

STATE OF CALIFORNIA

Public Utilities Commission  
San Francisco

**M e m o r a n d u m**

**Date:** March 22, 2011

**To:** The Commission  
(Meeting of March 24, 2011)

**From:** Edward Randolph, Director  
Office of Governmental Affairs (OGA) — Sacramento

**Subject:** **Assembly Bill 724 (Bradford) – Mobile home park gas and electricity distribution**  
**As introduced: February 17, 2011**

**LEGISLATIVE SUBCOMMITTEE RECOMMENDATION:** SUPPORT

**SUMMARY OF BILL:**

This bill would require the California Public Utilities Commission (CPUC) to:

- 1) Open a proceeding to evaluate and report to the Legislature when the owner of a mobilehome park that provides master-meted gas or eclectic service should be required to transfer responsibility for that service to a gas or electrical corporation. Report to the legislature when a mobile home park's electric and gas distribution systems should be transferred from the park's owner to the local utility;
- 2) Report to the legislature on the findings of that proceeding by July 1, 2013.

**SUMMARY OF SUPPORTING ARGUMENTS FOR RECOMMENDATION:**

The CPUC recognizes the problems identified in this bill and is generally in favor of upgrading deficient gas and electric distribution systems in mobile home parks. In February, 2011, the CPUC opened a rulemaking (R.11-02-018), to consider the vary issues required by AB 724,; therefore, a duplicate proceeding is not warranted and the current proceeding would meet the requirements of this of this bill.

**DIVISION ANALYSIS (Energy Division):**

R.11-02-018, will examine regulations for gas and electric distribution in mobile home parks. The full scope of this proceeding has not yet been established so the proceeding could be expanded to include any specific requirements of this bill.

Existing state law allows mobile park owners to request the local utility to take over the gas and electric distribution systems, but does not require the mobile park owners to do so even if the distribution systems are deficient in safety and reliability. The bill would require the CPUC to investigate the circumstances under which a mobile home park owner should be required to transfer such a system, including plants, facilities, and interests in real property, to a utility.

### **BACKGROUND INFORMATION ON IMPACTED PROGRAMS, PRACTICE OR POLICY:**

Mobile home natural gas systems in California must adhere to the requirements of General Order (GO) 112-E, which have incorporated the Federal Pipeline Safety Code in Title 49, Code of Federal Regulations (CFR), Parts 191 and 192. Furthermore, on December 4, 2009, the Federal Department of Transportation issued rules, effective on February 12, 2010, establishing distribution integrity management pipeline (DIMP) program for distribution gas systems. The rules require operators of distribution pipelines to establish a risk-based assessment program within a DIMP. The DIMP program must: (1) identify threats to the pipelines; (2) evaluate and rank risk; (3) identify and implement measures to address risks; and (4) measure performance, monitor results and evaluate effectiveness. All master-metered mobile home park gas systems are subject to the DIMP requirements, which are extensive and may be difficult to fully comply with.

Additionally, all mobile home electric systems in California must comply with regulations promulgated by the Department of Housing and Community Development, which have incorporated by reference the CPUC's GOs 95 and 128.

The CPUC opened Rulemaking 11-02-18 on February 24, 2011, to examine what it can and should do to encourage the replacement by direct utility service of the master-meter/submeter systems that supply electricity, natural gas, or both to mobile home parks and manufactured housing communities located within the franchise areas of electric and/or natural gas corporations.

### **LEGISLATIVE HISTORY:**

Last year, AB 1108 (Fuentes) required the CPUC to open a similar proceeding as this bill and to develop transfer criteria. However, it also required the CPUC to order a transfer to a utility if a system met such criteria. Near the end of session, the bill was amended to only require the CPUC to open a proceeding and report to the legislature on a recommended phase-in schedule, the costs and benefits of transfer to the utility, ratepayer, and mobile home park resident. Ultimately, the author decided not to move bill.

**STATUS:**

AB 724 is pending in the Assembly Utilities and Commerce Committee.

**SUPPORT/OPPOSITION:**

None on file.

**STAFF CONTACTS:**

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**BILL LANGUAGE:**

BILL NUMBER: AB 724      INTRODUCED  
BILL TEXT

INTRODUCED BY    Assembly Member Bradford

FEBRUARY 17, 2011

An act to add and repeal Section 2800 of the Public Utilities Code, relating to utility service.

LEGISLATIVE COUNSEL'S DIGEST

AB 724, as introduced, Bradford. Electric and gas utility service: master-meter customers.

Existing law authorizes the owner of a master-metered mobilehome park or manufactured housing community that provides gas or electric service to residents to transfer ownership and operational responsibility for its gas or electric system to the gas or electrical corporation providing service in the area in which the park or community is located, pursuant to specified transfer and cost allocation procedures.

This bill would require the Public Utilities Commission, by February 1, 2012, to open an investigation or other appropriate proceeding to evaluate and report to the Legislature, by July 1, 2013, when an owner of a mobilehome park or manufactured housing community that provides master-metered gas or electric service to its residents of the park or community should be required to transfer responsibility for gas or electric service to the gas or electrical corporation providing service in the area in which the park or community is located, in addition to those plants, facilities, and interests in real property that the commission, in consultation with the gas or electrical corporation, determines are necessary, convenient, or cost effective to provide service. The bill would require the commission to include in the report a classification of mobilehome parks and manufactured housing communities based on the degree to which the park or community acts as the primary or permanent residence of those who use the park or community. These provisions would be repealed on January 1, 2018.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 2800 is added to the Public Utilities Code, to read:

2800. (a) By February 1, 2012, the commission shall open an investigation or other appropriate proceeding to evaluate and report to the Legislature when the owner of a mobilehome park or manufactured housing community that provides master-metered gas or electric service to its residents should be required to transfer

responsibility for gas or electric service to the gas or electrical corporation providing service in the area in which the park or community is located, in addition to those plants, facilities, and interests in real property that the commission, in consultation with the gas or electrical corporation, determines are necessary, convenient, or cost effective to provide service.

(b) The commission shall include in the report developed pursuant to subdivision (a) a classification of mobilehome parks and manufactured housing communities based on the degree to which the park or community acts as the primary or permanent residence of those who use the park or community. The commission shall consider whether transferring responsibility, as described in subdivision (a), should be limited to mobilehome parks or manufactured housing communities that are classified as the primary or permanent residence of those who use the park or community.

(c) The commission shall report the plan to the Legislature no later than July 1, 2013. The report shall be submitted in compliance with Section 9795 of the Government Code.

(d) Pursuant to Section 10231.5 of the Government Code, this section is repealed on January 1, 2018.