



CPUC Fact Sheet

Order Instituting Investigation to Address the Potential Loss of Natural Gas Service for a Portion of the Santa Nella Community

Investigation (I.) 22-09-011

(This document updated as of November 29, 2022)

What is this Investigation about?

The Commission adopted an Order Instituting Investigation on August 25, 2022 to explore future energy options for 280 lots within a subdivision located in the unincorporated community of Santa Nella in Merced County. The current gas service provider, SNME Inc. (SNME), intends to terminate gas services to these residences and go out of business, which will leave residents without gas for heating and cooking.

Link to the Order Instituting Investigation (OII):

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M496/K422/496422240.PDF>

Background

The natural gas service provider, SNME, is a private corporation that owns the underground natural gas pipelines and customer meters that serve sub-metered natural gas to 280 manufactured homes in Santa Nella. Originally, all the homes in the subdivision were part of a mobile home park (MHP), but now only 47 lots remain part of the MHP. The remaining 233 were sold to individual owners.

SNME receives natural gas from a PG&E master meter located in the center of the subdivision.

The Santa Nella Mobile Home Park (47 of the 280 lots in the subdivision) is classified as high priority for conversion to utility-provided service in the CPUC Mobilehome Park Conversion program, but non-MHP lots are ineligible for conversion.

In May 2022, SNME informed the CPUC and PG&E that it has been operating at a loss, is on the verge of filing for bankruptcy, and intends to terminate existing gas service for the 280 Santa Nella lots.

Overview of the Order Instituting Investigation

The CPUC released an OII in October 2022 directing PG&E to respond to preliminary scoped questions to inform what may be the most feasible and timely next steps. PG&E and the Public Advocates Office have filed comments in response to the issues outlined in the OII.

The OII aims to find a permanent solution that gives Santa Nella residents access to energy services at a comparable or higher level of safety than they currently receive, following SNME's termination of service.

The OII identifies four possible options for alternative energy services to the 280 Santa Nella lots. The options being considered will direct PG&E to do one of the following:

1. Replace the gas infrastructure serving the lots and take over provision of gas service.
2. Replace the gas infrastructure serving the lots and install new electrical infrastructure (including conduit, transformers, meters, and other necessary equipment) to accommodate future electrification at each parcel.
3. Electrify the 280 lots through upgrading electrical infrastructure, panels, and appliances.

4. Electrify the 280 lots through upgrading electrical infrastructure, panels, appliances, and replacing coaches if more cost-effective.

Next steps and timeline

Based on the responses received to the OII, the CPUC will work with PG&E to identify a permanent alternative energy solution for the Santa Nella residents affected by the loss of gas service. The CPUC will release a Scoping Memo before the end of 2022 that outlines in greater detail the next steps and timeline for implementing a resolution for this issue.