



**CITY OF LODI
COUNCIL COMMUNICATION**

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AGENDA TITLE: Adopt Resolution Establishing a Fee Recovery Schedule for the Lodi Energy Theft Diversion Program

MEETING DATE: January 18, 2012

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution establishing a fee recovery schedule for the Lodi Energy Theft Diversion Program.

BACKGROUND INFORMATION: On November 16, 2011 a public hearing was conducted to introduce an ordinance establishing a fee recover schedule for the Lodi Energy Theft Diversion Program. At that time a presentation was made to the City Council outlining the fees recommended by staff.

Ordinance No. 1855 entitled, "An Ordinance of the Lodi City Council Amending Lodi Municipal Code Chapter 13.20.020, 'Energy Theft Diversion/Field Services Fee Recovery Schedule'" was adopted by the City Council on December 21, 2011 and will be effective January 20, 2012. This resolution provides the fee recovery schedule for the ordinance.

Since July, when staff began tracking numbers, the utility has randomly checked over 750 residential customers who were sealed for non-payment of their City of Lodi electric utility bills. Of these customers, 46 were observed having restored their electricity without the City's prior knowledge or consent. As a result of identifying these thefts, the City has received more than \$45,000 in utility payments from customers who were unlawfully receiving Lodi Electric Utility service, lessening the financial impact these thefts have on ratepayers.

In an effort to fully recover costs associated with the energy theft diversion program, and to serve as a deterrent to energy theft, staff recommends the fee recovery schedule as shown on Exhibit A, attached.

FISCAL IMPACT: It is anticipated that the utility will recover in excess of \$75,000 annually as a result of this aggressive energy theft diversion program, and the new fee recovery schedule should garner an additional \$50,000 in revenue, minimizing the amount of losses absorbed by ratepayers.

FUNDING: Not applicable.


Elizabeth A. Kirkley
Electric Utility Director

PREPARED BY: Rob Lechner, Manager, Customer Service & Programs
EK/RSL/lst

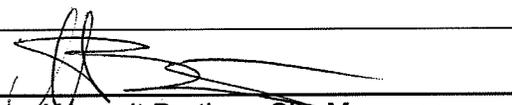
APPROVED: 
Konradt Bartlam, City Manager

Exhibit A

Energy Theft Diversion/Field Services Fee Recovery Schedule

Service Fees (based on current fully burdened labor rates)

Theft Inspection Fee	\$75.00
Field Services Field Trip Fee	\$75.00
Service Cut-At-Pole Fee	\$120.00
Meter Set Fee	\$115.00
Damaged Meter Test Fee	\$57.50

Material Fees (actual costs)

Meter Ring Fee	\$17.00
Padlock Fee	\$7.00
Meter Cover Fee	\$3.00
Damaged Meter Replacement Fee: Single-Phase/Poly-Phase	\$60.00/\$450.00
NightHawk Collar/Meter Replacement Fee	\$300.00/\$430.00

RESOLUTION NO. 2012-04

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING FISCAL YEAR 2011/12 ENERGY THEFT
DIVERSION AND CUSTOMER FIELD SERVICE FEE
RECOVERY SCHEDULE

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WHEREAS, it is sound business practice to adjust fees annually to reflect the current cost of doing business; and

WHEREAS, fees for customer field services and associated tasks have not been revised in a number of years; and

WHEREAS, the City is now implementing an aggressive energy theft diversion program and associated cost recovery schedule; and

WHEREAS, the City Council has previously approved the labor rate methodology developed by MGT America, Incorporated; and

WHEREAS, the labor rates for the Electric Utility Department have been calculated using the MGT America, Incorporated rate model; and

WHEREAS, annual approval of labor rates based upon the adopted budget is a ministerial action.

WHEREAS, staff recommends that the City Council approve the following fee schedule:

Energy Theft Diversion/Field Services Fee Recovery Schedule

Theft Inspection	\$75.00
Field Services Field Trip Fee	\$75.00
Service Cut-At-Pole Fee	\$120.00
Meter Set Fee	\$115.00
Damaged Meter Test Fee	\$57.50

Meter Ring Fee	\$17.00
Padlock Fee	\$7.00
Meter Cover Fee	\$3.00
Damaged Meter Replacement Fee: Single-Phase/Poly-Phase	\$60.00/\$450.00
NightHawk Collar/NightHawk Meter Replacement Fee	\$300.00/\$430.00

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the fiscal year 2011/12 Energy Theft Diversion and Customer Field Service Fee Recovery Schedule as outlined above; and

BE IT FURTHER RESOLVED that the 2011/12 Energy Theft Diversion and Customer Field Service Fee Recovery Schedule will not take effect until January 20, 2012 (30-days following the adoption of Ordinance No. 1855).

Dated: January 18, 2012

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I hereby certify that Resolution No. 2012-04 was passed and adopted by the City Council of the City of Lodi in a regular meeting held January 18, 2012, by the following vote:

AYES: COUNCIL MEMBERS - Hansen, Katzakian, Nakanishi, and Mayor Mounce

NOES: COUNCIL MEMBERS - None

ABSENT: COUNCIL MEMBERS - Johnson

ABSTAIN: COUNCIL MEMBERS - None


RANDI JOHL
City Clerk