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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking into Transfer of Master-Meter/Submeter systems at Mobilehome parks and Manufactured Housing Communities to Electric and Gas Corporations.

Rulemaking 11-02-018
(Filed February 24, 2011)

JOINT RULING OF ASSIGNED COMMISSIONER AND ADMINISTRATIVE LAW JUDGE SETTING ASIDE SUBMISSION TO SET A WORKSHOP AND CONSECUTIVE PUBLIC MEETING, REVISING SCHEDULE, AND RECEIVING EXHIBITS IN EVIDENCE

Summary

This ruling sets aside submission of this rulemaking and sets, on March 4, 2013, a workshop on natural gas system prioritization and gas and electrical system permitting issues, followed that day with a public meeting with the assigned Commissioner to discuss the ratepayer financing mechanism in the two mobilehome park conversion proposals the parties have filed, as well as any potential financing alternatives. This ruling also revises the schedule, and in conformance with the parties' stipulation, receives their exhibits in evidence.

Background

By ruling on November 13, 2012, the Administrative Law Judge (ALJ) memorialized her prior grant, by e-mail, of the active parties' request to take evidentiary hearings off-calendar and to file opening and reply briefs on the two operative proposals that had been advanced in prepared testimony. The ruling required the parties to jointly agree to the assignment of exhibit numbers to all

proposed documentary evidence and to stipulate to the receipt in evidence of all such numbered exhibits. The ruling also provided:

Commissioner Florio, the assigned commissioner, or I may require additional process before submitting this docket for decision if, after review of the record as a whole, and the two proposals now being advanced, we have questions that remain unanswered. (Ruling at 1.)

On November 20, 2012, the parties filed a joint stipulation in compliance with the ruling and thereafter, timely filed opening and reply briefs.

The two proposals now before the Commission are described in Exhibit 2 for identification (sponsored by Southern California Edison, San Diego Gas & Electric, Southern California Gas, Bear Valley Electric Service, PacifiCorp dba Pacific Power, California Pacific Electric Company, LLC, The Utility Reform Network, and Division of Ratepayer Advocates) and Exhibit 3 for identification (sponsored by Pacific Gas and Electric company, Southwest Gas Corporation, Western Manufactured Housing Communities Association, Golden State Manufactured Home Owners League, Coalition of California Utility Employees, and San Luis Rey Homes). In their briefs, the parties refer to Exhibit 2 as the Joint Parties' proposal and Exhibit 3 as the PG&E proposal - we follow this approach to minimize confusion in the record.

Discussion

We reopen the record to set a workshop, followed by a public meeting with the assigned Commissioner, both for the purposes discussed below, and we revise the schedule further, as necessary. In conformance with the parties' stipulation, we also receive their exhibits in evidence.

Workshop

Both proposals before the Commission describe major roles for the California Department of Housing and Community Development (HCD) and for the Commission's Consumer Protection and Safety Division, now known as the Safety and Enforcement Division (SED), in determining how to prioritize mobilehome park (MHP) gas and electrical system transfers to direct utility service,¹ given their respective authorities over permitting, monitoring, and safety enforcement of electric and natural gas systems at MHPs. Prioritization and all required permitting necessarily will be important aspects of any proposal approved by the Commission even if, given the voluntary nature of a program based on existing law, not all of the potentially eligible MHPs seek to transfer their master-meter systems to the serving utility. We think a public workshop on these issues would be useful and set one, as follows:

**Workshop on Electrical System Permitting and Natural Gas
Prioritization Issues Affecting MHP Master-Meter Conversions**

March 4, 2013

9:30 a.m. - 12:00 p.m.

Courtyard Room

Corner of Van Ness Avenue and McAllister Street

San Francisco, CA 94102

Neither HCD nor SED is a party to this proceeding but both have expertise useful to our continued deliberations, HCD as sister state agency and SED in its

¹ *The Report by [SCE] ... on Mobilehome Parks and Manufactured Housing Communities Served by Investor-Owned Utilities*, filed on June 13, 2011, on behalf of all the utility respondents to this rulemaking, quantifies the number of MHPs in each utility service territory. The sum for all utility service territories is 4,905 but that sum includes "overlap because some MHPs/MHCs are provided with gas service by one utility and electric service by another." (Report at 2.)

advisory role to the Commission. We invite HCD to attend the workshop to discuss its role in the potential transfer of MHP master-meter systems to direct utility service and address other attendees' questions. We direct SED to prepare a presentation to explain the factors it would propose to use and the approach or method it would propose to follow in developing its prioritization assessments for the master-metered MHPs within respondents' service territories. This presentation likewise should include ample time for a question and answer session. We are *not* directing SED to develop a list or ranking of existing MHPs and no such list or ranking will be presented at the workshop, nor will any confidential customer information be disclosed.

The workshop will be facilitated by the ALJ; it will not be transcribed by a court report and the meeting room cannot support video webcasts. Prior to the workshop, SED's written materials will be posted on the Commission's website at the public webpage for this rulemaking, along with any written materials we receive from HCD: <http://www.cpuc.ca.gov/puc/energy/mhp.htm>. At the conclusion of the workshop, the ALJ will discuss with the parties whether there is a need for further record development on these issues, including, for example, whether HCD's and SED's written materials should be filed in the docket for this rulemaking.

Public Meeting with Assigned Commissioner

Though the two proposals before the Commission differ in scope, both contemplate voluntary MHP conversions accomplished in whole or in part through ratepayer financing. Both proposals would use standard ratemaking mechanisms to record transfer expenditures and ultimately, would treat most of those expenditures as capital investments to be added to utility ratebase. The assigned Commissioner invites parties, through their authorized representatives,

to join him in an informal discussion of the merits of this financing method that will explore, among other things, whether other financing options exist and to what extent the parties have considered any such options. We set this public meeting, as follows:

Public Meeting with Commissioner Florio on MHP Master-Meter Conversion Financing Options

March 4, 2013

1:30 p.m. - 3:00 p.m.

Courtyard Room

Corner of Van Ness Avenue and McAllister Street

San Francisco, CA 94102

While parties are asked to participate through informed representatives, no formal presentations are sought. The meeting will not be transcribed and the meeting room cannot support webcasts. At the conclusion of the meeting, the assigned Commissioner will discuss with the parties whether there is a need for further record development on the issues discussed.

Revised Schedule

Because we set aside submission of this rulemaking today, we also reconsider whether a proposed decision can be filed by April 19, 2013, as previously contemplated. Given uncertainty about the need for additional process beyond the March 4 workshop and public meeting, we do not resubmit this rulemaking for decision today, but will do so once the need for further process is clear. However, given the complexity of this rulemaking and demands of other work load, we can foresee that a proposed decision will require more time than the schedule currently allows. Therefore, we extend the schedule now; however, consistent with Public Utilities Code § 1701.5, we anticipate that this rulemaking will conclude within 18 months of the date of the amended scoping memo, filed on May 17, 2012.

Though all of the additional time may not prove necessary, we revise the schedule as follows:

DATE	EVENT
March 4, 2013	Workshop, 10:00 a.m. – 12.00 p.m. Public meeting with assigned Commissioner, 1:30 p.m. to 3:00 p.m. Commission Courtyard Room, at 505 Van Ness Avenue, San Francisco, CA
Date to be determined	Submission
September 3, 2013	Proposed decision filed.
September 23, 2013	Opening comments on proposed decision filed.
September 30, 2013	Reply comments on proposed decision filed.
October 17, 2013 or thereafter (1st Commission meeting 30 days after proposed decision filed)	Commission may act on proposed decision.

This schedule is subject to further revision by the assigned Commissioner or ALJ.

Receipt of Evidence

The assigned Commissioner’s May 17, 2012 amended scoping memo required the parties to develop “a single report that identifies cost estimates for converting master-meter service to direct utility service, using at least one common case study.” (Amended scoping memo at 4.) The amended scoping

memo specified certain components, or elements, of that showing, and directed that the report be identified and received in evidence as joint Exhibit 1. The parties' November 20, 2012, stipulation further identifies prepared testimony and other documents as Exhibits 2 through 16. No party opposes the receipt in evidence of Exhibits 2-16 and all of these exhibits should be received in evidence. The exhibit list is Attachment A to this ruling.

IT IS RULED that:

1. Submission is set aside.
2. On March 4, 2013, a workshop on electric permitting and natural gas prioritization issues will be held, followed the same day by a public meeting with the assigned Commissioner to discuss the ratepayer financing mechanism in the two mobilehome park conversion proposals the parties have filed, as well as any potential financing alternatives. The time, location, format, and more specific purpose of each event is described in the body of this ruling.
3. The schedule for this rulemaking is revised as set forth in the body of this ruling.
4. Exhibits 1-16 are received in evidence.

Dated February 7, 2013, at San Francisco, California.

/s/ MICHEL PETER FLORIO

Michel Peter Florio
Commissioner

/s/ JEAN VIETH

Jean Vieth
Administrative Law Judge

Proceeding No.
R.11-02-018

ALJ
Vieth

EXHIBIT INDEX

Exh. No.	Date		Sponsor/Witness	Description
	Ident.	Recd.		
1	5.17.12	2.x.13	SCE, PG&E, SoGalGas, SDG&E, SWGas, PacifiCorp, CalPeco, BVES, WMA	Mobile Home Parks and Manufactured Housing Communities Service Transfer to Electric and Gas Corporations Joint Cost Report
2	1.20.12	2.x.13	SCE, SDG&E, SoCalGas, BVES, PacifiCorp, CalPeco, TURN, DRA	Prepared Testimony of C. Chan, M. Karle, J. Nahigian, N. Martinez, J. Hayes, D. Meltzer, D. Araas, R. Madrid, K. Warren
3	1.20.12	2.x.13	PG&E, SWGas	Prepared Testimony of M. Fernandez, W. Haley, K. Ernst, T.Hoglund, S. Grandlienard, A. B. Congdon
4	1.20.12	2.x.13	PG&E	Rebuttal Testimony of M. Fernandez
5	1.20.12	2.x.13	SWGas	Rebuttal Testimony of S. Grandlienard
6	1.20.12	2.x.13	WMA	Rebuttal Testimony of R. McCann
7	1.20.12	2.x.13	SLRH	Rebuttal Testimony of S. Rosen
8	1.20.12	2.x.13	CUE	Joint Parties' SCE, SDG&E, SoCalGas, BVES, PacifiCorp, CalPeco, TURN, DRA Response to CUE's Data Request #1
9	1.20.12	2.x.13	TURN	PG&E Responses to TURN Data Request
10	1.20.12	2.x.13	TURN	San Luis Rey Homes Responses to TURN Data Request
11	1.20.12	2.x.13	DRA	PG&E Responses to DRA Data Request 1
12	1.20.12	2.x.13	DRA	PG&E Responses to DRA Data Request 2
13	1.20.12	2.x.13	DRA	SW Gas Responses to DRA Data Request 1
14	1.20.12	2.x.13	DRA	CPSD Responses to DRA Data Request 1
15	1.20.12	2.x.13	DRA	Report by SCE on Mobile Home Parks And Manufactured Housing Communities Served By Investor-Owned Utilities
16	1.20.12	2.x.13	DRA	CPUC Questionnaire: Summary of Responses

(END OF ATTACHMENT A)