

Order Instituting Rulemaking 11-02-018  
Workshop

# Master-Metered Mobile Home Park Transfers

*A perspective from Southwest Gas*

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# History of Process

- California Assembly Bill 622
  - Approved on September 11, 1996
  - Outlines the requirements for transfer of master-metered Mobile Home Parks (MHP) in California to natural gas (and electric) operators
  - Section 2791-2799 of the Public Utilities Code was established to document the mechanism to be used to accomplish the transfer



# History of Process

- Southwest Gas Corporation (SWG) bases its procedures and guidelines for transfer of master-metered MHP on AB 622 and the associated Public Utilities Code
  - Includes:
    - Project Checklist
    - Flowcharts of Process
    - Established methods of communication
    - Inspection Documents
    - Procedures for Evaluating Cost



# The Process-Intent to Transfer

- Initial Customer Contact
  - A mobile home park or manufactured housing owner (Owner) contacts SWG to inquire about transferring their master-meter system to SWG
  - SWG engineering group provides the Owner with an Instructions and Information Letter
    - Provides an overview of the transfer process, including the requirement to notify in writing the intent to transfer ownership



# The Process-SWG Responds

- Within 90 days of receiving the Owner's written notification, SWG:
  - Meets with the Owner to describe the procedure used for the transfer
  - Performs a preliminary inspection of the gas system
  - Inspects the Owner's documentation of the construction, operation and condition of the gas system
  - Advises the Owner, in writing, of the general condition of the system and provides a preliminary opinion concerning the extent of work needed to make the system acceptable for transfer to SWG
  - Offers a written preliminary, non-binding estimate of the cost to perform an engineering evaluation and estimates the construction work and cost of transfer [2792(a)(1) through 2792(a)(6)]



# The Process-Engineering Evaluation

- Within 90 days of receiving the Owner's deposit to proceed with the detailed engineering evaluation, SWG:
  - Develops an engineering plan for bringing the gas system to a condition that is acceptable for transfer
  - Presents a proposal, in sufficient detail, to serve as a bid document for the transfer of ownership of the system to SWG [2793(a)(1) through 2793(a)(3)]



# The Process-Owner's Decision

- Within 90 days of receipt of SWG's proposal for transfer of ownership, an Owner may do any of the following:
  - Present objections to SWG in writing for resolution
  - Decline to proceed
  - Accept the proposal and contract with SWG
  - Accept the proposal and contract with an approved third party for completion of the construction work and equipment replacement, if any, in accordance with the applicable SWG applicant installation rules [2793(e) through 2793(e)(4)]



# Transfer Process in Action

- Several cases have shown that the transfer process typically stops when:
  - SWG offers the Owner a written preliminary, non-binding estimate of the cost of transfer
    - Every transfer application review has required a full replacement of the Owner's master-metered gas system
- SWG acquired one master-metered MHP facility in California since the adoption of AB 622





# Safety Standards-Compliance

- SWG is unable to take over many current master-metered MHP systems in their current condition because they do not meet General Order 112-E standards
  - No documentation to support MAOP/MOP
  - No documentation of pipe specifications
  - No documentation of operating and maintenance history



# Summary

- SWG believes the Commission's current process is effective for a master-metered MHP ownership transfer
- SWG's experience has shown that the challenge in the process is finding documentation proving the integrity of the Owner's system
  - Due diligence requires SWG to update, or replace the system to meet compliance standards

