PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

September 25, 2003

TO: PARTIES OF RECORD IN CASE 02-12-037

This proceeding was filed on December 26, 2002, and is assigned to Commissioner Wood and Administrative Law Judge (ALJ) Econome. This is the decision of the Presiding Officer, ALJ Econome.

Any party to this adjudicatory proceeding may file and serve an Appeal of the Presiding Officer's Decision within 30 days of the date of issuance (i.e., the date of mailing) of this decision. In addition, any Commissioner may request review of the Presiding Officer's Decision by filing and serving a Request for Review within 30 days of the date of issuance.

Appeals and Requests for Review must set forth specifically the grounds on which the appellant or requestor believes the Presiding Officer's Decision to be unlawful or erroneous. The purpose of an Appeal or Request for Review is to alert the Commission to a potential error, so that the error may be corrected expeditiously by the Commission. Vague assertions as to the record or the law, without citation, may be accorded little weight.

Appeals and Requests for Review must be served on all parties and accompanied by a certificate of service. Any party may file and serve a Response to an Appeal or Request for Review no later than 15 days after the date the Appeal or Request for Review was filed. In cases of multiple Appeals or Requests for Review, the Response may be to all such filings and may be filed 15 days after the last such Appeal or Request for Review was filed. Replies to Responses are not permitted. (See, generally, Rule 8.2 of the Commission's Rules of Practice and Procedure.)

If no Appeal or Request for Review is filed within 30 days of the date of issuance of the Presiding Officer's Decision, the decision shall become the decision of the Commission. In this event, the Commission will designate a decision number and advise the parties by letter that the Presiding Officer's Decision has become the Commission's decision.

/s/ ANGELA K. MINKIN
Angela K. Minkin, Chief
Administrative Law Judge

ANG:jva

Attachment

PRESIDING OFFICER'S DECISION (Mailed 9/25/2003)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

The Colony Mobile Home Park, Ltd., a California Limited Partnership, and the Western Manufactured Housing Community Association, Complainants, v. Southern California Edison Company; Pacific Gas and Electric Company; Southern California Gas Company; San Diego Gas & Electric Company; and DOES 1 through 10, Defendants.	Case 02-12-037 (Filed December 26, 2002)

(See Appendix A for List of Appearances)

OPINION DENYING THE COMPLAINT AGAINST SOUTHERN CALIFORNIA EDISON COMPANY AND DISMISSING THE COMPLAINT AGAINST PACIFIC GAS AND ELECTRIC COMPANY

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OPINION DENYING THE COMPLAINT AGAINST SOUTHERN CALIFORNIA EDISON COMPANY AND DISMISSING THE COMPLAINT AGAINST PACIFIC GAS AND ELECTRIC COMPANY

I. Summary

Complainants Colony Mobile Home Park, Ltd. (Colony) and Western Manufactured Housing Community Association (Western), (jointly, complainants) allege that Southern California Edison Company (Edison) has failed to grant them appropriate allowances for Colony's requested enhancement to the electrical service that Edison provides. Complainants also allege that Pacific Gas and Electric Company (PG&E) similarly violated its tariffs as to other mobile home parks in its service territory.

We find that Edison's Tariff Rule 16 applies to Colony's request as to Edison, and that Edison did not violate this tariff in determining that no allowances are available to Colony. We, therefore, deny the complaint against Edison. We find that complainants have not alleged sufficient facts to constitute a cause of action against PG&E and therefore dismiss the complaint as to PG&E.

II. The Controversy

A. Summary

This case raises the issue of whether the mobile home park owner should pay for a master-metered park owner's requested replacement and enhancement of electric facilities on the utility side of the meter, when the park owner determines that such replacement and enhancement is necessary for its own planning purposes to accommodate future load growth and for better voltage support on its side of the meter.

The park owner here argues that the utility and ultimately all ratepayers of that utility should pay, in anticipation that future revenues from the enhanced

facilities will justify the investment. Under the facts presented in this case, the utility disagrees that such replacement and enhancement is necessary now, reasoning that the existing facilities would not likely reach their capacity for at least five more years and that voltage support is an operational and maintenance issue on the park owner's side of the meter.

We find that the utility has properly applied the relevant tariffs, that the utility has reasonably found no need for replacement and enhancement at this time, and that accordingly the park owner should pay for the replacement and enhancement.

B. Complainants

Colony owns and operates Colony Mobile Home Park (Colony Park), which is a mobile home community in Oxnard, California with 150 spaces. Colony Park is located in Edison's service territory.

Western is a non-profit organization representing owners of 1,534 manufactured housing communities in California. Western member communities collectively represent 160,000 individual homes statewide. Western alleges it is a complainant in this case because the issue facing Colony impacts all master-metered mobile home communities in California, some of which are Western's constituents.

C. Description of Colony Park and Complainants' Allegations of the Need for New Service from Edison

Colony Park was built 37 years ago. The park is submetered for both gas and electric service, which means that Edison brings its service to a master-meter located in the park. Edison's responsibility ends at the master-meter. Colony owns and operates its own gas and electric service and is responsible for bringing those services to the mobile home park residents. Colony Park is served

under Edison's rate schedule DMS-2, which applies to multifamily accommodations in submetered mobile home parks.

Until 1989, Colony Park was a senior community, usually consisting of one or two residents per space. Due to an amendment in the Federal Fair Housing Act in 1988, Colony Park converted to all-age use in 1989, and household demographics changed. Today, 75% of the residences have families living in them, and there are over 300 children, or about 2 children for every space.

Also, over the last several years at Colony Park, some older homes have been replaced with larger, newer homes. Eight new 100-amp homes have been installed at Colony Park. These homes have the capacity to consume more electric energy and do so because of increased appliances. Thus, according to complainants, the demand for electric service at the park has increased because of the increase in residents and upgrade in installed appliances.

At the hearing, complainants' own witnesses established that the eight new 100-amp homes have been installed over the last two and one-half years. Tenants are required to inform Colony in advance if they intend to upgrade their homes, but no one has notified Colony of their intention to upgrade within the next year. Nonetheless, complainants' witness projected that about 15 homes per year would be upgraded. Under these projections, the load for which complainants seek the upgrades will not materialize for another five to seven years.

Colony has assessed these increased needs through a company called Subsurface Electric, which monitors the electric usage at Colony Park and the ability of the current system on both sides of the meter to meet those needs. Subsurface Electric plans for future load growth, as do utilities. Subsurface Electric has undertaken the following tasks to determine whether the requested

service enhancements are necessary: performed load studies, considered transferring load and installing additional transformers, examined weather data and residential growth, and looked at increased air conditioning load.

D. The Allegations of the Complaint

1. Edison

Complainants allege that Edison improperly based the allowance for line extensions under Tariff Rule (Rule) 15 and Rule 16 on the master-meter, and not on the number of residential dwelling units. Specifically, complainants state that in July 2002, Colony contacted Edison concerning enhancements to the electrical service to increase the voltage service to tenants. These enhancements include installing a larger main switch at the master-meter, increasing the capabilities of transformers, and associated work to bring the enhanced electrical service to the master-meter serving Colony Park.

On August 23, 2002, Edison contacted Colony and requested payment of $279.40 in order to perform the necessary work. Colony paid this amount on August 30, 2002. On September 20, 2002, Edison wrote to Colony that the previous bill was in error and requested payment of an additional $25,154.89 to complete the project. Edison stated that Colony Park was served under rate schedule DMS-2 and therefore was only eligible for one residential allowance under Edison's line extension rules. Specifically, Colony states that Edison told it that the allowance for the line extension would be based on the master-meter, and not on the number of residential dwelling units. Edison also informed Western that Pub. Util. Code § 2791 *et seq*. limited Edison's ability to perform the requested work without substantial payment from a park owner. At the hearing in this case, Edison stated that Colony should not be entitled to any allowances (that would require an additional payment of $1,247).

Complainants allege that prior to September 2002, Edison had always based the line extension allowance on the number of residential dwelling units consistent with Rules 15 and 16. Therefore, according to complainants, Edison is not operating in compliance with the clear language of Rules 15 and 16, as well as Pub. Util. Code § 451, which requires utilities to impose and collect just and reasonable rates.[1]

In their testimony and briefs, complainants added to their arguments. Complainants now claim that their requested upgrade is necessary not only to accommodate future expected load growth, but also to address voltage drops at Colony Park and to assist Colony in complying with the state housing code. Complaints argue that Colony does not need to prove new load will be added to obtain allowances from Edison. Complainants also make the policy argument that in order to receive treatment similar to directly metered mobile home parks and stick built homes, the Commission should treat Colony's request as if it were a distribution line extension (under Rule 15), rather than a service extension request under Rule 16. Finally, complainants believe that Colony has made a sufficient showing to obtain the allowances under either Rule 15 or 16.

2. PG&E

Complainants filed an amended complaint against PG&E. Complainants allege that the owner of Capital West and Capital City mobile home parks located near Sacramento in PG&E's service territory approached PG&E about

[1] In the initial complaint, complainants also alleged that two other California electric and gas utilities, Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E), were violating Rules 15 and 16 and § 451. Complainants subsequently dismissed SoCalGas and SDG&E as defendants; however, these two utilities participated in the hearings and briefing as intervenors.

making upgrades at those parks. According to complainants, PG&E informed the owner that only one allowance would be allowed in determining the cost of the service upgrade, which complainants believe is a change in policy from PG&E's previous treatments of similar requests.

Complainants request that the Commission issue an order requiring Edison and PG&E to provide allowances for line extensions on the basis of the residential dwelling units located in a mobile home park. They also request that the Commission order Edison to perform the electrical work at Colony Park for $279.40.

E. The Utilities' Defenses

1. Edison

Edison believes that Colony should pay for the entire requested service upgrade. According to Edison, Colony has requested Edison to upgrade Edison's existing service facilities at Colony Park to suit the park's own purposes, even though Edison's current facilities are adequate to handle existing and much additional load before such an upgrade to Edison's facilities would be required to maintain service. Edison believes that Colony does not want to pay for this upgrade directly and instead wants to receive ratepayer-funded allowances to offset the costs, even though Colony cannot demonstrate that additional load will come on the system within six months to justify the costs of the upgrade.

Edison believes that Rule 16 applies here and that complainants have failed to meet their burden of proof to show Colony is entitled to any allowances under Edison's tariffs. For that reason, Edison argues that the Commission should deny complainants' requested relief.

2. PG&E

PG&E argues that complainants have alleged no facts indicating that PG&E has failed to grant allowances to mobile home parks in violation of its tariffs, and therefore believes the Commission should dismiss the complaint as to PG&E. PG&E believes that the Commission should not issue an advisory opinion as to PG&E because of its stated policy against issuing advisory opinions absent extraordinary circumstances. Alternatively, if the Commission chooses to address this issue as to PG&E, PG&E agrees with Edison's argument above that Rule 16 applies and that Colony would not be entitled to any allowances.

3. SoCalGas and SDG&E

SoCalGas and SDG&E as intervenors agree with Edison and PG&E that Rule 16 applies and that Colony would not be entitled to any allowances.

F. Burden of Proof

Under Pub. Util. Code § 1702, a complainant must prove an alleged violation of a specific standard contained in a statute, rule or order of the Commission, or a tariff which has been approved by the Commission. The standard of proof is by a preponderance of the evidence. (See e.g., Decision (D.) 97-05-089, 72 CPUC2d 621, 633-634 ["It is well settled that the standard of proof in Commission investigation proceedings is by a preponderance of the evidence."])

III. Procedural Background

Complainants filed this complaint on December 26, 2002, and their amended complaint on April 1, 2003. Edison, PG&E, and SoCalGas/SDG&E (jointly) timely filed motions to dismiss and answers to the complaint.

At the request of complainants by letter dated April 7, 2003, and as agreed to by all parties, the Commission dismissed SoCalGas and SDG&E as defendants.

(See D.03-04-067.) A subsequent Administrative Law Judge (ALJ) ruling granted SoCalGas' and SDG&E's motion to intervene. The Commission held evidentiary hearings on June 9 and 10, 2003, and the case was submitted on July 30, 2003 with the filing of reply briefs.

IV. Discussion

A. Master-Metered Mobile Home Parks

Prior to January 1, 1997, mobile home parks had the option of installing privately owned distribution systems and services within their mobile home parks. For example, electric services would be installed from the utility's electric distribution facilities to an acceptable location at the mobile home park, usually at the park perimeter. This would be the location of the utility owned master-meter for the mobile home park. The master-meter is where the utility's electric service would end and the mobile home park distribution system and services would start.

Residents of mobile home parks and manufactured housing communities constructed after January 1, 1997, are individually metered and served by electric and gas utilities. (See Pub. Util. Code § 2791.) Owners of master-metered mobile home parks may also elect to transfer ownership and operational responsibility for providing electric or gas service to the electric or gas utility providing service in the area. (*Id.*)

Colony operates Colony Park as a master-metered mobile home park. Edison brings its service to a master-meter located in the park, and Edison's responsibility ends at the master-meter. Colony owns and operates its own gas and electric service and is responsible for bringing those services from the master-meter to the mobile home park residents.

Pursuant to Pub. Util. Code § 739.5, mobile home park owners who elect to operate a master-metered system receive a master-meter discount from the utility for the costs of owning, operating, and maintaining their electric or gas submetered system. Because of this discount, mobile home park owners are prohibited from further recovery of costs for the above-listed responsibilities, as well as the cost of replacing the submetered system. (See *Re Rates, Charges, and Practices of Electric and Gas Utilities Providing Services to Master-Metered Mobile Home Parks*, D.95-02-090, 58 CPUC2d 709, 721, Ordering Paragraph 4.) The Commission has construed Pub. Util. Code § 739.5 to require that tenants at master-metered mobile home parks pay no more than if they were receiving the service directly from the utility. (See *Steiner v. Palm Springs Mobile Home Properties*, D.97-07-009, 73 CPUC2d 369, 373; see also D.95-02-090, 58 CPUC2d 709.)

B. The Purpose of Revenue-Based Allowances

In its decision approving various line extension rules of electric and gas utilities, the Commission has discussed the purpose behind revenue-based allowances:

> "Revenue-based allowances (supported by applicant revenues) for both gas and electric line extensions provide an equitable arrangement between the applicant and ratepayer, as well as between various classes of applicants. The revenue-based allowances which represent the utility investment are based on the expected supporting revenues from the loads to be served by the extension. This amount is then used as the allowance, and is credited to the applicant's total cost for the extension. The allowance is stated in dollars in order to maintain consistency among and between a large variety of applicants." (*Re Line Extension Rules of Electric and Gas Utilities*, D.94-12-026, 58 CPUC2d 1, 73, n. 2.)

Thus, the general concept underlying allowances is that they be tied to new sources of revenues to ensure that the ratepayer-funded expenses (to the amount of the allowance) are justified.

C. Edison

1. Rule 16

a) Applicability

Rule 16 concerns service extensions. It is applicable to both (1) Edison service facilities that extend from Edison's distribution line facilities to the service delivery point, and (2) service related equipment required of applicant on applicant's premises to receive electric service. (Rule 16, Applicability.)

Rule 16.A.2 defines service facilities as consisting of primary or secondary underground or overhead service conductors, poles to support overhead service conductors, and other Edison-owned service related equipment. Rule 16.H defines a service extension as the "overhead and underground primary or secondary facilities…extending from the point of connection at the Distribution Line to the Service Delivery Point." Rule 16.H defines the service delivery point as where Edison connects its conductors to the applicant's conductors (typically where the customer's meter is located).

Colony is solely served by Edison transformers, service and meter on Colony's premises. Colony's requested upgrade is a Rule 16 service extension because the entire requested work will take place on Colony's premises and will serve one customer, Colony.[2]

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[2] Rule 1 defines "customer" as the "person in whose name service is rendered as evidenced by the signature on the application, contract, or agreement for that service, or, in the absence of a signed instrument, by the receipt and payment of bills…" Colony

Footnote continued on next page

b) Service Rearrangement

Rule 16.F.1, governing service reinforcements, states that when Edison "determines that its existing service facilities require replacement, the existing service facilities shall be replaced as a new service extension" under Rule 16. According to Edison, examples of a service reinforcement include requests that Edison replace its existing transformer and service due to additional load (new homes, room additions, new equipment) or circumstances where Edison deems replacement of transformers is necessary due to added load within the area. Under a reinforcement, the customer may be granted an allowance if it meets the criteria of Rule 15.[3]

Rule 16.F.2 governs a service relocation or rearrangement and states in relevant part:

> "b. Applicant convenience. Any relocation or rearrangement of SCE's existing Service Facilities at the request of Applicant (aesthetics, building additions, remodeling, etc.) and agreed upon by SCE shall be performed in accordance with Section D above except that Applicant shall pay SCE its total estimated costs."

Colony is requesting that Edison enhance the electric service by increasing the voltage service to Colony's tenants. These enhancements include installing a three-phase transformer instead of a single-phased transformer and increasing

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is Edison's customer. The mobile home park residents are not customers of Edison given that their services are on Colony's side of the meter for which Edison is not responsible.

[3] According to Rule 16.E.1, applicability of allowances for relevant portions of Rule 16 governed by Rule 15.C.

the capabilities of transformers and associated work to bring the enhanced electrical service to the master-meter serving Colony Park.

Under the above tariffs, Edison makes the determination whether the requested work is a service reinforcement or service rearrangement. In its testimony and in its briefs, Edison determined that Colony's request is a service rearrangement because Edison has not determined that any upgrade or modification to its existing equipment is required to maintain service to Colony.[4] As such, Edison states that Colony's request is a service rearrangement for Colony's convenience governed by Rule 16.F.2.b, and that Colony is responsible for the total cost of this rearrangement. Edison bases its conclusion, in part, on its own determination under its planning guidelines that Edison's equipment is sufficient to handle Colony's existing load and about 33% additional load before Edison would be required to upgrade its system.

Edison did not err in determining that Rule 16.F.2.b applies here. Under complainants' own admission, Edison's existing service facilities would not likely reach their capacity for at least five more years. Thus, Colony's requested enhancement is not a service reinforcement under Rule 16.F.1, because there is no evidence that the existing facilities require replacement at this time.

Complainants argue that Edison erred in determining that Colony's requested enhancement is not needed. They specifically disagree with Edison's interpretation of its rules as requiring the new load to occur within six months.[5]

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[4] As noted above, when Colony first made its request to Edison, Edison initially believed that multiple allowances were appropriate and then that one allowance was appropriate. It is unclear on which particular tariffs Edison based its initial opinion.

[5] Under Edison's tariffs regarding allowances, if Colony were to receive allowances, it would have six months following the date Edison is first ready to serve the new loads for which the allowances are granted to use the service. If the customer fails to use the service within that timeframe, then Edison will bill the customer for the difference

Footnote continued on next page

Although complainants recognize that the rules regarding allowances should give ratepayers some certainty that the load will come on line, they argue that there is no Commission mandate that complete certainty be provided, or that the load materialize within a defined period of time.

In essence, complainants argue that under the tariffs they, and not the utility, should be the arbiters of determining need for the enhancement. However, Rule 16.F.1 gives Edison that discretion, and we determine that Edison did not err in interpreting Rule 16.F.1. Complainants have not met their burden in demonstrating that Edison needs to replace Colony's transformer and make other enhancements now, in that complainants have admitted that Edison's existing service facilities would not likely reach their capacity for at least five more years.

Complainants argue that the requested work is also necessary to address voltage drops at Colony Park and to assist Colony in complying with the state housing code. However, these are operational and maintenance issues for Colony on its side of the meter, and do not necessarily require Edison to upgrade the system on its side of the meter. Edison is not required to comply with the state housing code or to assist Colony in so doing. Unless actual demand at Colony is near the capacity of Edison's existing service facilities, Edison's conclusion that its system does not have to be upgraded at this time is reasonable. Edison is not responsible for solving Colony's voltage support problems on Colony's side of the meter; moreover, Edison testified that Colony has other options available to resolve these problems.

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between the amount of the allowances actually received and those based on the revenue actually generated. (See Rule 15.D.7.a.)

Complainants also argue that even if rule 16.F.2.b applies, Colony should be eligible for allowances. Complainants argue that although Rule 16.F.2.b states that "applicant shall pay SCE its total estimated costs," this section only defines who pays, but does not address the issue of whether line extension allowances are applicable to that cost.

We disagree. The plain language of Rule 16.F.2.b states that applicant shall pay Edison its total estimated costs. If the intent of this rule were otherwise, it would say so. (See, e.g., Rule F.1.a, stating that facilities shall be replaced as a new service extension "under the provisions of this Rule." Allowances are applied to new service extensions, under the provisions of Rule 16.)

2. Complainants' Other Arguments

a) Rule 15

Complainant also argue that Rule 15, concerning distribution line extensions, rather then Rule 16, concerning service extensions, is applicable to this case because the new transformer is providing service to numerous residential master-metered customers who reside within the park. Complainants believe that past Commission decisions concerning the treatment of mobile home park residents support this view.

We disagree. As stated above, the customer in this case is Colony, not the master-metered residents whom Colony serves. Therefore, Rule 16, and not Rule 15, is applicable here. Moreover, as described above, past Commission decisions hold only that residents of master-metered mobile home parks should not be required to pay higher rates and charges than residents of mobile home parks that are individually metered by the utility. (See *Steiner, supra.)* *Steiner* does not broadly hold that the same proposition applies to the mobile home park itself, and thus does not support Colony's argument. In fact, there are important

differences between master-metered and directly-metered parks. For example, in master-metered parks, the park owner owns and operates its own gas and electric service and is responsible for bringing those services from the master-meter to the mobile home park residents. Mobile home park owners who elect to operate a master-metered system receive a master-meter discount from the utility for the costs of owning, operating, and maintaining their electric or gas submetered system. In directly-metered parks, the utility (such as Edison) serves the park residents, and they are the utility's customers not the park's.

b) Allowances

Assuming for the sake of argument that either Rule 16.F.1 or Rule 15 were applicable here (we find above that they are not), Colony still would not be entitled to any allowances.

Rule 15.C governs the eligibility of allowances not only for service subject to Rule 15, but also for service subject to Rule 16.[6] Edison's Rule 15.C states in pertinent part:

> "1. GENERAL. SCE will complete a distribution line extension without charge provided SCE's total estimated installed cost does not exceed the allowances from permanent, bona-fide loads to be served by the distribution line extension within a reasonable time, as determined by SCE. The allowance will first be applied to the service extension in accordance with Rule 16. Any excess allowance will be applied to the distribution line extension to which the service extension is connected.

[6] According to Rule 16.E.1, Rule 15.C governs the eligibility of allowances for purposes of Rule 16.

> "2. Basis of Allowances. Allowances shall be granted to an applicant for permanent service, or to an applicant for a subdivision or development under the following conditions:
>
> a. SCE is provided evidence that construction will proceed promptly and financing is adequate, and
>
> b. Applicant has submitted evidence of building permit(s) or fully-executed home purchase contract(s) or lease agreement(s), or
>
> c. Where there is equivalent evidence of occupancy or electric usage satisfactory to Edison."

Under Rule 15.C.1, new load must be added within a reasonable time, as determined by Edison, to qualify for the allowances. For residential subdivisions, that period of time is defined by Rule 15.D.7 as six months, because if new load does not materialize within six months, Rule 15.D.7 requires that the customer be billed for the difference between the allowances received and those based on the revenue actually generated. These time limitations are reasonable because allowances represent the portion of the costs of line extension that the Commission has decided is appropriate to charge to the ratepayers under the assumption that this amount will be supported by future revenues.

As stated above, complainants have not met their burden of proof that the new load will be added within a reasonable period of time. They have admitted that Edison's existing system is sufficient to handle the current load and the load anticipated for about five more years. Therefore, Colony would not qualify for any allowances under Rule 15.

Colony argues that it has met the criteria of Rule 15.C.2.a that construction will proceed promptly because it has begun to upgrade portions of the park that will interconnect with the work to be performed by Edison. We do not agree.

Colony has not addressed construction of the new buildings or additions related to the new load that will be added.

3. Miscellaneous Arguments

Edison's planners initially concluded that Colony was entitled to some allowances, as demonstrated by its billing the park only $279.40. Less than a month later, Edison corrected its conclusion. The fact that Edison initially erred in its determination does not persuade us to interpret the tariffs differently than we do today.

Colony also argues that because of the age of the park and the service equipment, the equipment should be upgraded. However, Tariff Rule 16 does not base the determination of whether the system should be replaced on its age; rather, the system's adequacy to handle existing and anticipated load is, appropriately, the determining factor.

In summary, we find that Edison's Tariff Rule 16 is applicable to Colony's request as to Edison, and that Edison did not violate this tariff in determining that no allowances are available to Colony. We therefore deny the complaint against Edison.

D. PG&E

Complainants' testimony with respect to PG&E consists of the following paragraph sponsored by Walter Lane of Subsurface Electric:

> "Until the fall of 2002, I was unaware of any cost increases due to discontinuance of allowances [with PG&E] as with Colony's situation with Edison. Subsurface Electric is in the process of completing two small parks in West Sacramento and I have been informed by the owner that they have paid PG&E more than $74,000 in fees that would normally have been offset by PG&E's residential allowances. This amount is over $1,000 per space just for PG&E's services. We are also working on a

> mobile home park in Sunnyvale, also in PGE&'s service territory, but have been unable to get cost estimates from PG&E at this time. I can provide supplemental testimony when that information is obtained." (Exhibit 2 at 9.)

Lane did not review the customer's final application, did not have any discussions with PG&E regarding the project, and was unaware whether the customer asserts any claims against PG&E. We agree with PG&E that complainants have failed to state a cause of action against PG&E because the testimony against PG&E is not specific enough to establish a tariff violation. We therefore dismiss the complaint as to PG&E.

V. Assignment of Proceeding

Carl W. Wood is the Assigned Commissioner and Janet A. Econome is the assigned ALJ and the Presiding Officer in this proceeding.

Findings of Fact

1. Colony owns and operates Colony Park, which is a 37-year-old mobile home community in Oxnard, California with 150 spaces. Colony Park is located in Edison's service territory.

2. Western is a non-profit organization representing owners of 1,534 manufactured housing communities in California. Western member communities collectively represent 160,000 individual homes statewide.

3. Colony operates Colony Park as a master-metered mobile home park. Edison brings its service to a master-meter located in the park, and Edison's responsibility ends at the master-meter. Colony owns and operates its own gas and electric service and is responsible for bringing those services from the master-meter to the mobile home park residents.

4. Over the last two and one-half years, eight new 100 amp homes have been installed at Colony Park. These homes have the capacity to consumer more electric energy and do so because of increased appliances.

5. Tenants are required to inform Colony in advance if they intend to upgrade their homes, but no one has notified Colony of their intention to upgrade within the next year.

6. Complainants project that about 15 homes per year will be upgraded. Under these projections, the load for which complainants seek the upgrade will not materialize for another five to seven years.

7. The general concept underlying allowances is that they be tied to new sources of revenues to ensure that the ratepayer-funded expenses (to the amount of the allowance) are justified.

8. Colony is solely served by Edison transformers, service and meter on Colony's premises. Colony's requested upgrade is a Rule 16 service extension because the entire requested work will take place on Colony's premises and will serve one customer, Colony.

9. Under Rule 16, Edison makes the determination whether the requested work is a service reinforcement or service rearrangement. Edison determined that Colony's request is a service rearrangement for Colony's convenience governed by Rule 16.F.2.b, and that Colony is responsible for the total cost of this rearrangement.

10. The voltage drops referenced in this case concern operational and maintenance issues for Colony on its side of the meter, and do not necessarily require Edison to upgrade the system on its side of the meter.

11. Edison is not required to comply with the state housing code or to assist Colony in so doing, and therefore, unless actual demand at Colony is near the

capacity of Edison's existing service facilities, Edison's conclusion that its system does not have to be upgraded at this time is reasonable.

12. The customer in this case is Colony, not the master-metered residents whom Colony serves.

13. Under Rule 15.C.1, new load must be added within a reasonable time, as determined by Edison, to qualify for the allowances. For residential subdivisions, that period of time is defined by Rule 15.D.7 as six months, because if new load does not materialize within six months, Rule 15.D.7 requires that the customer be billed for the difference between the allowances received and those based on the revenue actually generated. These time limitations are reasonable because allowances represent the portion of the costs of line extension that the Commission has decided is appropriate to charge to the ratepayers under the assumption that this amount will be supported by future revenues.

14. The testimony against PG&E is not specific enough to establish a tariff violation.

Conclusions of Law

1. Edison did not err in determining that Rule 16.F.2.b applies to this case.

2. The plain language of Rule 16.F.2.b states that applicant shall pay Edison its total estimated costs, and therefore requires complainants to pay Edison's total estimated costs.

3. Assuming for the sake of argument that either Rule 16.F.1. or Rule 15 were applicable here (we find that they are not), Colony still would not be entitled to any allowances.

4. Because Edison's Rule 16 applies to this case and Edison did not violate this tariff in determining that no allowances are available to Colony, the complaint against Edison should be denied.

5. Complainants have failed to state a cause of action against PG&E, and therefore the complaint against PG&E should be dismissed.

6. Because of the need for a prompt final determination on this issue, this decision should be effective immediately.

O R D E R

IT IS ORDERED that:

1. The complainant of Colony Mobile Home Park, Ltd., a California Limited Partnership, and Western Manufactured Housing Community Association against Southern California Edison Company is denied, and their complaint against Pacific Gas and Electric Company is dismissed for failure to state a cause of action.

2. Case 02-12-037 is closed.

This order is effective today.

Dated _____, at San Francisco, California.

APPENDIX A
********** SERVICE LIST **********
Last Update on 02-JUL-2003 by: SMJ
C0212037 LIST

********** **APPEARANCES** **********

Edward G. Poole
Attorney At Law
ANDERSON & POOLE
601 CALIFORNIA STREET, SUITE 1300
SAN FRANCISCO CA 94108
(415) 956-6413
epoole@adplaw.com
For: The Colony Mobile Home Park, Ltd., and Western
Manufactured Housing Community Asso.

Valerie Boyd
LOUIS E. VINCENT
PACIFIC GAS AND ELECTRIC COMPANY
77 BEALE STREET, ROOM 3123-B30A
SAN FRANCISCO CA 94105
(415) 973-2981
lev1@pge.com
For: Pacific Gas and Electric Company

Jennifer R. Hasbrouck
Attorney At Law
SOUTHERN CALIFORNIA EDISON COMPANY
2244 WALNUT GROVE AVENUE, ROOM 345
ROSEMEAD CA 91770
(626) 302-1040
jennifer.hasbrouck@sce.com
For: Southern California Edison Company

Meredith E. Allen
Attorney At Law
SOUTHERN CALIFORNIA GAS COMPANY
101 ASH STREET, HQ13
SAN DIEGO CA 92101-3017
(619) 699-5050
meallen@sempra.com
For: San Diego Gas & Electric Company/
Southern California Gas Company

(END OF APPENDIX A)