



Transfer of Master-Meter/Submeter Systems at Mobilehome Parks and Manufactured Housing Communities to Electric and Gas Corporations

Proposal of Southwest Gas Corporation

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Southwest Gas' Current Process

| | |
|--|-------------|
| Total Number of MHPs served: | 57 |
| Northern California | 13 |
| Southern California | 44 |
| Total Number of spaces in MHPs: | 3308 |
| Range Number of spaces in MHPs: | 4 - 282 |
| Average Number of spaces per park: | 58.0 |



Mobilehome Park System Replacement Program (MHPSRP)

- MHP owner participation is voluntary
- Fully replace mains and service lines with no up-front costs to MHP
- Facility replacement mirrors Southwest Gas' current transfer/replacement process
- MHP replacements prioritized as necessary



Program Cost

- Fully replace all 57 MHP systems - \$6M
- Estimated annual impacts per \$1M:

| Territory | Revenue Requirement | Rate Impact Per Therm |
|------------------------------|---------------------|-----------------------|
| Northern California | \$200,000 | \$0.00807 |
| South Lake Tahoe, California | \$200,000 | \$0.00880 |
| Southern California | \$180,000 | \$0.00180 |



Monthly Residential Bill Impact

| Territory | Amount |
|---------------------------------|--------|
| Northern California | \$0.53 |
| South Lake Tahoe, California | \$0.63 |
| Southern California | \$0.08 |



MHPSRP Cost Recovery Account

- Defer
 - Return on investment (rate base \times authorized return)
 - Depreciation expense
 - Property tax
 - Incremental customer-related expenses
- Annual surcharge for each rate jurisdiction



Benefits

- Addresses concerns of MHP owners and utilities
- Completely replaces facilities
- Safe, reliable service from Commission-regulated utilities
- Multiple customer service components
- Eases burden on the Commission in terms of MHP inspections and oversight



Legislative Policy Option

- Tenant Surcharge
 - Nevada Revised Statute 704.940
- MHP Discount
 - California Pub. Util. Code 739.5



Tenant Service Surcharge Fund

- Interest-Bearing Account (maintained by MHP owner)
- Specific use
- Withdrawals are Commission-approved
 - Spending accountability
 - Tenant notification
- Compliance filing
- Records are kept “up front”



