

# SCE's Company Proposal

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# Agenda

- SCE's Proposal
- Benefits of Transferring Service
- Financial Considerations
- Operational Requirements & Constraints
- Issues Identified in Party Proposals

## SCE's Company Proposal – Use of PU Codes & Tariffs

- Continuance of current statutory scheme and tariff Rules 15/16 to transfer electric service from MHP owners to utility direct service
- Use of procedures outlined in PU Codes 2791-2799 for transferring existing systems to the utility
  - Allows for flexibility for utilities
    - Determine whether systems (in whole or part) can be transferred (Section 2794)
    - Offers options for MHP owner and utility to address cost and construction responsibilities for installation of new facilities (Section 2793), which is similar to Tariff Rules 15/16
  - Voluntary process
- Use of SCE's Tariff Rule 15/16 for new parallel line extensions
  - Ensures fair and equitable cost allocations for the utility and the MHP owner
  - New systems will provide safe & reliable service to MHPs

# SCE's Proposal – Ways to Encourage More Transfers

- Communication Outreach Efforts to MHP owners on the transfer process
  - Concerted effort involving key stakeholders – utilities, WMA, GSMOL, MHP owners, and HCD
  - Direct mailing to all MHP owners with information package including:
    - Steps involved in transfer process, list of construction standards, description of new parallel system (including roles and responsibilities), and benefits of transfer.
  - Direct call from utilities to each MHP owner to describe the transfer process and gauge interest in transfers
  - Presentations at WMA conventions, CPUC workshops, and other seminars describing the transfer process and working through specific issues directly with MHP owners
  - Distribute pamphlets on the transfer process and other pertinent information
- CPUC and/or WMA develops and maintains list of contractors that perform the civil work

# Benefits of Transferring Service

## General Public:

- Ensures safe and reliable service within MHPs
  - Utility is responsible for complying with GO standards, inspecting and maintaining electric system, and general oversight of the MHPs
- Relieves state and local enforcement agencies from obligation to routinely monitor utility systems at MHPs

## MHP Owners:

- Owners are relieved of operating and maintaining the utility system

## MHP Tenants:

- Increased electrical capacity, reliability of service, and customer care from the utility

# SCE's Cost Estimates – Financial Impacts

- Under Rules 15/16, SCE installs the electric system in the MHPs, including transformers, cable, meters.
  - Average cost for completed projects approximately \$1,500 per MHP space
- Under Rules 15/16, MHP owners perform civil work (which includes excavation, installation of new ducts and structures, and repaving) in the park and deeds over to SCE. No impact on SCE's plant investment.
  - Could be up to \$10,000 per MHP space\*
- MHP owners are responsible for installing meter pedestal and customer wiring from the meter to individual MHP units.
  - Averages \$1,500 per space
- Total Cost Exposure could be up to \$1.6 billion

	<u>Costs Per Unit</u>
Electrical	\$ 1,500
Civil Costs	\$ 10,000
Customer Wiring	\$ 1,500
Street Lighting**	\$ 2,000
	<b>\$ 15,000</b>

\* Based on worst case scenario.

\*\*Cost includes street lighting that is not part of Rule 15/16 but could add another \$2,000 per space for the MHP owner.



# SCE's Operational Requirements and Constraints

- SCE estimates that it could take up to 15 years to transfer service at 1,300 MHPs
  - Assumes voluntary transfers initiated by MHP owners and that MHP owners opted to install new parallel system under Rules 15/16
  - SCE to project manage the overall transfer process
  - SCE to perform electrical work
    - Resource constraints with implementing this new program
  - MHP owners to perform civil work pursuant to Rules 15/16
    - Limited civil contract crews in our service territory due to competing projects

# Major Issues Identified in Party Proposals

- Ratepayer subsidization of cost of transferring service is fundamentally wrong
  - MHP owners are not held accountable for the sub-metering discounts received over the years and would benefit greatly from a more valuable and marketable MHP without paying for it.
- Relinquishing safety oversight of the MHP electric system from state and local government agencies, in the interim transfer period, to utilities for prioritizing transfers
- Mandatory vs. Voluntary Transfers

# MHP Short-Term and Long-Term Goals

## Current Status:

- Since 1997, only 20-25 MHPs have been converted statewide using current statutory scheme for transferring service
  - Cost of transfer is high for owners that have not maintained or upgraded their systems
- Electric safety oversight at MHPs is the responsibility of HCD and local government authorities

## Interim (Transfer Period):

- Utilities should generally have a uniform approach to deal with transfers
- Safety oversight should remain with state and local authorities, and not the utilities

## Long-Term Goal:

- Utilities provide service to all MHPs
  - Ensures safe and reliable service



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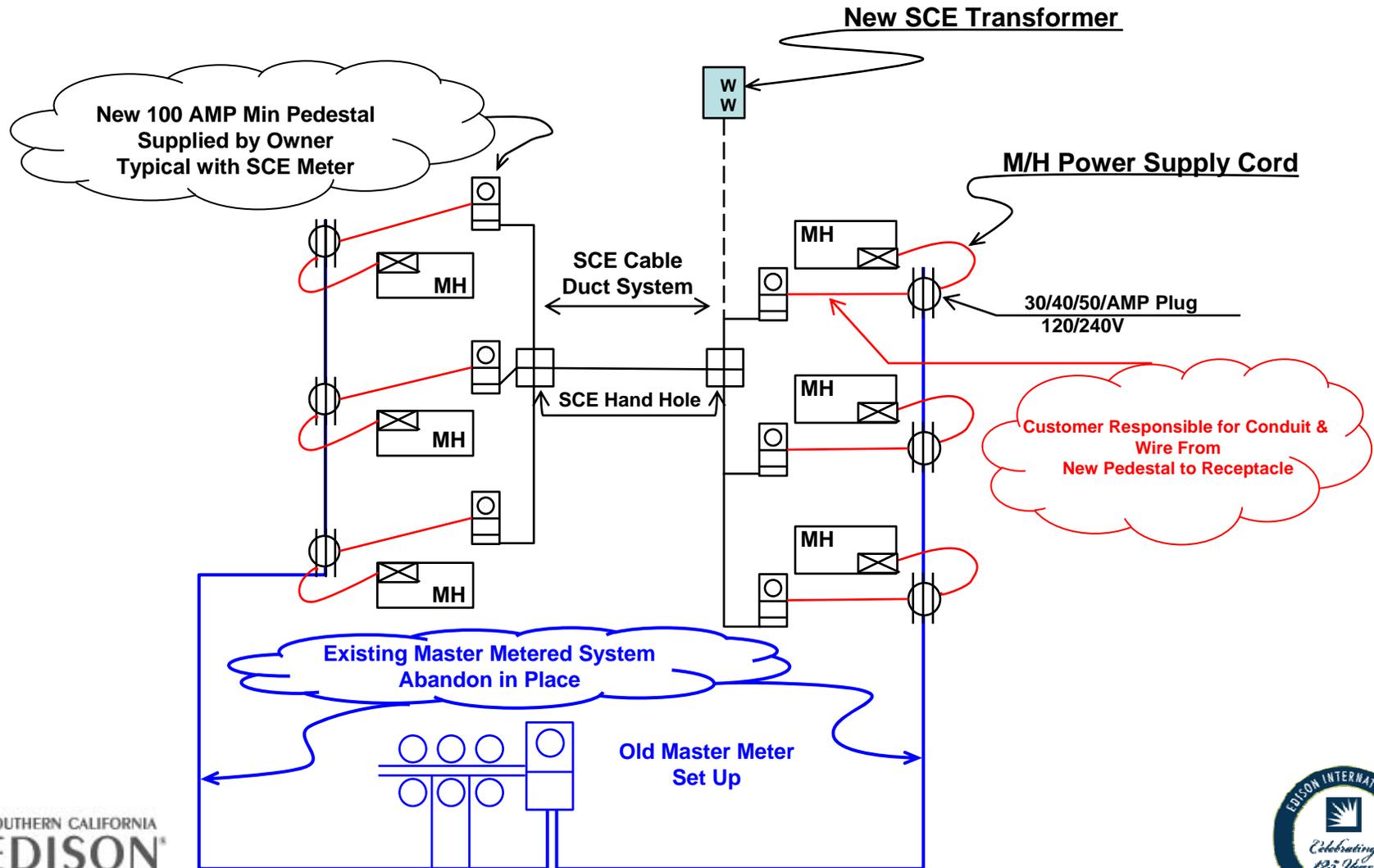


## Conclusion

- Use of current statutory scheme and Tariff Rules 15/16 is a fair and equitable approach to transferring service from MHP owners to utilities
- Outreach program geared to providing MHP owners with pertinent information on transfer process will encourage more transfers
- Explore better ways to incentivize MHP owners to transfer service that is fair and equitable to all stakeholders

# Appendix

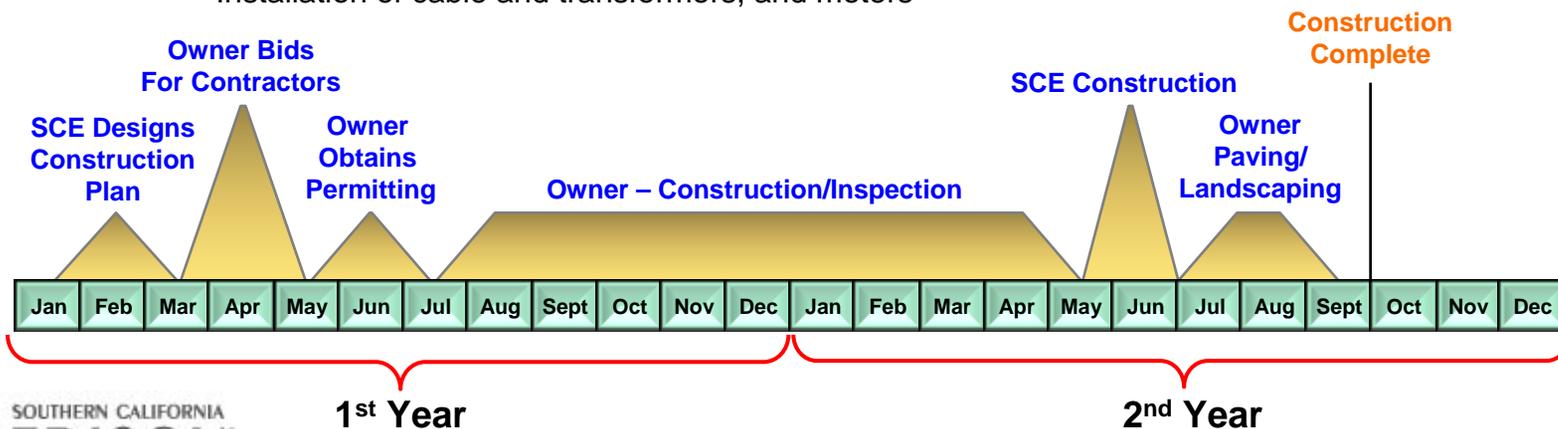
# SCE Design of New Parallel System



# SCE's MHP Electric System Installation (Timeline)\*

- Design (2-3 months)
- Construction Process (1 ½ years)
  - Owner Construction (Responsibility)
    - Bid Process
    - Permitting
    - Trenching
    - Install ducts and structures
    - Inspections
    - Install meter panels and electrical work (cutovers)
    - Pave and landscape
  - SCE Construction
    - Installation of cable and transformers, and meters

\* Timeline is largely dependent on owners experience and construction knowledge



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