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Decision No. 61139

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Donald Brush Monroe and Nell Green Monroe, Complainants, vs. Pacific Gas and Electric Company, Defendant.	)	Case No. 6096
Investigation on the Commission's own motion into the reasonableness and propriety of the rates, rules, practices, operations and service of the PACIFIC GAS AND ELECTRIC COMPANY in furnishing electric service to trailer parks for resale and to other domestic multi-family accommodations.	)	Case No. 6211

Donald Monroe, for himself, as complainant in Case No. 6096, and interested party in Case No. 6211.
A. C. Burch, for California Trailer Park Association, complainant in Case No. 6096.
F. T. Searls, Malcolm A. MacKillop, John S. Cooper, for Pacific Gas and Electric Company, defendant in Case No. 6096, and respondent in Case No. 6211.
C. L. Ashley and Earl R. Sample, for Southern California Edison Company, interested party.
Phillip J. M. Doyle, George H. Fishel, Ted Wentworth, and Kenneth Castle, for California Trailer Park Association, interested party in Case No. 6211.
William L. Knecht, for California Farm Bureau Federation, interested party in Case No. 6211.
Dorothy D. Fifield, for Shasta Lake Trailer Park, interested party.
Mrs. Dina Zickel, interested party in Case No. 6211.
Robert W. Hollis, for the Commission staff.

O P I N I O N

Complaint

On May 5, 1958, Donald Brush Monroe and his wife, Nell Green Monroe, filed with the Commission a complaint against the Pacific Gas and Electric Company. This complaint was joined in by various other parties. In their complaint, the Monroes allege, in

effect, that they operate a trailer park in Marina, California; that in the operation of their trailer park, they purchase electricity from Pacific and resell a portion of it to their tenants, trailer owners, who reside in the park and use the electricity in their trailers for normal domestic purposes. In their complaint the Monroes allege, in effect, that by virtue of existing rate schedules they are required to purchase electric energy from Pacific under Pacific's general service rate schedules but are required to resell the energy to their tenants under Pacific's domestic service schedules.[1] The Monroes allege that this results in their absorbing a loss on the resale of the energy and for that reason, Pacific's rates as applied to them are unreasonable. In their complaint, the Monroes request, in effect, that Pacific be required to serve their trailer park under

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1 Rule 18 of Pacific's tariffs provides:

"Where the Company has adequate service facilities to supply separate premises, such separate premises, even though owned by the same customer, will not be supplied with electric energy through the same meter, except as specifically provided for in certain domestic service schedules applicable in unincorporated territory.

"Unless specially agreed upon, the customer shall not resell any of the electric energy received by him from the Company to any other person or for any other purpose, or on other premises than specified in his application for service.

"Owners or lessees of apartment houses or other buildings may resell electric energy to tenants of such houses or buildings, provided either,

"1. Such energy is resold at rates identical with the rates of the Company that would apply in the event that energy were supplied to the subcustomer directly by the Company; or,

"2. The charge to the subcustomer for such energy is absorbed in the rental charge for the premises occupied by him.

"In the event that such energy is resold otherwise than as provided for above, the Company shall have the right at its option, either to discontinue service to the customer, or, to furnish electric energy directly to the subcustomer."

its domestic service rates.

Commission Investigation

On December 16, 1958, the Commission issued its order instituting an investigation on its own motion into the reasonableness and propriety of the rates, rules, practices, operations and service of Pacific pertaining to the sale of electric energy to trailer parks for resale to trailer park tenants, and to other domestic multifamily accommodations, as well as the propriety of establishing tariffs for domestic service that will provide domestic multifamily accommodation service by use of a multiplier for all energy blocks of the domestic tariff schedules.

Public Hearings

A public hearing was held on the complaint on August 12, 1958, in Monterey, before Examiner W. L. Cole. Thereafter the complaint and Commission investigation were consolidated for hearing and decision and public hearings were held on July 15, 1959, September 28, 1959 and September 29, 1959 before Commissioner Matthew J. Dooley and Examiner Cole, in San Francisco. These matters were submitted subject to the filing of concurrent opening and closing briefs. Such briefs have now been filed and the matters are ready for decision.

Trailer Parks

With respect to the question of trailer parks, the record shows that the types and sizes of trailer parks vary a great deal throughout the State and throughout Pacific's service area. Some trailer parks have tenants who rent space at the park for extended periods of time. Other parks have, for the most part, tenants of the transient type.

The record indicates that substantially all of the parks sell or deliver electric energy to their tenants in one manner or another. This is the electric energy that is used by the tenants

themselves either in their trailers or immediately around them. This electric energy is to be distinguished from the energy purchased by the trailer park operator and used by him around the court area for yard lights, washing room facilities, and other similar types of uses. The electrical energy put to such uses is not resold by the trailer park operator to the tenant.

With respect to the electrical energy that is resold by the trailer park operator to the tenants for use in their trailers, certain of the trailer park operators include the cost of such energy in the rent that is charged for the trailer space. The record shows, however, that this is the practice of but a small number of operators in Pacific's service area; the majority of the trailer park operators resell the electricity and charge for it separately and apart from the rent charged for the trailer space. The reason advanced by the majority of the trailer park operators for the necessity of charging separately for the electricity consumed by the trailer park tenants is that to put the charge into the rent would be unfair to those tenants who used less electricity than others.

With respect to the majority of instances, therefore, where a separate charge is made for the electrical energy that is resold, the trailer park operator is bound by the provisions of Rule No. 18 of Pacific's tariff schedule. The tenants, under Rule No. 18, if they were served directy by Pacific, would be billed under Pacific's applicable domestic service schedules. But these are the schedules under which the trailer park operator must resell the energy. The trailer park operator must purchase the electricity under Pacific's general service schedules since under existing tariff schedules the trailer park operator is not entitled to have this energy billed under Pacific's domestic schedules.

The record shows that this situation can and has resulted in certain instances in the condition where the trailer park owner

is forced to resell the energy in question for an amount totaling less than the amount he has to pay Pacific for the same energy. The record indicates, however, that this situation has occurred only in smaller parks and that such small parks are the exception rather than the rule. The record shows that in fact many trailer park operators receive more revenue from the resale of energy to their tenants than the operators are required to pay to Pacific for the same energy.

The record shows that up until the present time there have been but few instances where Pacific has served the trailer tenants directly. It is apparent from the evidence that in those instances where the trailer park is of such a nature that it handles mostly transient type tenants a great deal of difficulty arises for the utility, the trailer park operator, and the tenant when the utility serves the tenant directly. This is caused by the frequency and the hours with which such transient tenants enter and leave the parks. The evidence does show, however, that the nature of trailer parks is changing and that tenants are more permanent in character.

The evidence also shows that in certain portions of Southern California trailer park operators are accorded the option of having the electric utility serve the tenants directly, or, of reselling the electrical energy themselves. Where the electrical energy is resold, in such cases, the trailer park operator may be charged by the utility on the basis of a modified domestic service schedule.

In order to remedy the situation of the trailer park operator in Pacific's service area who, as a practical matter, is faced with the necessity of taking a loss on the electrical energy he is required to resell, the Commission staff has recommended that Pacific be required to adopt a rate schedule which is in effect a modified domestic service schedule termed a multifamily accommodation schedule. Were this schedule adopted the trailer park operator would, in the

first instance, have the option of using the multifamily schedule or of continuing to be charged under the applicable existing general service schedule. If the trailer park operator were to decide to use the multifamily schedule he would be charged at the same rates as those existing under the applicable domestic service schedule, with the modification that the energy blocks would be multiplied by the number of units or trailer spaces for which service is provided.

Pacific offered a proposal at the hearings whereby it would, as shown in Exhibit No. 7, serve the trailer park tenants directly in the same manner as though they were individually metered domestic customers residing in single family dwellings in the area. Under this proposal the park owner would be required to grant to Pacific rights of way satisfactory to Pacific for its distribution facilities within the park. The park owner would be required to arrange his wiring within the park in compliance with all laws applicable thereto and provide necessary service entrance facilities as specified by Pacific to permit the installation by Pacific of groups of meters at mutually agreeable locations. Under its proposal, Pacific would not reduce its normal pole spacing to accommodate grouped meter locations to less than that in built-up residential areas. Pacific would read all meters on its regular monthly reading cycle. Separate bills would be rendered for each meter. Likewise, under its proposal Pacific would respond to service calls of the trailer occupants and provide the same service available to other individually metered domestic customers residing in single family dwellings in the area. It appears to the Commission that no change in Pacific's filed tariff schedules is required to permit the Company to carry out its proposal contained in Exhibit No. 7.

It is the Commission's conclusion that some relief to those trailer park operators who are losing money on the resale of electrical energy is necessary. At first glance it would appear that Pacific's

proposal would solve the problem. This proposal would certainly solve the problem in so far as new trailer parks are concerned. Such parks could be wired to take advantage of the utility's proposal. However, the record shows that for the operators of existing parks to avail themselves of Pacific's proposal, it would be necessary for them to expend considerable sums to rewire such parks. It is the Commission's conclusion that it would not be reasonable or fair and just to force a trailer park operator to make a choice as to whether to expend a considerable sum to rewire his park or to continue to lose money in the resale of electrical energy under existing rate schedules. For this reason it is the Commission's conclusion that additional relief is needed other than Pacific's proposal.

It must be determined then what additional relief is necessary. The Monroes, in their complaint, request that they be billed for the energy they resell on Pacific's straight domestic service schedule. However, this would not be fair and equitable since, depending upon the number of tenants and amount of energy involved, the trailer park operator would be collecting revenues based upon rates for one energy block of the domestic schedule and purchasing the energy at a lower rate from another energy block of the same domestic schedule. It is the Commission's conclusion that the most reasonable solution is the multiplier type of schedule proposed by the staff.

It is the staff's proposal that an optional schedule be provided to permit a trailer park to receive all its energy on a master meter domestic multiplier type schedule. This raises the problem of certain essentially commercial usage being included in a domestic service schedule. The Commission notes that the present Rule 15, effective April 20, 1960, specifies the amount of non-domestic connected load which may be included under domestic service. It is the Commission's opinion and conclusion that energy used in the

trailer park for the convenience and benefit of the trailer occupants, including energy for general lighting, washrooms, park maintenance and similar usage which a usual domestic customer would use constitutes domestic usage. Certain functions such as an administrative office and a sign have commercial aspects. For customers who will benefit from a multiplier schedule, the utility estimates that approximately 13 percent of the energy would be allocated to a commercial function. Considering the definition of domestic service in Rule 15, it is concluded that this small amount of commercial usage may appropriately be included with an optional multiplier schedule at domestic schedule rates for trailer parks at this time. However, it is not contemplated that stores, restaurants, service stations or other distinct and separate commercial functions operated at a trailer park will be included. Such separate functional activities should be separately metered in accordance with applicable tariffs.

Another factor that must be considered relates to determination of the number of units to be used in establishing the multiplier. It is recognized that the utility on a multiplier type of schedule will realize savings due to elimination of separate meters and services and separate meter readings and billing to each trailer unit. However, in view of our inclusion above of a small portion of possible non-domestic service in the master meter domestic multiplier schedule, it is the Commission's conclusion that the number of units in any individual case is the number of trailer spaces at which electrical energy is offered. A rate schedule embodying these provisions is attached hereto as Appendix A and made a part hereof.

The record shows that if a multiplier schedule, applied as shown in Pacific's Exhibit 3, had been in effect in 1958 with respect to trailer parks, Pacific's estimate of the amount of revenue it would have lost is $1,079. This amount would be increased somewhat

with the inclusion of a small amount of commercial service in the domestic schedule. There are offsetting expense savings to the utility from a multiplier type schedule, and it is indicated that only a small number of customers may avail themselves of this option. The proposal herein is therefore reasonable in comparison to the benefits to be gained by such a schedule and the equities of not requiring existing customers to spend sums for rewiring their establishments.

The Commission hereby finds and concludes that the rate schedule hereby set out in Appendix A is reasonable . Any rate or rule in conflict with Appendix A is hereby found to be unreasonable.

Other Multifamily Accommodations

The Commission's order instituting an investigation embraced service to other multifamily accommodations as well as trailer parks. However, in the absence of any appearance concerning this phase of this matter, it is the Commission's conclusion that the evidence in the record is not sufficient to warrant changing existing rate schedules with respect to other multifamily accommodations at this time. However, this matter, including definitions, will be considered by the Commission in any future general proceeding involving Pacific's electric department rates.

Motions

At the time of the initial hearing on the Monroes' complaint, Pacific moved that the complaint be dismissed for the reason that it did not comply with Section No. 1702 of the Public Utilities Code in that it was not signed by 25 actual or prospective consumers. In view of the subsequent Commission investigation, this motion becomes moot and therefore it is denied. Pacific also moved to dismiss Case No. 6211 on the ground that there is no showing in that case of a need for any multifamily rate or service other than is now being rendered by Pacific. This motion is denied.

Various other motions were made to strike certain portions of the evidence. Such motions are denied.

Examiner's Proposed Report

Prior to the end of the hearings, Pacific requested that an examiner's proposed report be prepared and filed. In the Commission's opinion such procedure is not necessary as the matter has been fully briefed. Accordingly, this request is hereby denied.

O R D E R

Public hearings having been held in the above-entitled matters, the matters having been submitted and the Commission being fully informed thereon, the matters now being ready for decision, and based upon the evidence and findings and conclusions in the foregoing opinion; therefore,

IT IS ORDERED that Pacific Gas and Electric Company within five days after the effective date of this decision shall file, in conformity with General Order No. 96, the tariffs set forth in Appendix A attached hereto and on five days' notice to this Commission and to the public shall make said tariffs effective for service rendered on and after December 31, 1960.

The Secretary of the Commission is directed to cause service of this order to be made upon Pacific Gas and Electric Company. The effective date of this order shall be twenty days after the completion of such service.

Dated at San Francisco, California, this 23rd day of November, 1960.

President

Commissioners

Commissioner Theodore H. Jenner, being necessarily absent, did not participate in the disposition of this proceeding.

File as definition the following:

"Domestic Service: Service for residential use at a dwelling premises. Any service for other than residential use at a dwelling premises may be served through the domestic service meter only where such nondomestic connected load does not exceed 300 watts for lighting or 2 hp for power."

File as new tariff schedule, as follows:

Schedule DMT

TRAILER PARK SERVICE

APPLICABILITY

This schedule is applicable to domestic lighting, heating, cooking and power service, supplied to trailer spaces through one meter, in trailer parks on a single premises where there are one or more trailer spaces wired for single phase service.

TERRITORY

The entire territory served by the Company.

RATE

The customer may select either Option A or Option B.

Option A. The rate of the general service rate schedules, single-phase or polyphase, applicable in the territory in which the trailer park is located.

Option B. The rate of the single family domestic service schedule, applicable in the territory in which the trailer park is located, modified as follows:

Service Charge:

No change.

Energy Charge (to be added to the service charge):

The kilowatt-hours for all blocks shall be multiplied by the number of trailer spaces wired for service.

Schedule DMT

TRAILER PARK SERVICE—contd.

SPECIAL CONDITIONS

1. Pertinent special conditions of the applicable rate schedules are applicable to service under this rate schedule.

2. In determination of the multiplier in Option B, it is the responsibility of the trailer park operator to advise the utility within 15 days following any change in the number of wired trailer spaces.

3. If Option B is selected, miscellaneous electrical loads such as general lighting of the area, washrooms, trailer park maintenance and other similar usage which a domestic customer would use will be considered as domestic usage. In addition, nondomestic connected load indicated in the definition of domestic service shall also be applied on a multiplier basis and included. Electrical load used for commercial functions such as stores, restaurants, service stations or other distinct and separate commercial establishments open to other than trailer park occupants will be separately metered and served under applicable schedules.