

Mobile Home Park Gas and Electric Facility Transfer Process

June 14, 2011



PG&E has a long standing practice dealing with the transfer of ownership of privately owned mobile home park gas and electric systems, provided such systems comply with applicable State of California General Orders and utility safety and operating standards.



The transferring party is responsible for the costs associated with transfer of the distribution system and any needed upgrades that are not otherwise offset by additional revenue.

The following is a description of the transfer process.



1. PG&E receives written notification from park owner.

This is usually after a phone conversation between the park owner and a PG&E representative discuss the transfer process





- 2. Within 90 days of formal notification, PG&E:
- Requests copies of design, construction, maintenance, operation, inspection, and repair logs for gas and electric facilities.
- Requests a meeting with park owner, to:
 - a) Review PG&E's ownership transfer Philosophy, i.e., PG&E will acquire privately-owned gas and electric systems if (1) there is no ratepayer's burden, and (2) the systems comply with state General Orders and utility standards.
 - b) Get additional facility records from the park owner, if not already obtained.
 - c) Offer a PG&E preliminary evaluation of the system and to identify the magnitude of possible upgrades needed. This preliminary evaluation is a simple walk through of the park and is performed at PG&E expense, and may involve a couple of site evaluation visits.



2. Within 90 days of formal notification, PG&E (contd):

Present the results of the preliminary evaluation and make an offer to perform a detailed engineering evaluation. The detailed engineering evaluation is at the owner's expense. PG&E will provide deposit quote to perform a detailed engineering and economic analysis, and a time frame for completing the analysis.



3. If the park owner requests that PG&E perform the detailed engineering and economic analysis, PG&E then collects engineering deposit and authorization to proceed from the park owner.



- 4. PG&E then performs a detailed engineering study and appraisal of that portion of the system found to be used and useful, plus:
 - Calculate the incremental base annual revenue available to support added ratepayer Investment (for use in the economic analysis).
 - Prepares an economic analysis comparing the total value of system to the appropriate supporting revenues.

Criteria for Evaluation of Gas Facilities (examples)

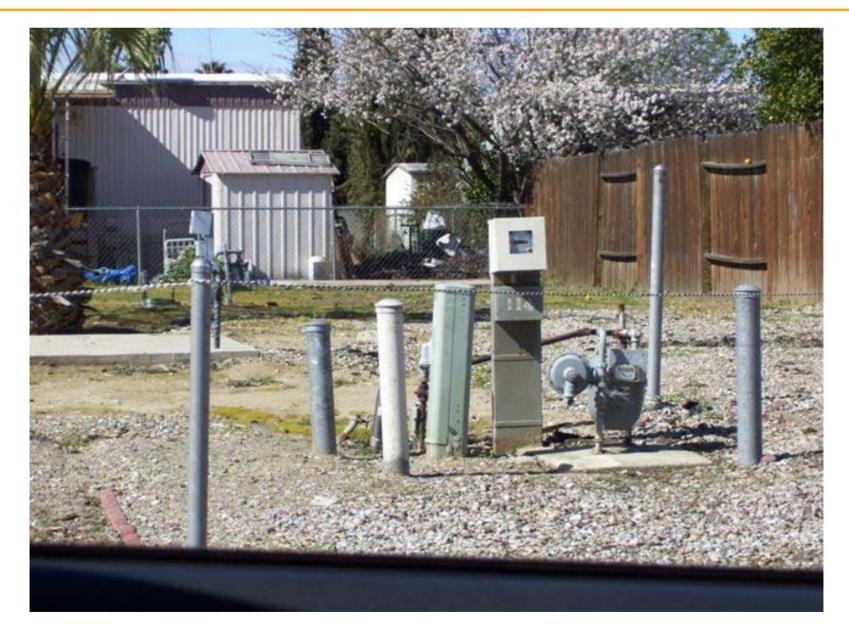
٠	CRITERIA	ISSUE	<u>STATUS</u>
	System Architecture		
٠	Gas pipe under coaches	Unreliable/Unsafe	Reject*
٠	Non-standard pressure	Non-compatible/Unsafe	De-value**
•	Inadequate system capacity (e.g., pipe size, wall thickness, cathodic protection)	Incapable of serving customary expected load	De-value**
	<u>Rights-of-Way</u>		
٠	No easement	Unreliable	Reject*
	Inspection Clearances		
٠	No houseline inspection	Legal non-compliance	Reject*
	Construction Techniques		
•	Trench depth	G.O. non-compliance	Reject*
٠	Joint trench with wet utilities	Unsafe	Reject*
٠	Joint trench with non-utilities	Unsafe	Reject*
٠	Inadequate trench separation	G.O. non-compliance	Reject*
•	Improper cathodic protection	G.O. non-compliance	Reject*
•	Non-standard equipment	Non-compatible	De-value**
٠	Inadequate working clearances	G.O. non-compliance	Reject*

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PG&E Criteria for Evaluation of Electric Facilities (examples)

٠	CRITERIA	ISSUE	<u>STATUS</u>
	System Architecture		
•	Direct buried cable Direct buried cable under coaches	Unreliable Unreliable/Unsafe	De-value** Reject*
•	Non-standard voltage	Non-compatible/Unsafe	De-value**
•	Loop-system/grounding/bonding	Unsafe	De-value**
•	Inadequate system capacity	Incapable of serving	De-value**
	(e.g.,cable size, transformer size)	customary expected load	
	Rights-of-Way		
	<u>Rights-or-way</u>		
٠	No easement	Unreliable	Reject*
	Inspection Clearances		
•	No meter panel inspection	Legal non-compliance	Reject*
	Construction Techniques		
•	Inadequate trench depth	G.O. non-compliance	Reject*
•	Joint trench w/propane & wet utilities	Unsafe	Reject*
•	Joint trench w/non-utilities	Unsafe	Reject*
•	Inadequate trench separation	G.O. non-compliance	Reject*
•	Improper grounding	G.O. non-compliance	Reject*
•	Non-standard equipment	Non-compatible	De-value**
•	Lack of traffic covers	G.O. non-compliance	Reject*
•	Transformers near combustible walls	G.O. non-compliance	Reject*
•	Lack of vehicular protection	G.O. non-compliance	Reject*
٠	Inadequate working clearances	G.O. non-compliance	Reject*





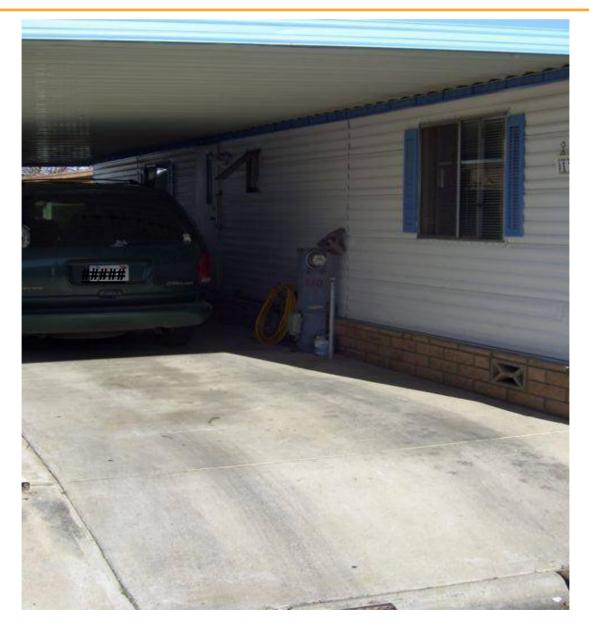




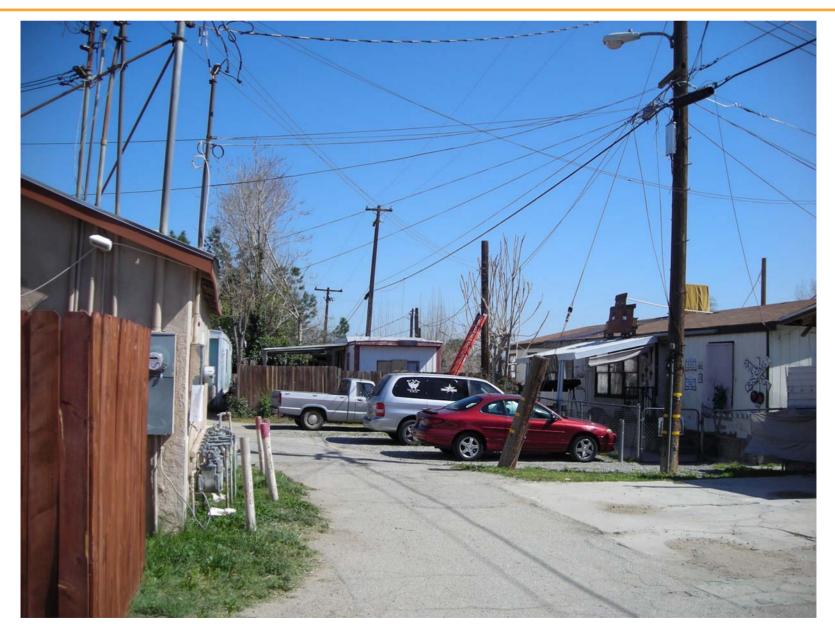














- 5. PG&E then presents the results of the engineering study and economic analysis to the park owner. PG&E asks for decision from owner on the following items:
 - Is the project "go or no go?"
 - Who's to perform upgrades?*
 - Timetable of the transfer.

*This is an owner option - either PG&E can do the restoration (at Customer expense), or they can perform the work, paying PG&E inspection costs



6. If the park owner requests that the transfer proceed, PG&E then prepares appropriate CPUC approved agreement(s), (Standard Forms 62-0562, and 62-4527).



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Here is a section of Contract Form number 62-0562 "Gas and Electric Facilities Transfer Agreement"

EXHIBIT C.1. INCREMENTAL BASE ANNUAL REVENUE CALCULATION GAS AND/OR ELECTRIC FACILITES TRANSFER - MOBILEHOME PARKS

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A. Gas: Master-Metered Account Number:	ANNUAL REVENUE (DISCOU	JNT RATE)	
Master-Metered Rate Schedule: Discount Rate/Day \$ 365 Days/Year	_ x # of Installed Spaces	×\$	_
Master-Metered Account Number: Master-Metered Rate Schedule: Discount Rate/Day \$ 365 Days/Year	_ x # of Installed Spaces	×\$	_
Master-Metered Account Number: Master-Metered Rate Schedule: Discount Rate/Day \$ 365 Days/Year	_ x # of Installed Spaces	×	_
		- ()	

Total Gas Incremental Base Annual Revenue From Discount Rate=\$

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7. Along with the appropriate contracts, PG&E collects any outstanding costs. Ownership of the facilities transfer upon final PG&E inspection and payment of any applicable costs by applicant or PG&E pursuant to the provisions of Contract Form number 62-0562 "Gas and Electric Facilities Transfer Agreement".

