

SANTA MONICA RENT CONTROL BOARD -- MEMO

TO: Board Commissioners
From: Staff
Board Meeting of: May 23, 2002
Re: 2002 General Adjustment Study

Section 1805(b) of the Rent Control Law requires the Board to generally adjust rents each year, taking into account increases in utility, tax and maintenance expenses. This subsection also requires the Board to adopt a formula of general application in making general adjustments.

At its February 7 meeting the Board authorized staff to enter into a contract with consultants Dr. Ken Baar and Ms. Libby Seifel to review the Board's general adjustment methodology. The study they conducted on behalf of the Board is attached.

The attached study sets out the formula and calculations the consultants used in reaching their recommendations for the 2002 general adjustment. The study recommends use of a flat dollar annual general adjustment, rather than a percentage, as has been used by the Board in past general adjustments. This recommendation is based on the study's conclusions that cost increases for a unit are not substantially related to the amount of rent collected for that unit, and, for that reason, apartments with lower rents should not receive smaller rent increases. Conversely, units which have received large vacancy increases do not have to receive larger rent increases since, in most cases, the owners have already obtained vacancy increases far exceeding the amounts that have been calculated in the annual general adjustment studies as necessary to cover operating cost increases.

RECOMMENDATION

Staff recommends that the Board set the 2002 general adjustment at the flat dollar rate of \$11 per unit as set out in the attached General Adjustment Study. Staff recommends the Board set this matter for public hearing on June 13, 2002.

Apartment Operating Cost Increases (March 2001-March 2002)

&

The Annual General Rent Adjustment under Santa Monica's Rent Law

Kenneth K. Baar

This study was commissioned by the Santa Monica Rent Control Board in order to provide technical assistance in the preparation of its 2002 annual general adjustment regulations.

The opinions herein are those of the author and do not necessarily reflect the opinions of the Rent Control Board.

Seifel Consulting (San Francisco) provided technical and data assembly assistance to the author. The author gratefully acknowledges the assistance of Libby Seifel, Marie Munson, and Kohki Shiga.

The author is an attorney and urban planner, who has consulted extensively to local governments on rent control issues. His publications on rent regulations have been frequently cited in California Supreme Court and appellate court decisions.

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I. Alternate Rent Increase Mechanisms Percentage v. Dollar Increases and other Issues

A Perspective on the Annual Rent Adjustment

A majority of apartment rent control ordinances tie the allowable annual rent increase to the percentage increase in the CPI and set the increase as a percentage of the current rent (as opposed to a uniform dollar amount for all units).

Annual Rent Increase Standards under California Apartment Rent Control Laws

<u>Jurisdiction</u>	<u>Annual Rent Adjustment</u>
Berkeley	Set by Rent Board
Beverly Hills	CPI
East Palo Alto	CPI (lower of all-items & rent residential index)
Hayward	5%
Los Angeles	CPI
Oakland	CPI (avg. all-items & less shelter)
San Francisco	60% of CPI
San Jose	8%
Santa Monica	Set by Rent Board
West Hollywood	66% of CPI

A Weighted Cost Index

Santa Monica's law directs the Rent Board to institute annual rent increases based on an analysis of changes in apartment operating costs.¹ Pursuant to that direction the Board has used a "weighted operating

¹ The Rent Control law states:

Section 1805. (b) ANNUAL GENERAL ADJUSTMENT: Each Year the Board shall generally adjust rents as follows:

(1) Adjust rents upward by granting landlords a utility and tax increase adjustment for actual increases in the City of Santa Monica for taxes and utilities.

(2) Adjust rents upward by granting landlords a maintenance increase adjustment for actual increases in the City of Santa Monica for maintenance expenses.

(3) Adjust rents downward by landlords to decrease rents for any actual decreases in the City of Santa Monica for taxes. ...

(e) In making individual and general adjustments of the rent ceiling, the Board shall consider the purposes of this Article and the requirements of law.

cost index” in order to estimate apartment cost increases. This contrasts with the other rent ordinances which tie rent increases to the CPI, which reflects the general market basket of goods, rather than apartment expenses in particular.

In fact, in Santa Monica’s annual general adjustment studies, the estimates of annual increases in a substantial majority of apartment costs are based on increases in the CPI. This approach is used because information on actual increases in these costs is not publicly available and is not determined by rates which are set by public agencies. For example, the measurement of increases in maintenance and insurance costs is CPI based. In addition, approximately half of apartment owners’ rental income consists of net operating income (NOI) which covers cash flow and debt service rather than operating expenses. The cash flow portion is adjusted by a CPI factor. Overall, of the 82% of rental income that is adjusted each year,² approximately 66% is adjusted by a CPI index and approximately 16% is adjusted based on rate increases that are not tied to CPI. Approximately 18% of rental income, the portion attributed to debt service, is not adjusted. The annual general adjustment standard could be seen as a standard that provides for increases tied to a combination of two different CPI indexes, two types of rate increases, and increases in property taxes.

**CPI and Non-CPI Adjusted Cost Factors
in Operating Cost and Annual General Adjustment Determination**

Type of Cost	Operating Cost Weight³	Measure of Cost Increase
Factors Adjusted by the CPI		
Water & Sewer	.028	Rates determined by CPI
Maintenance & Other	.145	CPI all-items less shelter
Insurance	.041	CPI all-items less shelter
Self-Labor	.069	CPI all-items
Cash Flow	.329	CPI all items
Management	.050	CPI all items
Total Weight Factors Adjusted by CPI	.662	
Factors <u>Not</u> Adjusted by CPI		
Gas	.049	Southern California Gas Rates
Electricity	.022	Southern California Electric Rates
Property Taxes	.068	2% per year or actual increases

² The portion of income that is attributable to base year levels of debt service is not adjusted.

³ These weights are calculated by this author by adjusting the 2000 “Component Ratio” set forth in last year’s annual general adjustment report by its “Pct.Increase 4/00-4/01” (See AGA Report 2001/2002, p.10, Chart A),and then dividing that sum by the 4.2% annual general adjustment for 2001. Next year’s weights will differ, however, the overall distribution among factors adjusted by the CPI and factors not adjusted by the CPI will not differ significantly.

Refuse
Total Weight Factors
Not Adjusted by CPI

.019
.158

Rate increases

Furthermore, it must be understood that the cost increases that can be measured and/or estimated can only be averages, when the reality is that ratios of each type of cost and its annual increase vary substantially among apartments.

In totality, Santa Monica's methodology is more sensitive to changes in apartment costs than the CPI standards used in other jurisdictions because it considers increases in water, sewer, refuse, gas, and electricity costs. But, there are substantial limits to what precision is possible.

In fact, since 1990, the rent increases permitted pursuant to the annual general adjustments have approximately equaled the percentage increase in the CPI - a 28.9% increase in rents versus a 31.0% increase in the CPI.⁴ The table on the following page summarizes the annual general adjustments since 1979.

From 1979 through 1989, rent increase allowances were always calculated as a percentage of the current rent. From 1990 through 1999 dollar floors (minimum allowable increases) were added to the percentage increase allowances. In the past four years, the annual general adjustments have included dollar ceilings on allowable rent increases.

⁴ From March 1990 through March 2001, the CPI all items for all urban consumers increased from 134.5 to 176.2.

Annual General Adjustments under Santa Monica Rent Controls

CPI Increase**		Pct. Rent Increase	Dollar Rent Increase	Ceiling	Utility Increase
8.8%	1979	7%			
18.4%	1980	6.5%			
9.1%	1981	5.5%			
8.8%	1982	5.5%			
0.3%	1983	4.5%			
4.7%	1984	4%			
4.6%	1985	3%			1% master metered gas 0.5% master metered elec.
4.3%	1986	2.5%			2% - master metered elec.
4.0%	1987	4%			
4.4%	1988	3%			
4.6%	1989	3%			
6.6%	1990	6%	or \$25		
3.9%	1991	3.5%			\$7.00 - master metered elec. \$11.00 - master metered g&e
4.2%	1992	3%	or \$16		
3.0%	1993	3%	or \$16		
1.8%	1994	2%	or \$11		
1.4%	1995	1.5%	or \$ 8		
1.7%	1996	1.6%	or \$ 9		
1.6%	1997	2%	or \$15		
1.0%	1998	1%	or \$ 4	\$ 9	
2.2%	1999	1%	or \$ 4	\$ 9	
3.5%	2000	3%	\$12 for units on properties w/o vac. inc.	\$28	
3.2%	2001	4.2%		\$40	\$10 master metered electric

* See Rent Board Regulations, Chapter 3, published on the Rent Board's internet web page.

** The change in the CPI all-items from March of the prior year to March of each year is used. (See table Appendix A)

The Use of a CPI Standard for Annual General Adjustments

As the foregoing discussion indicates, Santa Monica's methodology for setting annual general adjustments is heavily based on the CPI. In practice, the use of a CPI based standard would accomplish nearly the same results as the current methodology.

Under these circumstances, one option may be to adopt a CPI standard for future annual general adjustments. This approach would have the advantage of removing the annual disputes over rent increases that are an inevitable outcome of the use of a methodology (the annual general adjustment study) that requires discussion and debate in order to make public decisions over how to interpret sophisticated analysis. Furthermore, one major potential strength of the annual general adjustment studies, their possible sensitivity to very volatile changes in gas and electricity costs, has been offset by the lack of publicly available information on apartment owners' gas and electricity costs (see Section II.H of this report.)

Vacancy Decontrol

Until 1995, rent increases were limited to the amounts authorized by the annual general adjustments, except when apartment owners obtained additional adjustments pursuant to individual rent adjustment petitions.

From October 1995 through 1998, pursuant to the adoption of the Costa-Hawkins Act, apartment owners were permitted increases of up to 15% on vacancies.

Starting on January 1, 1999, apartment owners have been permitted unlimited increases when apartments become vacant.⁵ As a result, within the three year period of vacancy decontrols, 27% of the units in the City (7,507 out of 27,434 units) have been permitted to raise rents to market levels. As the table below demonstrates, the market rent levels are far above rent controlled levels.

⁵ The data on vacancy increases in this section is set forth in Santa Monica Rent Control Board, "The Impact of Market Rate Vacancy Increases - Three-Year Report January 1,1999-Dec.31,2001" (Feb 2002, report available on the Rent Board's web page).

Vacancy Increases 1/1/99-12/31/01 (7,507 units)⁶

<u>Number of Bedrooms</u>	<u>Pre-increase Median MARs</u>	<u>Post-Increase Median MARs</u>	<u>No. of units Obtaining Vacancy Increases</u>	<u>Dollar Amount</u>	<u>% Change</u>
0	\$572	\$861	1,012	\$289	51%
1	\$647	\$1,167	3,871	\$520	80%
2	\$828	\$1,600	2,284	\$772	93%
3	\$1,060	\$2,068	340	\$1,008	95%

In the units with vacancy increases, the overall rate of rent increases since the adoption of rent control in Santa Monica has far outpaced the rate of inflation.

**Rent Increases for Units with Vacancy Increases
Compared with the Increase in the CPI**

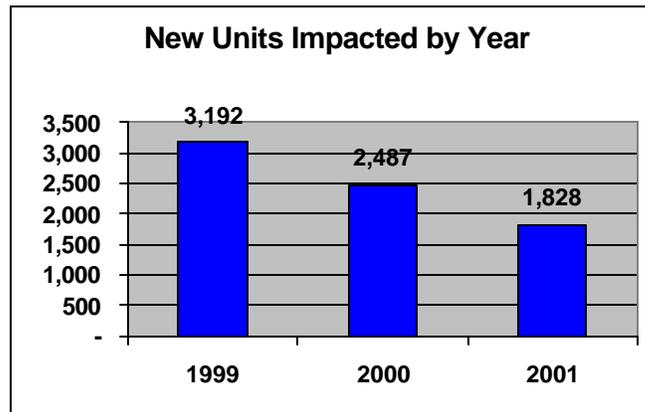
<u>Size of Unit</u>	<u>Median Rent 1978*</u>	<u>Median Rent with Vacancy Increase</u>	<u>Pct. Increase</u>	<u>CPI Pct. Increase</u>
Studio	\$200	\$ 861	331%	172%⁷
1 br.	\$250	\$1,167	367%	↓
2 br.	\$350	\$1,600	357%	
3 br.	\$455	\$2,068	355%	

⁶ Id., based on table on page 4 and data on p.5.

⁷ 1978 CPI all-items - annual average - 65.3; 2001 CPI all-items - annual average - 177.3.

*Median rents for 7,507 units that have had vacancy increases.

Vacancies are rate among units that vacant and the initial vacancy been declining each



occurring at the highest have already become number of units obtaining decontrol increases has year.

The vacancy increases have not been evenly spread among apartment owners. 27% of all units have had vacancy increases and there have already been vacancy increases in a majority of all buildings. 2,340 buildings with from four to ten units, which contain 14,330 apartment units constitute approximately half of the rental housing stock in Santa Monica. According to the registration records of the Rent Board, 1,579 buildings with 10,080 units have had at least one vacancy increase, while 761 buildings with 4,250 units have not yet had any vacancy increases.

**Distribution of Vacancy Increases Among Apartment Buildings (1999-2001)
Buildings with Four to Ten Units⁸**

Size of building (Apt.Units)	No. of bldgs. &(units)	Buildings with Number of Vacancy Increases							
		0	1	2	3	4	5	6	7+
4	623/(2492)	269	169	124	49	12			
5	389/(1945)	145	101	69	49	20	5		
6	546/(3276)	181	119	108	80	36	15	7	
7	265/(1855)	71	49	57	37	25	16	7	3

⁸ Source of data: print out supplied by Rent Board to author, summary of data compiled by the author.

8	175/(1400)	32	35	46	22	23	6	6	5
9	62/(558)	20	5	15	8	5	2	2	5
10	280/(2800)	43	43	42	50	44	35	17	6
Total	2340/(14,326)								

It is critical to note that the foregoing data on vacancy increases does not take into account the 15% vacancy increases that were permitted between 1995 and the end of 1998.

Issues in Establishing a General Adjustment Methodology

As the above data clearly indicates, vacancy decontrol has resulted in what may be labeled as a “bifurcated” rent structure in the City, with an average difference of \$500 to \$1,000 between allowable rent levels for units with and without vacancy decontrol increases. Under these circumstances, the differences in outcome among the different rent increase methodologies for different units has become more substantial. In the case of percentage increases, if the average percentage increase is 3% a year, the difference in allowable rent increases for one bedroom units with median rents would be \$16 per month in the first year (\$192 per year) or \$64 per month (\$768 per year) within four years, depending on whether the unit had obtained a vacancy decontrol increase.

Allowable Rent Increases Under Percentage Methodology After Adoption of Vacancy Decontrol

Pct. Annual General Adjustment

	Median Rent	2%	4%	6%
1 bedroom apt. without vacancy increase	\$629	\$12.58	\$25.16	\$37.74
1 bedroom apt. with vacancy increase	\$1,167	<u>\$23.34</u>	<u>\$46.68</u>	<u>\$70.02</u>
Difference		\$10.76	\$21.52	\$32.28

For two and three bedroom units, the differences in allowable rent increases in the first year would be approximately \$23 per month for two bedroom units and \$30 per month for three bedroom units and \$92 per month to \$120 per month in the fourth year. On an annual basis, the differences would be \$276 to \$360 in the first year and \$1,104 to \$1,440 in the fourth year.

Across-the-Board Dollar Rent Increases

As previously indicated the annual general adjustment analysis is mostly CPI driven and the available information does not indicate whether operating cost increases are greater for apartments with higher rents. In the case of Santa Monica, rent levels are largely determined by the circumstance of whether or not a unit has had a vacancy increase, rather than size of the unit. For example, the median rent for one bedroom units which have received vacancy increases (\$1,167) is higher than the median rent for two bedroom units (\$828) and three bedroom units (\$1,060) which have not received vacancy increases. The median rent for two and three bedroom units which have obtained vacancy decontrol increases is double the level for units which have not obtained such increases.

Under these circumstances, flat dollar annual general adjustments are recommended. This conclusion is based on the likelihood that cost increases are not significantly correlated with rent levels and that apartment owners with lower rents should not receive smaller rent increases. Conversely, units which have received the large vacancy increases do not have to receive larger rent increases, since on the average they have already obtained rent increases far exceeding the increase in the CPI and the amounts that have been estimated in the annual general adjustment studies as necessary to cover operating cost increases.

Alternative Rent Increase Mechanisms

Alternative types of annual rent adjustment standards include:

1) dollar floors and/or ceilings for allowable rent increases,

2) percentage floors and/or ceilings for allowable rent increases

These types of mechanisms accomplish some of the same results as across the board dollar increases; they insure certain levels of allowable rent increases for lower rent units and place a ceiling on rent increases for units with high rents. However, they are still based on the premise that rent increases should be tied to rent levels.

II. Apartment Operating Cost Increases

In determining the ratios of operating cost increases to rents and the size of rent increases necessary to cover operating cost increases, the Board has used the average rent for rental units which have not obtained any vacancy increases. After the 2001 annual general adjustment, the average rent for such units was \$652.89.⁹ In measuring CPI increases, the increase from March of the prior year to March of the current year is calculated. From March 2001 to March 2002, the CPI All items increased by 2.8% and the CPI All items less shelter increased by 1.1%.¹⁰

A. Water & Sewer

Water and Sewer charges are discussed together because charges for both of these services are based on a combination of water consumption and monthly meter charges. There are separate water and sewer usage fees which are both based on water consumption. In addition, there are separate water and sewer charges for apartment buildings based on the size of the water meter.

While water and sewer charges have been increasing over time, these increases have been partially offset by decreases in consumption. Prior to this year the Rent Board staff has collected an extensive amount of data on water consumption and water and sewer costs.

As of the past few years, pursuant to City resolutions, increases in both of these charges are tied to increases in the CPI All items for Urban Wage Earners and Clerical Workers, from February to February of each year.(The Rent Board used a different time period [March to March] and differing indexes when using the CPI to estimate increases in other operating costs).¹¹ The resolutions direct that the increase shall be administratively revised in a manner which increases revenue by the increase in the CPI.

⁹ Memorandum from Administrator to Rent Board re: Annual General Adjustment 2001/02, p. 10.

¹⁰ The CPI All-items increased from 176.2 to 181.1. The CPI All-items less shelter increased from 171.4 to 173.2. (Both indexes are for All Urban Consumers Los Angeles-Riverside-Orange County, CA, 1982-84=100). The percentages are rounded off to the nearest 0.1%.

¹¹ Resolution No. 9409 (CCS) (A Resolution of the City Council ... Establishing an Annual Consumer Price Index Increase on Water Rates and Fees), Sec. 4 (June 22, 1999); Resolution No. 9671(CCS) (A Resolution of the City Council ... Establishing an Annual Consumer Price Index Increase on Water Rates and Fees), Sec. 5 (June 19, 2001) From February 2001 to February 2002, this index increased from 168.3 to 172.8.

The structures for these charges are as follows:

Sewer and Water Rates
Bimonthly Charges¹²

	Commodity Rates				
	Service Charge <u>Water</u>	Service Charge <u>Sewer</u>	<u>Water 1st Tier</u>	<u>Water 2nd Tier</u>	<u>Sewer</u>
			(0-4 HCF) (Bimonthly)	(5-28 HCF) (Bimonthly)	/HCF*.95
July 2000	1"-\$16.77,1.5"- \$28.90	1"-\$30.70,1.5"- \$58.94	\$0.71	\$1.74	\$1.07
July 2001	1"-\$17.37,1.5"- \$29.94	1"-\$31.81,1.5"- \$61.06	\$0.74	\$1.80	\$1.11

In 2001, based on data on apartment bills obtained from the City Utilities Division it was estimated that average monthly consumption was 4.6 HCF (hundred cubic feet) and that the monthly cost per apartment was \$18.15. In the past few years, the Rent Board staff has developed a model of costs for a typical hypothetical apartment building based on the rate schedules. In addition, the staff has developed average cost information. This year, additional cost information was not compiled; however, the annual increase in the CPI All items urban wage earners and clerical workers was only 2.7% (February to February).

Monthly Water/Sewer Charges - Apartment with Average Consumption
(4.6 HCF (Hundred Cubic Feet))¹³

Water Charge For Water Use	Sewer Charge Based on Water Use	Water Charge For Water Meter	Sewer Charge For Water Meter	Total
\$6.53	\$5.42	\$2.09	\$4.11	\$18.15

On the basis of the fact that rate increases are governed by the rule that they shall result in revenues

¹² Sources: July 2000 - City of Santa Monica Multi-Family Water and Sewer Rates (Rate Sheet, effective July 1, 2000) and July 2001 - City of Santa Monica Multi-Family Water and Sewer Rates (Rate Sheet, effective July 1, 2001) (Rate Sheets are included in Appendix B).

¹³ Source: 2001 Annual General Adjustment Report, p.6.

increasing at the same rate as the CPI All items urban wage earners and clerical workers, in this report it is estimated that the costs for these services for apartment owners would have increased by the same rate. A 2.7% increase in the average cost of \$18.15 would result in a \$0.49 cost increase per apartment per month.

	2001 Average Monthly Cost Per Apt. Unit	Rate Increase 2001-2002	Cost Increase/Apt./ Month \$	Pct. Increase Required
Water & Sewer	\$18.15	2.7%	\$0.49	0.08%

It is suggested that during the following year cost information for a sample of several hundred buildings is developed and entered into a data base that can be updated annually. The cost for such a step would be minimal since the information is in the City records.

B. Refuse Collection

Refuse collection charges consist of fixed charges per apartment and collection fees dependent on the type of refuse container and the frequency of collections.

The fixed charges, which have remained unchanged since July 1, 1999 are \$3.00 per apartment unit per month.

There are five different types of containers and five different options as to the frequency of collection.

For the purpose of analysis, in the past years the Rent Board staff has collected records of bills for apartment buildings and calculated average expenditure levels. Based on these records, the configuration of the type of refuse collection, frequency, and cost, which is set forth in the table below, has been developed as typical.

In 2001, another rate increase was adopted, which has been added to the table. The increase varied among some classes of consumption but generally was about 10%. However, the average cost increase was about 7% because the monthly apartment fee portion of the charge was not increased. The table below demonstrates the impact of the rate increase on the overall cost for a hypothetical typical apartment.

**Monthly Refuse Collection Charges Per Apartment
(Hypothetical 10 unit Building)**

	Monthly fee per apartment	Bin Charge	Total Bill
April 1996	\$6.04	\$4.98	\$11.02
April 2000	3.00	9.30	12.30
April 2001	3.00	9.55	12.55
April 2002	3.00	10.50 ¹⁴	13.50

	2001 Average Monthly Cost Per Apt. Unit	Cost Increase 2001-2002	Cost Increase/Apt./ Month \$	Pct. Increase Required
Refuse Collection	\$12.55	\$0.95	\$0.95	0.15%

The FY 2000-2001 and the FY 2001-2002 rates for each of these options are set forth in the City's Solid Waste Division rate schedule. (See Appendix C of this report.)

¹⁴ The rate for the class MSQ - one 2 yard bin picked up once weekly was increased from \$95.50 to \$105.00 per two month period. The analyses developed by staff assume two bins for such a ten unit building, resulting in a cost of \$105.00 per month.

C. Property Taxes

1. Expense Ratio and Rate of Increase

Property taxes are public record. Therefore, the ratio of these expenses to gross income can be precisely calculated. In several instances such data has been collected.

In the course of preparing this year's report, property tax data for a random sample of 272 properties was collected and analyzed. The data indicates that the average monthly cost per apartment unit is \$57.53.¹⁵ This is \$12.79 higher than the cost projected in last year's operating cost study of \$44.74. Property tax costs vary enormously among apartments depending on when they were purchased by the current owner.

Property tax increases are limited to 2% a year, except when properties are reassessed at market value (generally the sale price) when they are sold. At such times, tax increases may be as much as 100% or more.

In each annual general adjustment it has been assumed that a 2% increase has occurred except in 1989 and 1992 when a larger increase was given in order to compensate for the fact that the overall average rate of increase in property taxes is greater than 2% due to increases in property taxes associated with sales.

The following table sets out the average property tax per month by purchase year of the apartment by the current owner. Besides demonstrating the correlation between purchase year and property tax level, the table demonstrates that property tax/rental income ratios are much higher for properties purchased since 1995. This reflects the fact that values reflect future expectations about vacancy

¹⁵ This average was computed by dividing the total property tax bills for the 272 properties by the number of units in the buildings and then dividing that sum by 12 months.

increases as well as current net operating income levels.

Property Taxes of Apartments by Year of Purchase
(Random Sample of 272 properties)

Purchase Years	Bldgs.	Apt. Units	Pct. of Apt. Units	Avg. Prop.Tax/ Apt/Month	Ratio Prop. Tax Rental Income/ Building
1940-1969	32	513	14%	\$30.70	3.5%
1970-1979	70	1003	27%	\$37.64	3.6%
1980-1989	70	846	23%	\$67.54	7.4%
1990-1994	32	372	10%	\$64.75	6.8%
1995-2001	68	1025	27%	\$79.55	7.8%

Rent Increases Based on Property Tax Increases

In fact, as the above table indicates, there are large differences in monthly property tax costs among apartments. These differences (for example the \$50 difference between owners who purchased before 1970 and those who purchased between 1995 and 2001) exceed the totals for all other operating costs, except maintenance. The cost increases for one group of owners, new purchasers since the adoption of vacancy decontrols, exceed the cost increases for other owners. A \$12.79 rent increase for property tax increases would overcompensate about 54% of all units which have property tax levels below the projected average of \$57.53 per month. On the other hand, it would still not raise the projected expense to the average levels for recent purchasers.

Despite the shortcomings of the using the average to cover cost increases, it is recommended that

this approach still be used in the case of property tax increases. Unlike other cost increases, the property tax increases are the outcome of increases in rental income and projected rental income. They are the costs associated with the substantial large rent increases that are occurring and are projected as a consequence of vacancy decontrols. While the property tax cost increases for new apartment purchasers (e.g. \$50/apartment/month) are large compared to other cost increases and base rent levels, they are cost increases that were known by the purchasers when they set their purchase prices. These cost increases are paled by the vacancy increases that have occurred or are likely to occur in the future. On the other hand, the large property tax increases are generated by the vacancy increases (current and projected) and therefore, there is strong rationale for the position that they should be covered by those increases, rather than by tenants of

units who have not realized any increased services or benefits as a result of the property tax increases.

	2001 Average Monthly Cost Per Apt. Unit	Cost Increases not covered by prior aga's	Cost Increase/Apt./ Month \$	Pct. Increase Required
Property Taxes	\$44.74	\$12.79	\$12.79	1.96%

Calculation of Property Tax Increases in Future Years

In future years, property increases for a sample of properties should be compiled on an annual basis.

D. Maintenance & Other Expenses

While maintenance is the largest expenditure, information which is specific to Santa Monica is not available. In each annual general adjustment study it has been presumed that this expenditure increases by the CPI all items less shelter. Maintenance ratios have been adjusted annually based on this presumption. Over the years, the Board has not received information which refutes or affirms this presumption.

In calculating last year's annual general adjustment a 14.69% expense ratio was used. On a dollar

basis it was computed that the average expenditure was \$94.79/month compared to an average monthly rent of \$652.89.¹⁶ (Annual basis: maintenance - \$1137/year, annual rent - \$7835)

This year, some efforts were made to obtain supplemental ratio information from industry sources and other sources. The California Franchise Tax Board was contacted because it provided aggregated apartment cost information to Los Angeles in the 1980's. However, it can no longer provide information obtained from the portion of federal tax returns that are submitted in conjunction with state tax returns (e.g. Schedule E, rental income). Lenders are now required to obtain information on apartment operating expenses from their borrowers on an annual basis. However, the lenders that were contacted indicated that this data had not been compiled in a statistical form.

Information on ratios for Los Angeles from apartment industry sources indicates that ratios for maintenance and other expenses are in the \$68 to \$126 range. This information includes the following:

Maintenance & Other Expenses - Los Angeles
Data from Apartment Industry Sources - Year 2000

Source	Median Monthly Expenditure	Median Monthly Rent
“Dollars and Cents of Multifamily Housing”¹⁷ Market Rent Units - 25 properties, 3830 units	\$68.69	\$792
“Dollars and Cents of Multifamily Housing” FHA Units - 155 properties, 10,811 units	\$106.41	\$675
Institute of Real Estate Management (IREM) Garden Type Bldgs. - 22 bldgs, 3,517 units	\$117	\$771
Institute of Real Estate Management (IREM) Low Rise 12-24 units, 20 bldgs, 323 units	\$117	\$741
Institute of Real Estate Management (IREM) Low Rise over 24 units, 23 bldgs, 5198 units	\$126	\$767

¹⁶ 2001 A.G.A. Study, p.10, Chart A.

¹⁷ Urban Land Institute, Dollars and Cents of Multifamily Housing: 2001 (published in 2001)

	2001 Average Monthly Cost Per Apt. Unit	CPI all-items less shelter Pct. Increase	Cost Increase/Apt./ Month \$	Pct. of Rent
Maintenance	\$94.79	1.1%	\$1.04	0.16%

E. Management

Pursuant to Rent Board Regulation management costs are fixed at 5% of gross rent.¹⁸ In calculating annual general adjustments it has been assumed that this expense increases at the same rate as the CPI.

	2001 Average Monthly Cost Per Apt. Unit	Rate Increase 2001-2002 (CPI Increase)	Cost Increase/Apt./ Month \$	Pct. Increase Required
Management	\$32.64	2.8%	\$0.91	0.14%

F. Self Labor

In setting annual general adjustments, it has been the Board policy to provide for a self-labor allowance and to adjust this expense each year by the increase in the C.P.I.

	2001 Average Monthly Cost Per Apt. Unit	Rate Increase 2001-2002	Cost Increase/Apt./ Month \$	Pct. Increase Required
Self-Labor	\$44.73	2.8%	\$1.25	0.19%

G. Insurance

Estimates of average insurance costs are based on a report prepared by Thomas D. Stringer in 1997.¹⁹ The estimates are based on insurance expense data from 32 properties. On the basis of that research, Stringer found that average insurance costs were \$288 per apartment per year.

¹⁸ Rent Board Regulation 4101(c)(1).

¹⁹ Thomas D. Stringer, Stringer Appraisals (Manhattan Beach), Insurance Expense Report (May 1997)

Since, the preparation of Stringer’s report, it has been assumed that insurance expenses increase at the same rate as the CPI, except in years when there is evidence of significant increases. For the purposes of this year’s analysis it is assumed that insurance costs increased by this amount.

The following data on Los Angeles apartment insurance may bring into question some assumptions about trends in insurance costs. At the same time, it should be noted that the average expense levels reported for Los Angeles might not reflect Santa Monica averages or trends in Santa Monica apartment insurance costs, due to differences in the ages of the buildings.

The 1994 and 1995 median insurance costs for Los Angeles apartments reported by the Institute of Real Estate Management (IREM), which in turn were provided in Stringer’s report, are higher than the costs reported by IREM for the year 2000.

Insurance Costs		
IREM - Los Angeles Sample		
Low-rise Apartments (12-24 units)		
Year	# of units	Median Annual Premium Per Unit
1994	1,234	\$193
1995	1,148	\$214
2000	300* (19 bldgs)	\$163

* Approximately 300 units. The IREM sample covered 20 buildings with a total of 323 apartment units, but only 19 of the 20 buildings reported their insurance expenses.

The other data sources also reported lower average insurance expenses for Los Angeles apartments for the year 2000 than reported by IREM in 1994 and 1995.

Insurance Costs Per Apartment- Los Angeles
Data from Apartment Industry Sources - Year 2000

Source	Median Annual Expenditure
“Dollars and Cents of Multifamily Housing”²⁰ Market Rent Units - 25 properties,3830 units	\$ 90
“Dollars and Cents of Multifamily Housing”	\$144

²⁰ Urban Land Institute, Dollars and Cents of Multifamily Housing: 2001 (published in 2001)

FHA Units - 155 properties, 10,811 units

Institute of Real Estate Management (IREM) \$114
Garden Type Bldgs. - 22 bldgs, 3,517 units

Institute of Real Estate Management (IREM) \$163
Low Rise 12-24 units, 19 bldgs, approx.300 units

Institute of Real Estate Management (IREM) \$184
Low Rise over 24 units, 23 bldgs, 5198 units

A rerun of Stringer's study was not part of this year's analysis, but would be appropriate in the next year.

	2001 Average Monthly Cost Per Apt. Unit	CPI all-items less shelter Pct. Increase	Cost Increase/Apt./ Month \$	Pct. Increase Required
Insurance	\$27.01	1.1%	\$0.30	0.05%

H. Gas and Electricity - Common Areas Only

1. Gas - Common Areas Only

Average Costs

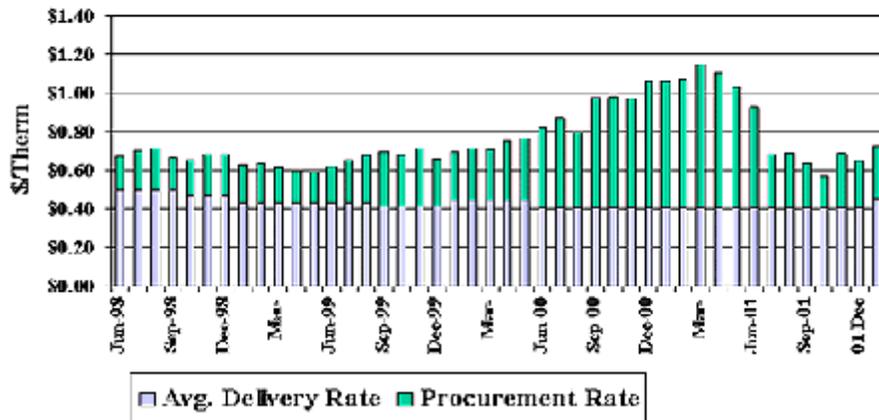
Most apartment units in Santa Monica are individually metered for gas heating, but in approximately two-thirds of all apartments the hot water heating is provided through master metered service paid by the apartment owner.

The gas expenses ratios for these apartments have been estimated based on an analysis of 1978 gas costs and an estimate of the distribution of gas expenditures among base and non-baseline rates established in a 1989 report. On the basis of this data, it was estimated that average monthly gas bills per unit increased from \$3.47 in 1978 to \$19.47 in 1999 and to \$32.00 in April 2001.

In the 2001 annual general adjustment study, the expense ratio in the year was estimated to be 3.76% and the average expense was estimated to be \$23.59. On the basis of this ratio and the fact

that rates increased by 35.7% during the prior year, it was estimated that the average expense increased to \$32.00 per month and that a 1.34% (\$8.41) rent increase was necessary to cover this cost increase. The estimate of gas cost increases was made at a time when the rates had reached an unprecedented peak. Since then the rates have declined.

Historical SoCalGas Residential Rates



(Source: Southern California Gas Company
 Internet Address: www.socalgas.com/residential/prices/graph/images/resrates)

This year, Southern California Gas (SCG) provided the authors with average cost data covering April 2001 through March 2002. However, pursuant to state guidelines, SCG could not provide

consumption data.

Data for a random sample of 258 buildings with 3369 apartment units indicated that the average monthly gas cost was \$9.62 per apartment unit.²¹ The average cost ratio for the sample, which includes units which have received vacancy decontrol increases, was 1.0%. If the average cost is compared with the income of the hypothetical apartment which has not received vacancy increases, the ratio would be 1.47%.

The distribution of monthly costs per apartment unit was as follows:

**Average Gas Costs/Apartment for Apartment Owners
Buildings with Separately Metered Apartment Units
(Based on Data Provided by SCG)**

Monthly gas cost	Percentage of Apartments
No gas account	14%
\$0.01 - 4.99	16%
\$5.00 - 9.99	24%
\$10.00 - 14.99	22%
\$15.00 - 19.99	18%
\$20.00 - 24.99	6%
\$25.00 or more	1%

Data on gas expenditures for Los Angeles apartments from apartment industry sources gives widely differing expenditure levels but all the sources indicate that the monthly costs were \$13.58 or less.

**Gas Expenses - Los Angeles
Data from Apartment Industry Sources - Year 2000**

Source	Median Monthly Expenditure
---------------	-----------------------------------

²¹ The authors submitted a list of 300 addresses. The averages in this section exclude buildings in cases where the Rent Board records indicate that the apartment owner paid for gas within apartments. In addition, two buildings containing 652 units were excluded on the basis that they had a disproportionate weight in the sample.

“Dollars and Cents of Multifamily Housing”²² Market Rent Units - 25 properties, 3830 units	\$11.33
“Dollars and Cents of Multifamily Housing” FHA Units - 155 properties, 10,811 units	\$10.75
Institute of Real Estate Management (IREM) Garden Type Bldgs. - 12 bldgs.	\$ 3.41
Institute of Real Estate Management (IREM) Low Rise 12-24 units, 14 bldgs.	\$13.58
Institute of Real Estate Management (IREM) Low Rise over 24 units, 8 bldgs.	\$11.75

Gas Rate Changes - April 2001 through April 2002

From April 2001 to April 2002 gas rates were adjusted down to their April 2000 levels.

Gas Rates for Apartment Owners with Individually Metered Units

	Baseline	Non-Baseline
April 1978	.13	.14
April 1999	.45	.61
April 2000	.61	.78
April 2001	.94	1.12
April 2002	.60	.78

Source: GM Rate schedules (included in Appendix D)

Adjustments to Rents Based on Changes in Gas Costs

As the foregoing discussion indicates, widely diverging ratio information has been generated for gas expenses and consumption patterns are not known. What is known is that rates have been reduced to the levels that were in effect before the period covered by last year’s annual adjustment. On this basis, in this analysis it is estimated that there was a cost decrease equal to the cost increase of the prior year. The following table suggests the adjustment that should be made. Rather than reflecting the average cost data generated by this year’s analysis, it undoes the cost increase calculation of last year, pursuant to the fact that the rate increase that generated that calculation has been rolled back.

²² Urban Land Institute, Dollars and Cents of Multifamily Housing: 2001 (published in 2001). The report covering 2001 expenses is expected to be issued in June 2002.

Type of Cost	2001 Average Monthly Cost Per Apt. Unit	Rate Decrease 2001-2002	Cost Decrease /Apt./Month \$	Pct. Increase Required
Gas Common Areas Only	\$32.00	offset last year's increase	-\$8.41	-1.29%

Adjustment of Gas Cost in Subsequent Annual General Adjustment Analyses

If other data is not developed, it is recommended that the average expenditure for gas expenses should be modified to equal the \$9.62 amount generated by the data obtained from Southern California Gas. This amount equals 1.47% of rental income.

2. Electricity - Common Areas Only

On May 14, Southern California Edison (SCE) indicated that it would provide aggregate average usage and bill data for a sample of apartment buildings.²³

In the 2001 annual general adjustment study, the expense ratio in the year 2000 was estimated to be 1.71% and the average expense was estimated to be \$10.68. This expense level is in keeping with median expense levels for Los Angeles apartment buildings which are reported in apartment industry expense reports.

Electricity Expenses - Los Angeles Data from Apartment Industry Sources - Year 2000

Source	Median Monthly Expenditure
"Dollars and Cents of Multifamily Housing"²⁴ Market Rent Units - 25 properties, 3830 units	\$11.59
"Dollars and Cents of Multifamily Housing"	\$13.25

²³ The data would not be identified by account.

²⁴ Urban Land Institute, Dollars and Cents of Multifamily Housing: 2001 (published in 2001)

FHA Units - 155 properties, 10,811 units	
Institute of Real Estate Management (IREM) Garden Type Bldgs. - 12 bldgs.	\$11.08
Institute of Real Estate Management (IREM) Low Rise 12-24 units, 14 bldgs,	\$ 5.83
Institute of Real Estate Management (IREM) Low Rise over 24 units, 16 bldgs	\$15.17

Electricity Rate Changes and the 2001 and 2002 Annual General Adjustments

On the basis of rates increases of 37.0% from 2000 to 2001, it was estimated that the average expense increased from \$10.68 to \$14.63 per month and that a 0.63% (\$3.95) rent increase was necessary to cover this cost increase. As the table below indicates, in the past year, the exceptional rate increases of the prior year have been rolled back. On this basis, this year's general adjustment should reflect a reduction in costs based on electric rate increases which is equal to the increase in cost estimated in last year's analysis.

Electricity Rates for Apartment Owners with Individually Metered Units (per kwh)

	Baseline	Non-Baseline
April 1978	.032	.042
June 1996	.120	.142
April 2000	.120	.142
April 2001	.130	.1966
April 2002	.130	.151

Source: Rate schedules (attached as Appendix E)

Type of Cost	2001 Average Monthly Cost Per Apt. Unit	<i>Rate Decrease</i> 2001-2002	<i>Cost Decrease</i> /Apt./Month \$	Pct. Increase Required
Electricity Common Areas Only	\$14.63	offset last year's increase	-\$3.95	-0.6%

In fact, several rate schedules may be applicable to common area electricity, including rates for common area lighting only. No data was available on the number of buildings that are on rate schedules other than DM.

Recommendation Regarding Future Estimations of Expenses for Gas and Electricity Common Areas Only

In the past few years, there have been exceptional fluctuations in gas and electricity prices. Data on those costs is not available or is at best limited in scope. As a result, cost estimates have been built upon a series of assumptions which are in turn built on a previous series of assumptions.

This year efforts were made to obtain data from the gas and electric companies. As indicated, these efforts were met with partial success. Average cost information was obtained from Southern California Gas company. Neither cost or consumption information have been obtained from the Southern California Electric up to this time.

With additional time, additional information may be obtained from the gas and electric companies. However, additional research will require trial and error (as to what may be obtained) and would be vastly aided by efforts to obtain information from the city's apartment owners.

In addition to the foregoing general suggestion, it is suggested research be conducted on all or at least a portion of the buildings for which average gas cost data was obtained this year. It should be determined precisely what services are provided in those buildings (e.g. hot water, swimming pool, laundry room).

I. Cash Flow Adjustment

In calculating the annual rent adjustment it has been the practice of the Board to adjust the cash flow portion of rental income by the percentage increase in the CPI.

	2001 Average Monthly Amt. Per Apt. Unit	CPI all-items Pct. Increase	Rent Increase/Apt./ Month \$	Pct. Increase Required
Cash Flow	\$214.66	2.8%	\$6.01	0.92%

J. Gas and Electricity - Master Metered

In 1986 detailed consumption and cost information was collected for master metered apartments. In subsequent years, cost increases have been estimated on the basis of this information.

In last year's analysis, it was estimated that a \$10.34 rent increase was required to cover the cost increases of apartments which are master-metered for both electricity and gas. As indicated, since that time, the rate increases of that time have been rolled back.

In lieu of actually rolling back rents by 1.0% for master-metered units, it is suggested that this adjustment should be "banked" against future cost increases.

Also, it is suggested that any future upward special adjustments for master-metered units be accompanied by a requirement that apartment owners submit utility cost information for the preceding year. The existing ratios are based on data that was generated more than a decade ago. Since then, energy efficiency improvements in appliances and other measures may have significantly impacted consumption levels.

III. Calculation of Annual General Adjustment

Dollar Amounts

Rent Increases Required to Cover Operating Cost Increases and Index Cash Flow

	estimated cost 2000 (a)	estimated cost 2001 (b)	estimated cost 2002 (c)	Rent Adjustment Required (c-b)
Property Taxes	\$43.86	\$44.74	\$57.53	\$12.79
Water & Sewer	\$17.80	\$18.15	\$18.64	\$0.49

Refuse	\$12.30	\$12.55	\$13.50	\$0.95
Maintenance	\$92.03	\$94.79	\$95.83	\$1.04
Insurance	\$26.22	\$27.01	\$27.31	\$0.30
Gas	\$23.59	\$32.00	\$23.59	(\$8.41)
Electricity	\$10.68	\$14.63	\$10.68	(\$3.95)
Self-Labor	\$43.34	\$44.73	\$45.98	\$1.25
Debt Service	\$117.00	\$117.00	\$117.00	\$0.00
Cash Flow	\$208.31	\$214.66	\$220.67	\$6.01
Management	\$31.32	\$32.64	\$33.55	\$0.91
Total	\$626.45	\$652.90*	\$664.28	\$11.38

*The estimated cost for 2001 is actually \$652.89. The amount of \$652.90 is a result of rounding.

Percentage Amounts
Rent Increases Required to Cover Operating Cost Increases and Index Cash Flow

	2000 ratio to gross rent	Pct. Increase 2000-2001	2001 ratio to gross rent	Dollar Adjustment 2001-2002 *	Pct. Increase 2001-2002	Pct. Increase Required
Operating Expense	(a)	(b)	(c)	(d)	(e)	(c*e)
Property Taxes	0.07001	2.0%	0.0685	\$12.79	28.6%	1.96%
Water & Sewer	0.02841	2.0%	0.0278		2.7%	0.08%
Refuse	0.01963	2.0%	0.0192	\$0.95	7.6%	0.15%
Maintenance	0.14691	3.0%	0.1452		1.1%	0.16%
Insurance	0.04185	3.0%	0.0414		1.1%	0.05%
Gas	0.03766	35.7%	0.0490	(\$8.41)	-26.3%	-1.29%
Electricity	0.01705	37.0%	0.0224	(\$3.95)	-27.0%	-0.61%
Self-Labor	0.06918	3.2%	0.0685		2.8%	0.19%
Debt Service	0.18677	0.0%	0.1792			
Cash Flow	0.33252	3.2%	0.3288		2.8%	0.92%
Management	0.05000	3.2%	0.0500		2.8%	0.14%
Total Rent Increase						1.75%

* Dollar adjustments are entered where adjustments were initially determined in this analysis in dollar amounts.

IV. Preparation of Annual General Adjustment Studies

It is recommended that in future reports, the sources of all data be fully noted and that every step in every single calculation of every number should be noted. In addition, all applicable rate schedules should be attached to the report. Finally, all reports that are footnoted should be maintained. The annual general adjustment process is over 20 years old. If such steps are not taken, valuable pieces of this analysis, which are not retained anywhere else, may be unretrievable.

Appendix A

Consumer Price Index Tables (from Bureau of Labor Statistics)

Bureau of Labor Statistics Data

Bureau of Labor Statistics
U.S. Department of Labor



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Data extracted on: May 14, 2002 (8:49:44 PM)

Consumer Price Index - All Urban Consumers

Original Data Value															
Series Id: CUURA421SA0															
Not Seasonally Adjusted															
Area: Los Angeles-Riverside-Orange County, CA															
Item: All items															
Base Period: 1982-84=100															
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
1978	62.8	63.1	63.4	64.2	64.8	65.5	65.8	66.0	66.8	66.9	67.1	66.7	65.3		
1979	67.6	68.3	69.0	70.3	71.4	72.1	72.7	73.6	74.7	75.1	75.9	77.2	72.3		
1980	78.7	80.4	81.7	82.8	84.3	84.7	84.2	83.7	84.5	85.5	86.5	87.6	83.7		
1981	87.8	88.5	89.1	89.9	90.5	90.7	92.1	93.0	94.5	95.2	95.3	95.5	91.9		
1982	96.7	96.6	96.9	97.0	97.2	98.2	97.9	97.9	97.5	98.0	97.6	96.6	97.3		
1983	96.7	97.1	97.2	98.0	98.8	99.4	99.7	99.9	100.3	100.5	100.4	100.8	99.1		
1984	101.2	101.6	101.8	102.5	103.4	103.4	103.5	104.5	105.0	105.5	105.5	105.3	103.6	102.3	104.9
1985	105.9	106.3	106.5	106.9	108.0	108.1	108.8	109.6	109.6	110.4	110.0	110.4	108.4	107.0	109.8
1986	110.6	110.5	111.1	110.6	111.5	112.1	112.0	112.0	113.3	113.8	113.0	112.7	111.9	111.1	112.8
1987	113.4	114.7	115.5	116.0	116.8	116.5	116.5	117.3	118.0	118.6	118.2	118.5	116.7	115.5	117.9
1988	118.9	119.7	120.6	121.1	122.0	122.0	122.1	122.6	123.4	124.0	124.1	124.2	122.1	120.7	123.4
1989	124.6	125.5	126.2	127.2	128.3	128.7	129.0	128.9	130.1	130.0	130.0	130.6	128.3	126.8	129.8
1990	132.1	133.6	134.5	134.2	134.6	135.0	135.6	136.3	137.7	138.7	138.9	139.2	135.9	134.0	137.7
1991	140.0	139.9	139.7	140.7	140.8	140.8	141.5	141.7	142.6	142.9	143.5	143.1	141.4	140.3	142.6
1992	144.3	144.9	145.5	145.8	146.0	146.2	146.7	146.9	147.4	148.4	148.2	148.2	146.5	145.5	147.6
1993	149.2	150.0	149.8	149.9	150.1	149.7	149.8	149.9	150.2	150.9	151.6	151.9	150.3	149.8	150.7
1994	152.2	152.2	152.5	152.0	151.4	151.3	151.7	152.0	152.7	153.4	152.9	153.4	152.3	151.9	152.7
1995	154.3	154.5	154.6	154.7	155.1	154.8	154.5	154.4	154.6	155.2	154.4	154.6	154.6	154.7	154.6
1996	155.7	156.2	157.3	157.7	157.5	156.7	157.6	157.3	158.2	158.8	158.4	158.3	157.5	156.9	158.1
1997	159.1	159.2	159.8	159.9	159.5	159.4	159.5	159.7	160.5	161.1	160.7	161.2	160.0	159.5	160.5
1998	161.0	161.1	161.4	161.8	162.3	162.2	162.1	162.6	162.6	163.2	163.4	163.5	162.3	161.6	162.9
1999	164.2	164.6	165.0	166.6	166.2	165.4	165.8	166.3	167.2	167.2	167.1	167.3	166.1	165.3	166.8
2000	167.9	169.3	170.7	170.6	171.1	171.0	171.7	172.2	173.3	173.8	173.5	173.5	171.6	170.1	173.0
2001	174.2	175.4	176.2	176.6	177.5	178.9	178.3	178.4	178.8	178.3	178.1	177.1	177.3	176.5	178.2
2002	178.9	180.1	181.1												

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Data extracted on: May 16, 2002 (2:14:34 PM)

Consumer Price Index - All Urban Consumers

Original Data Value

Series Id: CUURA421SA0L2, CUUSA421SA0L2
 Not Seasonally Adjusted
 Area: Los Angeles-Riverside-Orange County, CA
 Item: All items less shelter
 Base Period: 1982-84=100

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
1978	64.7	65.2	65.5	66.1	66.8	67.3	67.5	67.8	68.4	68.8	69.1	69.6	67.2		
1979	70.3	70.9	71.6	72.8	73.8	74.4	74.8	75.4	76.3	76.5	77.3	78.1	74.3		
1980	79.2	80.8	81.6	82.3	82.7	83.1	83.8	84.3	85.5	85.7	86.1	86.4	83.5		
1981	86.7	88.1	88.9	89.5	90.2	90.6	91.5	92.0	92.6	93.1	93.4	93.7	90.9		
1982	94.9	95.4	95.4	95.3	96.3	97.0	97.6	97.3	97.2	97.8	97.8	97.4	96.6		
1983	97.6	97.8	97.6	98.7	99.7	100.6	100.8	100.7	101.0	101.2	100.5	101.2	99.8		
1984	101.7	101.9	101.9	102.6	103.6	103.4	103.2	104.0	104.9	105.6	105.3	104.9	103.6	102.5	104.6
1985	105.3	105.7	106.2	106.7	107.5	107.6	108.0	108.1	108.1	108.9	108.5	108.9	107.5	106.5	108.4
1986	109.3	108.8	108.5	108.1	109.5	110.1	109.6	109.5	109.9	110.6	109.5	109.5	109.4	109.1	109.8
1987	110.7	111.6	112.3	112.3	113.4	113.3	113.3	114.1	114.5	114.9	114.4	114.6	113.3	112.3	114.3
1988	115.1	115.4	116.5	117.2	118.1	118.2	118.6	118.6	119.5	120.4	119.7	119.9	118.1	116.8	119.5
1989	120.6	121.3	122.4	124.0	125.1	124.9	124.8	124.6	125.3	125.4	125.2	125.8	124.1	123.1	125.2
1990	127.2	129.1	129.5	129.8	130.3	130.3	130.7	131.0	132.6	134.0	134.2	134.7	131.1	129.4	132.9
1991	135.5	135.1	134.6	135.7	136.3	135.8	136.9	137.1	138.2	138.5	138.8	138.4	136.7	135.5	138.0
1992	139.4	140.1	141.1	141.8	142.0	141.9	142.7	142.7	143.6	144.8	144.4	144.6	142.4	141.1	143.8
1993	145.6	146.3	146.3	146.4	146.7	146.2	146.4	146.5	147.6	148.3	149.2	149.5	147.1	146.3	147.9
1994	149.4	149.3	149.8	149.4	148.9	148.7	149.1	149.4	150.2	151.1	151.0	151.5	149.8	149.3	150.4
1995	152.7	152.6	152.8	153.2	153.4	153.0	152.7	152.5	152.7	153.5	152.5	152.8	152.9	153.0	152.8
1996	154.0	154.5	156.0	156.7	156.4	155.0	155.8	155.3	156.4	157.0	156.6	156.7	155.9	155.4	156.3
1997	157.4	157.3	158.3	158.5	157.9	157.6	157.5	157.8	158.7	159.2	158.8	159.2	158.2	157.8	158.5
1998	158.7	158.3	158.5	159.1	159.6	159.5	159.0	159.4	159.1	159.9	160.0	160.0	159.3	159.0	159.6
1999	160.5	160.9	161.1	163.3	162.7	161.1	161.2	161.9	163.0	162.9	162.7	162.9	162.0	161.6	162.4
2000	163.1	164.5	166.4	166.3	167.0	166.4	167.3	167.3	169.2	169.3	168.8	168.6	167.0	165.6	168.4
2001	169.2	170.7	171.4	171.8	172.4	173.8	172.5	171.9	172.3	171.6	171.0	169.5	171.5	171.6	171.5
2002	171.2	172.0	173.2	174.3											

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DEFAULT

Back to Original Output

REFORMAT

Change the output (years, net & percent changes, for

Data extracted on: May 1, 2002 (12:01:48 PM)

Consumer Price Index - All Urban Consumers

Original Data Value

Series Id: CUURA421SA0, CUUSA421SA0
Not Seasonally Adjusted
Area: Los Angeles-Riverside-Orange County, CA
Item: All items
Base Period: 1982-84=100

Consumer Price Index All Urban Consumers		12 Months Percent Change	
Year	Mar	Year	Mar
1978	63.4	1978	6
1979	69	1979	8.8
1980	81.7	1980	18.4
1981	89.1	1981	9.1
1982	96.9	1982	8.8
1983	97.2	1983	0.3
1984	101.8	1984	4.7
1985	106.5	1985	4.6
1986	111.1	1986	4.3
1987	115.5	1987	4
1988	120.6	1988	4.4
1989	126.2	1989	4.6
1990	134.5	1990	6.6
1991	139.7	1991	3.9
1992	145.5	1992	4.2
1993	149.8	1993	3
1994	152.5	1994	1.8
1995	154.6	1995	1.4
1996	157.3	1996	1.7
1997	159.8	1997	1.6
1998	161.4	1998	1
1999	165	1999	2.2
2000	170.7	2000	3.5
2001	176.2	2001	3.2
2002	181.1	2002	2.8

12 Months Percent Change

Series Id: CUURA421SA0, CUUSA421SA0
Not Seasonally Adjusted

Appendix B

Water and Sewer Rates



CITY OF SANTA MONICA MULTI-FAMILY WATER AND SEWER RATES

WATER RATES

Bi-Monthly Water Service Charge

<u>Meter Size</u>	<u>Service Charge</u>
5/8 & 3/4"	\$9.49
1"	\$16.77
1 1/2"	\$28.90
2"	\$43.46
3"	\$77.42
4"	\$125.94
6"	\$247.14
8"	\$392.81
10"	\$562.63

Water Commodity Rates

<u>Rate/HCF</u>	<u>Range of Use</u>
	(per dwelling unit)
1st Tier	0-4 HCF
2nd Tier	5-28 HCF
3rd Tier	29+ HCF

Fireline Service Rates

Bi-Monthly Service Charge

3"	\$45.18
4"	\$72.19
6"	\$139.75
8"	\$220.82
10" & 12"	\$315.40

HOW TO CALCULATE YOUR WATER BILL

Example:

1" meter, 10 apts. using 65 billing units of water:

10 apts. X 4 billing units per apt. = 40 billing units at the first tier

1" bi-monthly service charge:	\$ 16.77
40 units at \$.71:	28.40
25 units at \$1.74:	<u>43.50</u>
Subtotal Water	\$ 88.67
10% Utility Users Tax	<u>8.87</u>

TOTAL WATER CHARGE: \$ 97.54

SEWER RATES

Bi-Monthly Sewer Service Charge

<u>Meter Size</u>	<u>Service Charge</u>
5/8 & 3/4"	\$13.76
1"	\$30.70
1 1/2"	\$58.94
2"	\$92.81
3"	\$171.86
4"	\$284.79
6"	\$567.12
8"	\$358.40
10"	\$1,301.16

Sewer Commodity Charge

\$1.07 x HCF of water used x discharge factor

Discharge Factors

Duplex	80%
Triplex	85%
Fourplex	90%
Over four units	95%
Individually metered	95%

HOW TO CALCULATE YOUR SEWER BILL

Example:

1" meter, 95% discharge factor, 65 billing units of water:

1" bi-monthly service charge:	\$ 30.70
65 units x .95 x \$1.07	<u>66.07</u>
Subtotal Sewer	\$ 96.77
10% Utility Users Tax	<u>9.68</u>

TOTAL SEWER CHARGE: \$ 106.45

(Rates effective July 1, 2000 - NOTE: Rates subject to change each July)



CITY OF SANTA MONICA MULTI-FAMILY WATER AND SEWER RATES

WATER RATES

Bi-Monthly Water Service Charge

<u>Meter Size</u>	<u>Service Charge</u>
5/8 & 3/4"	\$9.83
1"	\$17.37
1 1/2"	\$29.94
2"	\$45.02
3"	\$80.21
4"	\$130.47
6"	\$256.04
8"	\$406.95
10"	\$582.88

Water Commodity Rates

Rate/HCF	Range of Use (per dwelling unit)
1st Tier	0-4 HCF
2nd Tier	5-28 HCF
3rd Tier	29+ HCF

Fireline Service Rates

Bi-Monthly Service Charge

3"	\$46.81
4"	\$74.79
6"	\$144.78
8"	\$228.77
10" & 12"	\$326.75

HOW TO CALCULATE YOUR WATER BILL

Example:

1" meter, 10 apts. using 65 billing units of water:

10 apts. X 4 billing units per apt. = 40 billing units at the first tier

1" bi-monthly service charge:	\$ 17.37
40 units at \$.74:	29.60
25 units at \$1.80:	<u>45.00</u>
Subtotal Water	\$ 91.97
10% Utility Users Tax	<u>9.20</u>

TOTAL WATER CHARGE: \$ 101.17

SEWER RATES

Bi-Monthly Sewer Service Charge

<u>Meter Size</u>	<u>Service Charge</u>
5/8 & 3/4"	\$14.26
1"	\$31.81
1 1/2"	\$61.06
2"	\$96.15
3"	\$178.05
4"	\$295.04
6"	\$587.54
8"	\$371.30
10"	\$1,348.00

Sewer Commodity Charge

\$1.11 x HCF of water used x discharge factor

Discharge Factors

Duplex	80%
Triplex	85%
Fourplex	90%
Over four units	95%
Individually metered	95%

HOW TO CALCULATE YOUR SEWER BILL

Example:

1" meter, 95% discharge factor, 65 billing units of water:

1" bi-monthly service charge:	\$ 31.81
65 units x .95 x \$1.11	<u>68.54</u>
Subtotal Sewer	\$ 100.35
10% Utility Users Tax	<u>10.04</u>

TOTAL SEWER CHARGE: \$ 110.39

Appendix C

Refuse Collection Rates

SOLID WASTE RATES
2000-2001

CODE	DESCRIPTION		RATES	CODE	DESCRIPTION		RATES
CXJ	3-300 Gallon	2x weekly	\$376.00	RCSS\$			\$46.00
CXK	3-300 Gallon	3x weekly	\$579.00	RCS*			\$46.00
CXM	3-300 Gallon	7x weekly	\$1,315.50	RCT	1.00"	Per Unit	\$61.50
CXN	4-300 Gallon	2x weekly	\$504.00	RCT\$			\$61.50
CXO	4-300 Gallon	3x weekly	\$752.00	RCT*			\$61.50
CXP	4-300 Gallon	6x weekly	\$1,503.50	RCU	1.5"	Per Unit	\$92.00
CXQ	1-300 Gallon	1x weekly	\$62.50	RCU\$			\$92.00
CXX	4-300 Gallon	7x weekly	\$1,754.00	RCU*			\$92.00
MBA	1-2yd Bin	2x weekly	\$191.00	RCV	2.00"	Per Unit	\$123.00
MBB	1-2yd Bin	3x weekly	\$286.50	RCV\$			\$123.00
MBC	1-2yd Bin	4x weekly	\$279.50	RCV*			\$123.00
MBD	1-2yd Bin	6x weekly	\$573.00	RCW	3.00"	Per Unit	\$184.00
MBN	1st Roll Out	1x weekly	\$25.50	RCW\$			\$184.00
MBO	1st Roll Out	2x weekly	\$51.50	RCW*			\$184.00
MBP	1st Roll Out	3x weekly	\$77.00	RCX	4.00"	Per Unit	\$245.50
MBQ	1st Roll Out	4x weekly	\$103.00	RCX\$			\$245.50
MBR	1st Roll Out	6x weekly	\$154.00	RCX*			\$245.50
MBS	Additional Roll Out	2x weekly	\$51.50	RCY	6.00"	Per Unit	\$398.50
MBT	Additional Roll Out	3x weekly	\$77.00	RCY\$			\$398.50
MBU	Additional Roll Out	4x weekly	\$103.00	RCY*			\$398.50
MBV	Additional Roll Out	6x weekly	\$154.00	RGF	2-yd Bin	2x weekly	\$24.50
MFE	No Charge/2nd Meter		\$0.00	RFH	2-yd Bin	6x weekly	\$73.00
MFV	Unit Charge		\$0.00	RFI	2-yd Bin	3x weekly	\$36.50
MFW	Unit Charge		\$0.00	RFJ	City Bin on City Property		\$31.00
MFX	Unit Charge		\$0.00	RFK	City Bin on City Property		\$31.00
MFY	Unit Charge		\$0.00	RFM	2-yd Bin	2x weekly	\$153.50
MSA	1-40 Gallon Cart	1x weekly	\$12.00	RFN	2-yd Bin	6x weekly	\$461.00
MSC	1-65 Gallon Cart	1x weekly	\$32.00	SSA	1-40 Gallon Cart		\$30.50
MSF	1-95 Gallon Cart	1x weekly	\$42.00	SSB	Extra 40 Gallon Cart		\$40.00
MSQ	1-2yd Bin	1x weekly	\$95.50	SSC	1-68 Gallon Cart		\$40.00
MSS	Locking Charge		\$10.50	SSD	2-68 Gallon Cart		\$80.00
MSY	Bin on City Property		\$53.50	SSE	Extra 68 Gallon Cart		\$40.00
MSZ	Multi-Family/No semi/Auto	1x weekly	\$22.50	SSF	1-95 Gallon Cart		\$51.50
MXA	1-300 Gallon	2x weekly	\$181.00	SSG	2-95 Gallon Cart		\$102.50
MXB	1-300 Gallon	3x weekly	\$271.00	SSH	3-95 Gallon Carts		\$154.00
MXC	1-300 Gallon	4x weekly	\$361.50	SSI	4-95 Gallon Carts		\$205.50
MXD	1-300 Gallon	6x weekly	\$542.50	SSJ	Extra 95 Gallon Cart		\$51.50
MXQ	1-300 Gallon	1x weekly	\$90.50	SSK	1-95 Gallon & 1-68 Gallon Cart		\$91.50
RCS	.75"	Per Unit	\$46.00	SSZ	Non-semi Auto		\$15.00

SOLID WASTE MGMT REFUSE RATE 2001-2002

SINGLE FAMILY CART RATES:

SSC	1-68 gallon cart	\$44.00
SSF	1-95 gallon cart	\$57.00
SSK	1-68 & 1-95 gallon cart	\$101.00

5-40gallon plastic bags	\$14.50
-------------------------	---------

MULTI-FAMILY RATES:

MFV	Apartment per Unit		\$6.00	MBR	2yrd bin roll out	6x weekly	\$169.00
MSC	1-68 gallon cart	1x weekly	\$35.00	MCJ	Bin truck roll out	1x weekly	\$32.00
MSF	1-95 gallon cart	1x weekly	\$46.00	MCK	Bin truck roll out	2x weekly	\$64.00
MLK	Lock Charge/Per Bin		\$12.00	MCL	Bin truck roll out	3x weekly	\$96.00
MSQ	1-2yrd bin	1x weekly	\$105.00	MCM	Bin truck roll out	4x weekly	\$128.00
MBA	1-2yrd bin	2x weekly	\$210.00	MCN	Bin truck roll out	6x weekly	\$191.00
MBB	1-2yrd bin	3x weekly	\$315.00	MSY	City bin on City Property	Per Bin	\$57.00
MBC	1-2yrd bin	4x weekly	\$420.00	MSZ	Share Bin/Cart Service		\$24.00
MBD	1-2yrd bin	6x weekly	\$630.00	MXQ	1-300gallon Container	1x weekly	\$97.00
MBN	2yrd bin roll out	1x weekly	\$28.00	MXA	1-300gallon Container	2x weekly	\$194.00
MBO	2yrd bin roll out	2x weekly	\$57.00	MXB	1-300gallon Container	3x weekly	\$290.00
MBP	2yrd bin roll out	3x weekly	\$85.00	MXC	1-300gallon Container	4x weekly	\$387.00
MBQ	2yrd bin roll out	4x weekly	\$113.00	MXD	1-300gallon Container	6x weekly	\$581.00

COMMERCIAL CART RATES:

CSA	1-68 gallon cart	1x weekly	\$23.00	CTB	1-95 gallon cart	2x weekly	\$68.00
CSB	1-68 gallon cart	2x weekly	\$45.00	CTC	1-95 gallon cart	3x weekly	\$102.00
CSC	1-68 gallon cart	3x weekly	\$68.00	CTD	1-95 gallon cart	6x weekly	\$204.00
CSD	1-68 gallon cart	6x weekly	\$135.00	CTE	1-95 gallon cart	7x weekly	\$306.00
CTA	1-95 gallon cart	1x weekly	\$34.00				

COMMERCIAL 2 AND 3 YARD BIN RENTAL RATES:

CBA	2yrd bin	1x weekly	\$68.00	CCO	Bin roll out	2x weekly	\$31.00
CBB	2yrd bin	2x weekly	\$132.00	CCP	Bin roll out	3x weekly	\$46.00
CBC	2yrd bin	3x weekly	\$203.50	CCQ	Bin roll out	4x weekly	\$61.50
CBD	2yrd bin	4x weekly	\$271.00	CCR	Bin roll out	6x weekly	\$92.50
CBE	2yrd bin	6x weekly	\$406.50	CDJ	Bin Truck roll out	1x weekly	\$23.00
CBE	2yrd bin	7x weekly	\$474.50	CDK	Bin Truck roll out	2x weekly	\$45.00
CDA	3yrd bin	1x weekly	\$102.00	CDL	Bin Truck roll out	3x weekly	\$68.00
CDB	3yrd bin	2x weekly	\$204.00	CDM	Bin Truck roll out	4x weekly	\$90.00
CDC	3yrd bin	3x weekly	\$306.00	CDN	Bin Truck roll out	6x weekly	\$135.00
CDE	3yrd bin	4x weekly	\$408.00	CLK	Lock Charge/Per Bin		\$12.00
CDF	3yrd bin	6x weekly	\$612.00	CSX	City bin on City Property	Per Bin	\$36.00
CDG	3yrd bin	7x weekly	\$714.00	CSY	Private bin on City Property	Per Bin	\$41.00
CCN	Bin roll out	1x weekly	\$15.50				

COMMERCIAL 300 GALLON RATES:

CXA	1-300 Gallon	1x weekly	\$62.50
CXB	1-300 Gallon	2x weekly	\$125.00
CXC	1-300 Gallon	3x weekly	\$188.00
CXD	1-300 Gallon	4x weekly	\$250.50
CXE	1-300 Gallon	6x weekly	\$376.00
CXF	1-300 Gallon	7x weekly	\$438.50

COMMERCIAL STREET SWEEPING RATES:

(rates determined by water meter size)

RCS	.75"	Per Unit	\$51.00
RCT	1.00"	Per Unit	\$68.00
RCU	1.5"	Per Unit	\$101.00
RCV	2.00"	Per Unit	\$135.00
RCW	3.00"	Per Unit	\$202.00
RCX	4.00"	Per Unit	\$270.00
RCY	6.00"	Per Unit	\$405.00

City Refuse Collection Rates
(Spreadsheet Comparing Rates in effective July 2000 and July 2001)

Code	Description	Frequency per week	Rates 2000-2001	Rates 2001-2002	Percent Increase
MBA	1 2 yd bin	2	\$191.00	\$210.00	9.9%
MBB	1 2 yd bin	3	\$286.50	\$315.00	9.9%
MBC	1 2 yd bin	4	\$279.50	\$420.00	50.3%
MBD	1 2 yd bin	6	\$573.00	\$630.00	9.9%
MBN	1rst Roll Out	1	\$25.50	\$28.00	9.8%
MBO	1rst Roll Out	2	\$51.50	\$57.00	10.7%
MBP	1rst Roll Out	3	\$77.00	\$87.00	13.0%
MBQ	1rst Roll Out	4	\$103.00	\$113.00	9.7%
MBR	1rst Roll Out	6	\$154.00	\$169.00	9.7%
MBS	Additional Rollout	2	\$51.50		
MBT	Additional Rollout	3	\$77.00		
MBU	Additional Rollout	4	\$103.00		
MBV	Additional Rollout	6	\$154.00		
MSA	1-40 gallon cart	1	\$14.00		
MSC	1-65 gallon cart	1	\$32.00	\$35.00	9.4%
MSF	1-95 gallon cart	1	\$42.00	\$46.00	9.5%
MSQ	1-2yd bin	1	\$95.50	\$105.00	9.9%
MSS	locking charge		\$10.50	\$12.00	14.3%
MSY	Bin on City Property		\$53.50	\$57.00	6.5%
MSZ	Multi-Family/No semi/Auto		\$22.50	\$24.00	6.7%
MXA	1-300 gallon	2	\$181.00	\$194.00	7.2%
MXB	1-300 gallon	3	\$271.00	\$290.00	7.0%
MXC	1-300 gallon	4	\$361.50	\$387.00	7.1%
MXD	1-300 gallon	6	\$542.50	\$581.00	7.1%
MXQ	1-300 gallon	1	\$90.50	\$97.00	7.2%

Appendix D

Gas Rate Schedules

Schedule No. GM
MULTI-FAMILY SERVICE

Sheet 2

(Continued)

RATES (continued)

Commodity Charges

These charges are for service as defined above and consist of: (1) the monthly residential procurement charge, as set forth in Schedule No. G-CP; (2) the GT-ME and GT-MC transmission charges, as set forth in Schedule No. GT-M; (3) the San Juan Lateral interstate demand charge; and (4) the procurement carrying cost of storage inventory charge.

The residential procurement charge is determined as set forth in Schedule No. G-CP, in the manner approved by D.96-08-037, and subject to change monthly as described in Special Condition 9.

GM-E

Baseline Rate

All usage, per therm, under Special Conditions 2 and 3.

Procurement Charge:	G-CPR	33.759¢	I
<u>Transmission Charge:</u>	<u>GPT-ME</u>	<u>26.231¢</u>	
Commodity Charge:	GM-E	59.990¢	I

Non-Baseline Rate

All usage, per therm.

Procurement Charge:	G-CPR	33.759¢	I
<u>Transmission Charge:</u>	<u>GPT-ME</u>	<u>44.368¢</u>	
Commodity Charge:	GM-E	78.127¢	I

GM-C

All usage, per therm.

Procurement Charge:	G-CPR	33.759¢	I
<u>Transmission Charge:</u>	<u>GPT-MC</u>	<u>44.368¢</u>	
Commodity Charge:	GM-C	78.127¢	I

The number of therms to be billed shall be determined in accordance with Rule No. 2.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3140
 DECISION NO. 98-07-068 & 96-08-037

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 29, 2002
 EFFECTIVE Apr 1, 2002
 RESOLUTION NO. _____

Schedule No. GM
MULTI-FAMILY SERVICE

Sheet 3

(Continued)

RATES (continued)

Minimum Charge (Per Meter Per Day)

All customers except "space heating only" 16.438¢

"Space heating only" customers:

Beginning November 1 through April 30 33.149¢

Beginning May 1 through October 31 None

SPECIAL CONDITIONS

1. Baseline Rates: Baseline Rates are applicable only to specific volumes of residential usage.
2. Baseline Usage: The following usage is to be billed at the Baseline rate for multi-family dwelling units. Usage in excess of applicable Baseline allowances will be billed at the Non-Baseline rate.

Per Residence	Daily Therm Allowance for Climate Zones*		
	1	2	3
Summer	0.457	0.457	0.457
Winter	1.624	1.956	2.287

* Climate Zones are described in the Preliminary Statement.

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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 2917
 DECISION NO. 00-04-060

ISSUED BY
William L. Reed
 Vice President
 Chief Regulatory Officer

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 19, 2000
 EFFECTIVE Jun 1, 2000
 RESOLUTION NO. _____

Schedule No. GM
MULTI-FAMILY SERVICE

Sheet 4

(Continued)

SPECIAL CONDITIONS (continued)

3. In multi-family complexes where residential services for each or any of the individually metered residential units is provided from a central source and where such central facility receives natural gas service directly through a separate meter, the basic monthly Baseline allowance applicable to that meter will be the number of therms per day times the number of dwelling units receiving service from such central facility. Eligibility for service under this provision is available subsequent to notification by customer and verification by Utility. The Baseline allowances for the central facility service will be as follows:

Codes	Per Residence	Daily Therm Allowance for Climate Zones*		
		1	2	3
1	Space heating only			
	Summer	0.000	0.000	0.000
	Winter	1.160	1.492	1.823
2	Water heating and cooking	0.460	0.460	0.460
3	Cooking, water heating and space heating			
	Summer	0.457	0.457	0.457
	Winter	1.624	1.956	2.287
4	Cooking and space heating			
	Summer	0.085	0.085	0.085
	Winter	1.246	1.578	1.909
5	Cooking only	0.085	0.085	0.085
6	Water heating only	0.375	0.375	0.375
7	Water heating and space heating			
	Summer	0.372	0.372	0.372
	Winter	1.538	1.870	2.201

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* Climate Zones are described in the Preliminary Statement.

The meter readings for multi-family complexes may be combined for billing purposes when all of the following conditions exist:

- a. There is more than one master meter serving the complex.
- b. A baseline eligible central facility serves master metered baseline eligible dwelling units.
- c. The master metered baseline eligible dwelling units are not provided gas by the same master meter which provides gas to the central facility.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 2917
 DECISION NO. 00-04-060

ISSUED BY
William L. Reed
 Vice President
 Chief Regulatory Officer

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 19, 2000
 EFFECTIVE Jun 1, 2000
 RESOLUTION NO. _____

Appendix E

Electricity Rate Schedules



Southern California Edison
Rosemead, California

Revised Cal. PUC Sheet No. 29197-E*
Cancelling Revised Cal. PUC Sheet No. 23712-E

Schedule D
DOMESTIC SERVICE

Sheet 1

APPLICABILITY

Applicable to domestic service including lighting, heating, cooking, and power or combination thereof in a single-family accommodation; also to domestic farm service when supplied through the farm operator's domestic meter.

TERRITORY

Within the entire territory served.

RATES

	<u>Per Meter</u> <u>Per Day</u>
Basic Charge - Single-Family Residence	\$0.03300
Basic Charge - Multi-Family Residence	\$0.02500
 Energy Charge:	
Baseline Service, all kWh, per kWh.....	\$0.13009
 Nonbaseline Service, all kWh, per kWh	
101% -130% of Baseline	\$0.15157
131% - 200% of Baseline	\$0.19704
201% - 300% of Baseline	\$0.23645
Over 300% of Baseline.....	\$0.25993

Nonbaseline Service includes all kWh in excess of applicable Baseline allocations as described in Preliminary Statement, Part H, Baseline Service.

The above charges used for customer billing are determined using the components shown in the Rate Components Section following the Special Conditions Section.

Minimum Charge:

Customers taking service under Schedule D shall be subject to a daily Minimum Charge of \$0.06600 per Single-Family Residence and \$0.04900 per Multi-Family Residence. The Minimum Charge is applicable when (1) the number of kWh used multiplied by the Annualized Base Rate in effect on June 10, 1996, of \$0.08282 per kWh plus (2) the applicable Basic Charge, is less than the Minimum Charge. In addition, charges for energy are calculated for customer billing by multiplying the other offset charges in effect on June 10, 1996, of \$0.03727 per kWh, by the kWh usage.

SPECIAL CONDITIONS

- For the rate components shown in the Rate Component Section of this Schedule, the June to October period shall commence at 12:00 a.m. on the first Sunday in June and continue until 12:00 a.m. of the first Sunday in October of each year. The October to June period shall commence at 12:00 a.m. on the first Sunday in October of each year and continue until 12:00 a.m. of the first Sunday in June of the following year.
- Seasonal Service: For customers who normally require service for only part of the year, this schedule is applicable only on annual contract.

(Continued)

(To be inserted by utility)

Advice 1545-E
Decision 01-05-064

Issued by
John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed May 22, 2001
Effective Jun 3, 2001
Resolution _____



Schedule DM Sheet 3
MULTIFAMILY ACCOMMODATION - RESIDENTIAL HOTEL - QUALIFYING RV PARK

(Continued)

SPECIAL CONDITIONS (Continued)

8. Baseline Allocations: (Continued)

Summer Season *	kWh Per Day	
	Basic	All-Electric
	<u>Allocation</u>	<u>Allocation</u>
Baseline Region		
10	5.0	5.5
13	7.5	13.7
14	6.9	10.0
15	20.8	20.8
16	7.2	11.2
17	7.2	9.3

Winter Season **	kWh Per Day	
	Basic	All-Electric
	<u>Allocation</u>	<u>Allocation</u>
Baseline Region		
10	5.3	9.4
13	5.7	16.9
14	6.1	17.0
15	5.0	15.4
16	7.4	21.0
17	6.1	14.1

* The Summer Season shown above for the Baseline Regions shall commence at 12:00 a.m. on the first Sunday in June and continue until 12:00 a.m. of the first Sunday in October of each year.

** The Winter Season shown above for the Baseline Regions shall commence at 12:00 a.m. on the first Sunday in October of each year and continue until 12:00 a.m. of the first Sunday in June of the following year.

9. An Eligibility Declaration may be required for service under this rate schedule.
10. Resale and Submetering. Submetering for the purpose of resale of electricity is not allowed under this rate schedule. Electricity received from the Company may be provided to tenants as part of the rental charge, but may not be itemized separately, and rents shall not vary based on electrical consumption.
11. Agricultural Employee Housing: A customer taking service under this rate schedule who resides in housing as defined in Preliminary Statement Section 0.3.i., may qualify for a 15% discount on the bill if all eligibility criteria, specified in Form 14-620, is met.

(Continued)

(To be inserted by utility)

Advice 1245-E-B
Decision 97-08-056

Issued by
John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)

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