas Submeter Related Violations	Properties with Watt-hour Submeters	Watt-hour Submeter Related Violations	Per Cent With Watt-hour Submeter Related Violations	Properties with Water Submeters	Properties with Water Submeters	Per Cent With Water Submeter Related Violations
Apartments	22	6	3	50.00	7	2	28.57	12	5	41.67
Condominiums	5	1	0	0.00	4	1	25.00	1	1	100.00
Manufactured Homes	164	147	15	10.20	139	18	12.95	78	6	7.69
RV Parks	16	6	1	16.67	15	8	53.33	2	2	100.00
Marinas	10	1	0	0.00	10	4	40.00	0	0	0.00
Total	217	161	19	11.80	175	33	18.86	93	14	15.05
Combined Totals	443	200	23	11.50	220	43	19.55	121	17	14.05

Statement

Date
12/1/2005

To:

[REDACTED]

		Amount Due	Amount Enc.		
		\$755.00			
Date	Transaction	Amount	Balance		
11/01/2005	Balance forward		500.00		
12/01/2005	ELECTRIC	30.00	530.00		
12/01/2005	LIVE ABOARD	50.00	580.00		
12/01/2005	MOORAGE	175.00	755.00		
CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due
255.00	250.00	0.00	250.00	0.00	\$755.00

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[REDACTED]

NAME

[REDACTED]

SPACE 2 FROM

81105 TO 83105

Space Rental \$ 305.00

Boat Storage \$ _____

TOTAL \$ 305.00

UTILITIES

Service	From	To	Prior	Present	Units	Rate	Amount Due
Electric	6/16	7/24	0318	0663	345	345 .11589	Total \$ <u>39.50</u>
						<u>345</u> 0.0002	
						<u>345</u> 0.01000	
						@ _____	
						Credit <u>3.99</u>	
Water	11	"	17149	17334	185	185 @ 3.14	Total \$ <u>5.80</u>
						Svc. Chg. \$ <u>1.95</u>	
Sewer	8/1	8/31	[REDACTED]				Total \$ <u>25.20</u>

TOTAL DUE NOW \$ 377.45

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MONTHLY STATEMENT

[REDACTED]

OWNER

DATE: 03/01/06

[REDACTED]

MANAGER

[REDACTED]

SPACE: 26

\$450.00 MONTHLY RENT	PRESENT METER READING:	17088
\$4.55 LIGHTS&LANDSCAPING	PREVIOUS METER READING:	16971
\$13.56 ELECTRIC	TOTAL K.W. USED	117
\$1.08 CITY TAX		
\$9.14 TAX	PRESENT METER READING	44.73
\$16.67 WATER	PREVIOUS METER READING	44.73
\$22.37 GARBAGE	WATER USAGE:	0
\$517.37 TOTAL		
\$0.00		
\$517.37 NEW TOTAL		

REMARKS: PLEASE CLEAN UP AROUND YOUR TRAILERS AND AROUND THE POWER AND SEWER LINES.

PF

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US

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BILLING PERIOD
3/2006 to 2/14/2006

SUMMARY OF CHARGES

- MAINT FEE
- GAS
- CABLE/TV
- WATER
- TRASH
- SEWER

TOTAL: \$ 194.90

PAY TO



UTILITY	PREVIOUS	CURRENT	MULTIPLIER	CONVERSION	USAGE	AMOUNT
GAS <small>* INCOME QUALIFIED RATE</small>	1849	1900	1.02500	1.00000	52	47.72
	CUST CHG	29 Days @ 0.13151			3.81	
	INSP FEE				0.21	
	BASELINE	49 THERMS @ 0.81061			39.72	
	OVER BASELINE	3 THERMS @ 0.9567			2.87	
	PPP SRCHG	52 THERMS @ 0.02137			1.11	
WATER	1712	1717	1.00000	1.00000	5	9.05
	SVC CHG				5.45	
	BASE USAGE	5 CCF @ 0.72			3.60	

PREPARED BY US METERING & TECHNOLOGY / 23610 N 20th DR, SUITE 8 / PHOENIX, AZ 85027 / 623-939-8010

DATE PAID: _____ AMOUNT PAID: _____ CHECK: _____ CASH: _____

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RENT DUE FOR THE MONTH OF Dec-05



SPACE #1

RENT \$256.00
 ELECTRIC \$81.05
 GAS \$61.44
 TRASH \$7.00

	BEFORE	AFTER	
GAS	7237	7304	
ELECTRIC	3115	3702	TOTAL \$405.49

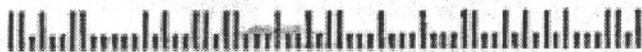
ADD \$25.00 IF NOT PAID BY THE 5th

PLEASE MAKE PAYABLE TO: Esquire Holdings Inc.

\$405.49

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[REDACTED]

00002201 1 221

ACCOUNT NUMBER	[REDACTED]
LAST MONTH'S PAYMENT	43.66
BILL DATE	2/09/2006
DUE DATE	2/28/2006
AMOUNT DUE	8.72

FOR QUESTIONS CALL: [REDACTED]
 MON - FRIDAY 8:00 AM - 5:00 PM PST
 YOU CAN VIEW YOUR ACCOUNT
 OR MAKE YOUR PAYMENTS ONLINE!

THERE WILL BE A \$20 FEE FOR CHECKS
 NOT HONORED BY YOUR BANK.
 DISCONNECTION OF SERVICES MAY OCCUR
 FOR AN OUTSTANDING BALANCE BEFORE
 THE CURRENT CHARGES ARE DUE.

SERVICE LOCATION	SERVICE FROM	SERVICE THRU	NUMBER OF DAYS
[REDACTED] #100	12/26/05	1/26/06	31 DAYS

Outstanding Balance				-24.32
METER CHARGE				8.65
ADMIN FEE				3.75
<hr/>				
HEATHER VLG ELE			Total-->	20.64
	Prev	Pres	Mult	Total
12-26 thru 1-26	10776	10945	1	169.0 KWH
Line Item Description	Rate	Usage		Cost
ALL USAGE	.1221590	169.00		20.6400

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Electricity		
Last Reading:	2/28/06	4324 KWH
Prior Reading:	1/26/06	3629 KWH
Total Usage:	33 Days	695 KWH

Water		
Last Reading:		cu. ft.
Prior Reading:		cu. ft.
Total Usage:		cu. ft.



Baseline Quantity::	425.7 KWH		
Baseline Usage:	425.7 KWH @	0.11430	= 48.66
Over Baseline:	269.3 KWH		
101%-130% Baseline:	127.7 KWH @	0.12989	= 16.58695
131%-200% Baseline:	141.6 KWH @	0.17625	= 24.95700
201%-300% Baseline:	0.0 KWH @	0.21601	= 0.00000
Over 300% Baseline:	0.0 KWH @	0.21601	= 0.00000
Energy Commission Tax:		.00022	= 0.15
Total Electrical Charges:	Rate Code B		90.35

Total Metered Water: (per 100 cu. ft.) 0.00

2/28/06	Cable	10.00
2/28/06	Electric	90.35
2/28/06	Garbage	14.50
2/28/06	Sewer	20.50
2/28/06	Space Rent	385.00
2/28/06	Water	20.00

Handwritten note: \$200 3/13

Amt. Received:	_____
Date Received:	_____
Check #:	_____

Total:	540.35
Past Due:	-75.00
Balance Due:	465.35

This is an example of a monthly receipt from [REDACTED]

[REDACTED]
[REDACTED]

Space #21	[REDACTED]
El. Meter Read out	08880
El. Meter Read in	08672
Total used	208
Gas Read out	6735
Gas Read in	6677
Total used	58
Electric Charge	\$24.10
Gas Charge	\$94.11
Space Rental	\$250.60