

Energy Division Central Files Document Coversheet

A. Document Name

Today's Date (Date of Submittal) 2/1/2017

Name:

1. Utility Name: San Diego Gas and Electric (SDG&E)
2. Document Submission Frequency: Yearly
3. Report Name: SDG&E Mobilehome Park Utility Upgrade Program
4. Reporting Interval (the date(s) covered by the data): 2017 Y2
5. Name Suffix: Cov
6. Document File Name (format as 1+2 + 3 + 4 + 5): SDG&E Yearly SDG&E Mobilehome Park Utility Upgrade Program 2017 Y2 Cov
7. Identify whether this filing is original or revision to a previous filing.
 - a. If revision, identify date of the original filing: N/A

B. Documents Related to a Proceeding

All submittals should reference both a proceeding and a decision, if applicable. If not applicable, leave blank and fill out Section C.

1. Proceeding Number (starts with R, I, C, A, or P plus 7 numbers): R.11-02-018
2. Decision Number (starts with D plus 7 numbers): D.14-03-021
3. Ordering Paragraph (OP) Number from the decision: Ordering Paragraph 10 of D.14-03-021

C. Documents Submitted as Requested by Other Requirements

If the document submitted is in compliance with something other than a proceeding, (e.g. Resolution, Ruling, Staff Letter, Public Utilities Code, or sender's own motion), please explain: N/A

D. Document Summary

Provide a Document Summary that explains why this report is being filed with the Energy Division. This information is often contained in the cover letter, introduction, or executive summary, so you may want copy if from there and paste it here.

SDG&E (and each electric and/or gas corporation) is ordered to submit a report by February 1, 2017 that identifies timeline status and a preliminary quantification of construction costs incurred per space, broken out on both "to the meter" and "beyond the meter" bases. Per D.14-03-021: "We will require reporting, as specified, at the end of each of the three years so that we can fine-tune the conversion program as warranted, assess whether the program should be made permanent before the three-year term concludes, or should unforeseen problems arise, bring the program to an early end."

E. Sender Contact Information

1. Sender Name: Grisel Juarez Velazquez
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3. Sender Phone: (213) 244-2822
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F. Confidentiality

1. Is this document confidential? No Yes
 - a. If Yes, provide an explanation of why confidentiality is claimed and identify the expiration of the confidentiality designation (e.g. Confidential until December 31, 2020.) N/A

Energy Division Central Files Document Coversheet

G. CPUC Routing

Energy Division's Director, Edward Randolph, requests that you not copy him on filings sent to Energy Division Central Files. Identify below any Commission staff that were copied on the submittal of this document.

1. Names of Commission staff that sender copied on the submittal of this Document:
 - Commission President Michael Picker
 - Commissioner Mike Florio
 - Commissioner Catherine J.K. Sandoval
 - Commissioner Carla J. Peterman
 - Commissioner Liane M. Randolph
 - Chief Administrative Law Judge Karen V. Clopton
 - Safety and Enforcement Division Director Elizaveta Malashenko



Mobilehome Park Utility Upgrade Program

FEBRUARY 1, 2017 Report

SDG&E MOBILEHOME PARK UTILITY UPGRADE PROGRAM

FEBRUARY 1, 2017 REPORT

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Mobilehome Park Utility Upgrade Program

FEBRUARY 1, 2017 Report

1. Executive Summary

On March 13, 2014, the California Public Utilities Commission (“Commission”) approved and authorized San Diego Gas & Electric Company (“SDG&E”) to execute the *Mobilehome Park Utility Upgrade Program* (“Program”) through D.14-03-021 (“Decision”). The Program is a three-year pilot (2015-2017) to convert master-metered/sub-metered natural gas and/or electric services to direct utility services for qualified mobilehome parks and manufactured housing communities (collectively “MHPs”).

The Decision directs each electric and/or gas utility to annually prepare a status report for the Program on February 1 of each year. Pursuant to Ordering Paragraph (“OP”) 10 of the Decision, each electric and/or gas utility filed their first status report on February 1, 2016, and must file a second and third report on February 1 of 2017 and 2018, respectively. In SDG&E’s February 1, 2016 Report, SDG&E provided a timeline for implementation of the three-year pilot, its current status on the timeline, the number of initial applications received, information on the MHPs that would be converted, and the number of spaces to be converted.

In accordance with OP 10 of the Decision, this report provides information on the following: (1) a Program timeline and the current progress towards that timeline, and (2) a preliminary quantification of construction costs incurred per space identified separated by “to the meter” and “beyond the meter.” The Decision further requires that on both “to-the-meter” (“TTM”) and “beyond-the-meter” (“BTM”) bases, cost should be broken out to identify: civil work/trenching, other gas system construction (if applicable), other electric system construction (if applicable), and other costs such as permits and easements.

As of December 31, 2016, SDG&E has completed conversion of 6 MHPs (of 30 MHPs currently in scope) with a combined total of 411 spaces (of 3,344 spaces currently in scope). An additional 16 MHPs are currently in various stages of construction. The total conversion cost for the 6 MHPs is \$11,541,080. These costs may be adjusted as trailing and other costs are received and charged to their respective MHPs.

2. Program Timeline and Where SDG&E is on the Timeline

The Program has been planned to achieve the conversion, on a combined TTM and BTM basis of 10% of the qualified spaces in SDG&E' service territory, which currently represents approximately 3,300 spaces. While there have been a number of MHPs that have elected not to move forward, the Program's current space count is 3,344 across 30 MHPs, or approximately 10% of all MHP master meter spaces in SDG&E's territory. To reach the Program's goal, SDG&E developed the timeline shown in Figure 1 ("Timeline for Implementation of Three-Year Pilot") noting that, where possible, dual conversions (natural gas and electric) have been planned by SDG&E or through joint efforts with the respective natural gas or electric service providers. Additionally, joint trenching opportunities may be leveraged with the MHP's existing telecommunications¹ provider(s).

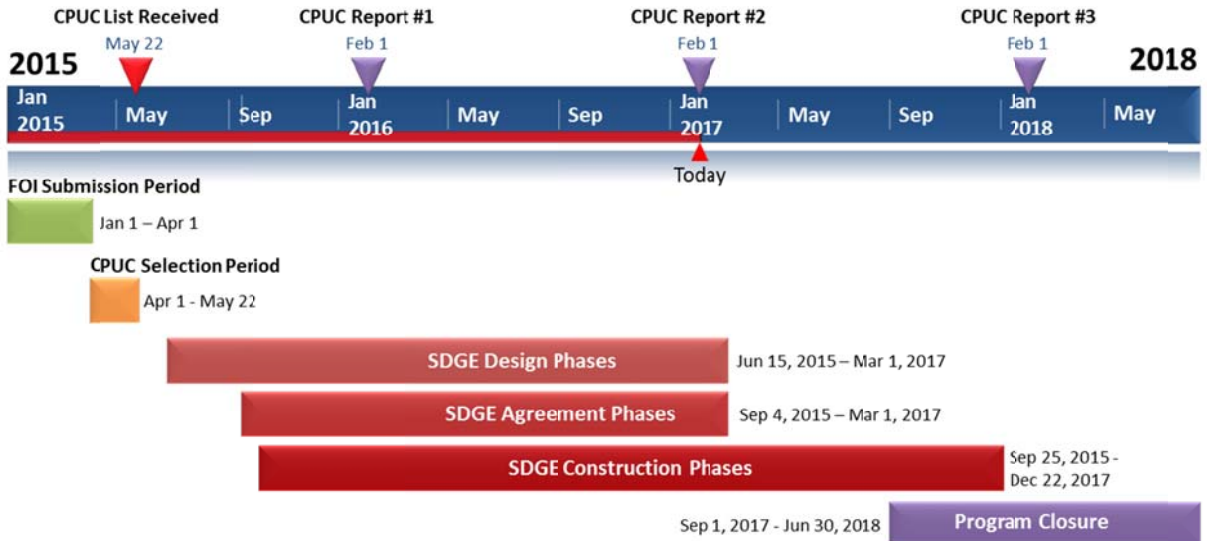
A number of assumptions are inherent in the Schedule, specifically; it assumes that there are no constraints which may prevent the MHP's participation in the Program, such as the MHP owner's ability and willingness to complete and move forward with a detailed application, execute the Program Agreement, grant the required easements, secure a qualified BTM contractor, successfully address any environmental issues, finance the BTM construction activities and removal of the legacy system as necessary and meet the prescribed program schedule. The timeline also assumes that the total number of MHP spaces indicated on the Form of Intent ("FOI") completed by the MHP owners are accurate. Further assumptions include, but are not limited to, the ability for a joint schedule to be developed, acceptable, and executable by all utilities (energy and communications) on joint trench construction. Also, the schedule is dependent on availability of both TTM and BTM contractors having qualified crews to perform construction and the California Department of Housing and Community Development ("HCD") and/or other jurisdictional agencies having available trained resources to perform timely inspections on completed portions of the projects. SDG&E's schedule is expected to continue to change throughout the Program's life as additional Agreements are signed and MHPs are choosing to either decline, or are opting to participate.

As of December 31, 2016, SDG&E has 28 MHP designs completed and has 22 MHPs currently in the construction stage or where construction has completed.

Based on its current schedule, SDG&E forecasts starting 100% of its current goal of 3,344 MHP spaces by March 30, 2017, and completing conversion of approximately 90% of the goal by December 31, 2017, whereby major construction activities would be substantially underway.

¹ As of December 31, 2016, no telecommunications providers have coordinated for joint service installation at any of the six completed parks included in this report.

FIGURE 1. TIMELINE FOR IMPLEMENTATION OF THREE-YEAR PILOT AND CURRENT STATUS



3. Preliminary Cost Assessment

As of December 31, 2016, SDG&E has converted² 6 MHPs (of 30 MHPs currently in scope) with a combined total of 411 spaces (of 3,344 spaces currently in scope). In accordance with OP 10 of the Decision, SDG&E's preliminary quantification of construction costs incurred per space are shown in Table 2 ("SDG&E Preliminary Quantification of Construction Costs") below. These costs may be adjusted as trailing costs or other changes are required and allocated to their respective MHPs³.

Table 1 details preliminary costs for each category of:

- (1) TTM Contractor Costs: includes contractor costs for dual commodity conversions (gas and electric), as well as the portion paid by SDG&E for TTM activities which are shared with other participating utilities or communications service providers where service territories overlap⁴. These are comprised of, but not limited to, trenching and paving;
- (2) Utility Crews ("UC") and Material Cost: This includes the loaded costs of company labor in support of the program including TTM work for selected MHPs, setting meters, performing gas safety checks, turning on gas and electric service, purging the legacy system, removal of the master meter, as well as the procurement and warehousing of materials.
- (3) BTM Contractor Costs: costs reimbursed to the MHP owner/operator (or directly to the BTM contractor via SDG&E's payment remittance form) to perform the BTM construction work. BTM contractors are selected by the MHP owner/operator; and
- (4) Program Management Costs ("PMC"), which are comprised of:
 - (a) Project Management Office ("PMO") which includes overall Program Management (e.g. program strategy, risk management, change management, schedule management) and the program's Budgeting and Accounting functions;
 - (b) Construction Management ("CM") which includes Construction Project Management, preliminary planning and full design activities. Planners and designers perform work for multiple parks. Project Managers, Construction Contractor Administration staff, and other support personnel also perform work at multiple construction sites; and
 - (c) Outreach activities which include primary customer contact and coordination before, during and after construction consistent with the Commission-reviewed statewide Outreach Plan.

PMC are tracked separately from TTM costs and BTM Contractor costs and allocated to each MHP based on the number of spaces converted. PMC are allocated as part of SDG&E's project close activities. To most efficiently utilize PMO resources, selected PMO staff provides management and services to both SoCalGas and SDG&E and costs for such staff are allocated at a rate of 50% to each utility.

² SDG&E labels "Converted" MHPs as those where System Cutover has occurred, Master Meter has been removed, and all costs for all TTM, BTM, PMC costs are expected to have been received and allocated to each MHP. SDG&E established and strives to meet a "Closing Period" of 180-days beyond Master Meter removal to allow for these activities to occur. This report includes MHPs which have completed or are in the Closing Period.

³ "Trailing charges" may include, but are not limited to, contractor invoices, internal labor charges, or other costs which may not have been received within SDG&E's Closing Period.

⁴ Currently, Southern California Gas Company.

TABLE 1. PRELIMINARY QUANTIFICATION OF CONSTRUCTION COSTS

SDG&E		
1	To The Meter (TTM) Contractor Costs	
2	Civil Trenching	\$4,658,700
3	Electric System	
4	Labor	\$4,179
5	Materials/Structures	\$231,336
6	Gas System	
7	Labor	\$1,469
8	Materials/Structures	\$134,652
9	Sub-Total TTM Contractor Costs	\$5,030,336
10		
11	Other TTM Non-Labor Costs	
12	Property Taxes	\$29,523
13	AFUDC	\$98,555
14	Sub-Total Other TTM Non-Labor Costs	\$128,078
15	Sub-Total TTM Costs	\$5,158,415
16		
17	Beyond The Meter (BTM) Contractor Costs	
18	Civil/Trenching	\$77,881
19	Electric System	
20	Labor	\$1,085,355
21	Materials/Structures	\$643,795
22	Gas System	
23	Labor	\$750,896
24	Materials/Structures	\$329,517
25	Other (HCD, LEA Permit Fees)	\$255,473
26	Sub-Total BTM	\$3,142,918
27		
28	Costs for Utility Crews (UC) supporting Program	
29	Electric System	
30	Labor	\$260,545
31	Non-Labor	\$164,239
32	Gas System	
33	Labor	\$528,985
34	Non-Labor	\$343,874
35	Sub-Total UC Costs	\$1,297,643
36		
37	Program Management Costs (PMC)	
38	Program Management Office (PMO)	\$504,891
39	Outreach	\$147,328
40	Construction Management (CM)	\$1,289,886

41 Subtotal PMC \$1,942,105

42

43 **TOTAL \$11,541,080**

44

45 Total Spaces Converted	TTM	BTM
46 Gas	411	411
47 Electric	411	411

48

49 Average Cost / Space	TTM	BTM	UC	PMC	TOTAL
50 Gas	\$7,004	\$3,103	\$2,124	\$2,481	\$14,712
51 Electric	\$5,547	\$4,544	\$1,034	\$2,244	\$13,368
52 Total Preliminary Average Cost/Space	\$12,551	\$7,647	\$3,157	\$4,725	\$28,080

4. Conclusion

This concludes the second annual filing in accordance with OP 10 of D.14-03-021.

Additional Program information can be found online on SDG&E's website at

<http://www.sdge.com/mobilehome-upgrade>.



**Mobilehome Park Utility Upgrade Program
Management Certification**

A  Sempra Energy utility

California Public Utilities Commission (CPUC) Decision (D.) 14-03-021 Ordering Paragraph 11 requires that all reports be verified by an officer of the utility.

As an officer of the San Diego Gas & Electric Company (SDG&E), I hereby certify that the Mobilehome Park Utility Upgrade Program Annual Report generated in compliance with D.14-03-021 is accurate.

Reporting Period: January 1, 2016 to December 31, 2016
Start Date End Date

 Executed on: 1/30/2017
Signature of Officer Month, Day, Year

Gina Orozco-Mejia Vice President – Gas Operations
Print Name Title