

ORIGINAL

Decision 93586 OCT 6 1981

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's)
 own motion into the determination)
 of a lifeline volume of gas and)
 lifeline quantity of electricity)
 and into gas and electric utility)
 rate structures and the changes,)
 if any, that should be made in)
 presently constituted rate struc-)
 tures to provide a lifeline)
 quantity of energy to the average)
 residential user for specified end)
 uses. (Re Phase II))

Case 9988
(Filed September 15, 1978)

UNICORN INDUSTRIES, a California)
 corporation,)

Complainant,)

vs.)

Case 10599
(Filed June 14, 1978)

SOUTHERN CALIFORNIA EDISON)
 COMPANY, a corporation,)

Defendant.)

(Appearances are listed in Appendix A.)

Process
H-4

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INTERIM OPINION

The above-captioned proceedings, consolidated for hearing by Decision (D.) 89196 dated August 8, 1978 on these matters, address the following issues:

1. Should submetering of electrical and gas use be provided by master-meter apartment and mobile home park (MHP) customers, or should the electric and/or gas utilities be required to directly serve each individual mobile home?
2. Are electric and gas fuel distribution systems installed and maintained in MHPs by the developers and/or operators as safe as comparable systems installed and maintained by the gas and electric utilities?
3. Are MHP tenants served directly by the utility more conservation-oriented than those tenants served by the MHP operators?

After due notice, 17 days of public hearing were held before Administrative Law Judge (ALJ) N. R. Johnson in San Francisco or Los Angeles between January 23, 1979 and June 30, 1980, and these matters were submitted subject to the receipt of concurrent opening briefs due November 10, 1980 and concurrent reply briefs due December 15, 1980. Briefs were received jointly from Unicorn Industries (Unicorn) and Western Mobilehome Association (WMA), the Commission staff, Southern California Gas Company (SoCal), San Diego Gas & Electric Company (SDG&E), Pacific Gas and Electric Company (PG&E), and Southern California Edison Company (Edison).

Under Rule 79 of this Commission's Rules of Practice and Procedure and in response to a petition filed by WMA, this Commission directed the filing of a proposed report by ALJ Johnson. The proposed report was issued March 6, 1981. Exceptions to the report were filed by the Commission staff, WMA, Unicorn, SoCal, Edison, and PG&E and replies to exceptions were filed by WMA, Unicorn, and Edison.

Testimony was presented on behalf of WMA by eight witnesses; on behalf of Unicorn by five witnesses; on behalf of the Commission staff by six witnesses; on behalf of PG&E by two witnesses; on behalf of SDG&E by three witnesses; on behalf of SoCal by two witnesses; on behalf of Edison by two witnesses; on behalf of Southwest Gas Corporation (Southwest) by one witness; and on behalf of Golden State Mobilehome Owners League, Inc. (GSMOL) and on behalf of themselves and mobile home residents by fifteen witnesses residing at various MHPs throughout the State.

I. SYNOPSIS OF DECISION

This decision grants the developers and/or owners of MHPs the option of installing master-meter/submeter electric and gas distribution systems within the confines of mobile home developments, or having service provided directly by the gas and electric utilities.

The record indicates that gas and electric distribution systems must conform to rigid construction standards at time of installation whether installed by the developer or by the utility. However, the California Department of Housing and Community Development (HCD), which has jurisdiction over the safety of gas and electric distribution facilities in MHPs, does not enforce the provisions of federal regulations of the Department of Transportation (DOT) as issued by its Office of Pipeline Safety Operations (OPS). These regulations are contained in Title 49 of the Code of Federal Regulations, Parts 191 and 192, and are applicable to all gas transmission and distribution systems, including those installed in MHPs. These regulations include a requirement that gas system operators file an annual report to DOT. In order to ensure and further public safety this order requires the gas utilities to notify the MHPs which provide submetered gas service to their tenants of the annual report requirement not less than 30 days prior to its due date and request a copy of such report to be sent

to the utility. Should the utility not receive a copy of the required annual report, it is to notify the MHP operator that he will lose his master-meter rate differential unless, within 30 days, satisfactory evidence is received by the utility indicating the DOT reporting requirements have been fulfilled. The decision further provides that the master-meter rate differential will be removed if the evidence of DOT compliance is not received within the 30-day period, and the names and addresses of those MHP operators who have lost the master-meter rate differential are to be supplied the Commission within 45 days of such loss.

The question of the relative implementation of conservation measures effected in utility-owned systems in MHPs (given individual meters), as compared to MHP operator-owned systems, was detailed on the record in this matter. We concluded that any differential was minimal and should not influence our decision on this matter.

The Commission staff recommended that a program be instituted for takeover by the utilities of existing MHP-owned submetered systems. The record indicates that the costs of such a takeover program would be very expensive and could impose a severe financial burden on all ratepayers, and is best left for resolution on a case-by-case basis as problems arise. C.9988 remains open to analyze possible steps to ensure that existing MHPs provide safe, reliable electric service.

II. BACKGROUND

Case (C.) 9988, our investigation into the determination of a lifeline volume of gas and a lifeline quantity of electricity, was instituted following the passage of Assembly Bill 167 (AB 167) mandating the establishment of the minimum energy needs of the average residential user for end uses of space and water heating, lighting, cooking, and food refrigeration.

D.86087 dated July 13, 1976 in C.9988 established, on an interim basis, designated lifeline quantities of electricity and gas necessary to supply the minimum energy needs of average residential

users for the end uses specified in AB 167. One of the issues left for further consideration was submetering of new residential construction. D.88651 dated April 4, 1978 in C.9988 made a finding with respect to such submetering as follows:

"10. Metering or submetering of individual residential units of multi-unit complexes encourages conservation of energy. All new construction of such type should be required to be individually metered where gas service is to be used directly by each individual unit. A sufficient period should be provided before such a requirement becomes effective to enable owners and builders to revise building plans to provide for individual metering or submetering of gas and electric service. This would not foreclose a central space and/or water heating facility for the entire complex which would result in a more efficient utilization of energy." (Mimeo. page 21.)

Related ordering paragraphs of this same decision are:

"3. Each respondent electric utility shall within ten days of the effective date of this order file necessary revisions to its rules and regulations to provide for separate metering by the utility for electric service to each unit in new multi-unit residential facilities, except when a commitment for other than separate metering service has been made by the utility to the owner/developer prior to the effective date of this order. However, if said commitment has not been exercised by the initiation of construction within an ensuing period of twelve months, separate metering of electric service for each residential unit is required." (Mimeo. page 23.)

"4. Each respondent gas utility shall file tariffs to provide for separate metering by the utility for gas service to:

- "a. New residential mobile home parks where such mobile home tenants use gas directly in gas appliances in each occupancy.
- "b. New multi-unit residential structures where such multi-unit tenants use gas directly in gas appliances in each occupancy and which require venting.

"If a gas utility has made a written commitment to provide master-metering service as provided in 4b prior to the effective date of this order, such commitment shall become null and void if construction does not commence within twelve months from the effective date of this order." (Mimeo. page 23.)

"5. All respondent electric and gas utilities shall immediately initiate an extensive program or expand upon existing programs to encourage the separate metering of units in existing multi-unit residential facilities now served only through a master meter. Each respondent shall file within ninety days after the effective date of this order a comprehensive outline of their program. Thereafter, each respondent shall file semi-annually a report covering progress achieved and further actions proposed." (Mimeo. page 24.)

D.88969 dated June 13, 1978 in C.9988 denied SoCal's petition for rehearing and/or reconsideration of D.88651, supra, but modified Ordering Paragraph 3 to specifically include new MHPs within the scope of that ordering paragraph.

By its pleading filed June 2, 1978, Unicorn sought the reopening of C.9988 so that it could present evidence concerning the submetering of electrical services in new MHPs. Unicorn also filed C.10599 complaining of certain practices of Edison regarding submetering of MHPs.

In addition WMA, by a petition filed May 18, 1978, sought modification of D.88651, supra, to adopt WMA's proposal that a developer should have the right, in those cases where the utility cannot meet the MHP developer's construction schedule, to construct the utility system and then be reimbursed for such a system by the utility. (WMA subsequently withdrew this request.)

C.9988, 10599 RIA/EL/bw/lq

D.89196, supra, reopened C.9988 for further hearing for the limited purpose of receiving evidence on the questions of whether submetering of electrical use in MHPs can be provided by master-meter customers, and whether MHP developers should have the right to construct the electric and gas utility systems with reimbursement by the utility in those cases where the utility cannot meet the developer's construction schedule; consolidated C.9988 for hearing with C.10599; and suspended the provisions of Ordering Paragraph 3 of D.89651, supra (as amended by D.89969, supra), pending decision in the reopened proceeding.

On September 15, 1978 WMA filed its first supplemental petition for modification of D.89651, supra, to stay Ordering Paragraph 4 of that decision. It was WMA's position that D.89196, supra, was inadequate in that it inadvertently failed to suspend Ordering Paragraph 4 relating to submetering of gas service in the same manner that it had suspended Ordering Paragraph 3 relating to submetering of electric service. D.89525 dated October 17, 1978 on these matters contained a finding that "suspending the requirements of Ordering Paragraph 4 could hinder gas conservation efforts during the pendency of such suspension" and ordered that Ordering Paragraph 4 remain in full force and effect. On November 5, 1978 WMA filed its second supplemental petition requesting that D.89651, supra (as modified by D.89969, supra, D.89196, supra, and D.89456 dated October 3, 1978 in C.9988) be further modified to provide the developer owner, or operator of an MHP the option of owning and maintaining his own electric and/or gas system provided that each unit served be submetered. WMA, in its second supplemental petition, noted that it seeks a stay of Ordering Paragraph 4 only for submetered MHPs and, therefore, conservation would not be defeated as indicated as a possibility in D.89525, supra.

On November 14, 1978 Unicorn filed a petition for rehearing, reconsideration, or modification of D.89525, supra, alleging that:

1. D.89196, supra, staying Ordering Paragraph 3 of D.88651, supra, is of little value to Unicorn because it would be unlikely for an MHP developer to submeter only one utility and, therefore, an electric subdistribution system would probably not be installed.

2. Direct metering of gas or electricity by a public utility does not serve the goal of energy conservation any better than direct metering of gas and electricity by an MHP operator.

3. There is no basis for differentiating between submetering of electricity as opposed to submetering of gas.

4. The California Legislature has acted numerous times in recent years to regulate submetering and by such regulation has approved the existence of such practice.

D.89757 dated December 12, 1978 on these matters granted rehearing of D.89525, supra, for the limited purpose of receiving evidence on the issue of whether Ordering Paragraph 4 of D.88651, supra, should be suspended or modified but did not stay Ordering Paragraph 4.

Public hearings on the issue of whether or not MHP owners or operators should be granted the option of installing their own submetered gas and electric systems and reselling gas and electricity to the residents of MHPs were held in Los Angeles on January 23, 24, and 25, 1979, and the matters were continued to April 3, 1979. At the hearing Unicorn filed a notice of objection to the hearing, motion to dismiss the hearing, and motion to strike testimony. The relief sought by the filing was the restoration of the MHP industry to the status quo that existed prior to the issuance of D.88651, supra.

On February 8, 1979 WMA filed a Third Supplemental Petition for Modification of Decision No. 88551, supra, and Request for Immediate Suspension of Ordering Paragraph 4 of Decision No. 88651, supra. WMA noted that three days of hearing have been held in the reopened proceeding and alleged that the evidence submitted during those three days fully justified the suspension of Ordering Paragraph 4 to the extent it forbids utilities to provide gas service to new MHPs or new extensions in existing MHPs where the distribution system is to be owned and submetered by the MHP. WMA alleged the evidence was unrefuted that irreparable harm was being done to future occupants of MHPs, to an important segment of the California economy which supplies gas and electric submetering systems, and to the MHP industry generally and that there is no problem of conservation or safety.

Also, on February 8, 1979 Unicorn filed a Motion for Stay and Modification of Ordering Paragraph 4 of Decision No. 88651, supra, to the extent that this paragraph has the effect of prohibiting the submetering of natural gas in new MHPs.

D.90062 dated March 13, 1979 on these matters restored submetering of gas pending completion of these proceedings and restored MHP operators to the status quo prior to D.88651, supra.

III. STATEMENTS OF POSITION

The positions of the parties to this proceeding are as follows.

Position of WMA and Unicorn

WMA and Unicorn are vehemently opposed to any prohibition against the future installation of private systems in MHPs providing for the submetering of gas and electricity on the following bases:

1. This Commission lacks jurisdiction to impose such a restriction.

2. Irreparable harm will be done to those businesses serving the MHP industry as well as to the tenants of such MHPs.

3. The private gas and electric systems installed in MHPs in compliance with current standards are safe and reliable.

4. Evidence submitted in the proceeding does not support or justify a prohibition against such installations.

5. The installation of private gas and electric systems is subject to stringent regulations promulgated by HCD.

6. Conservation of energy is not an issue.

7. Public witness complaints of alleged overbilling were unfounded.

Position of the Commission Staff

The staff's position was presented into evidence by members of the Gas and Electric Branches. Both branches concur that the original Ordering Paragraphs 3 and 4 of D.88651, supra, requiring the gas and electric utilities to directly serve the tenants of MHPs should be reinstated. The bases for these recommendations by the witnesses of the Gas and Electric Branches are:

1. The Gas Branch witness concluded that developer-installed gas systems in MHPs are not constructed to minimum safety standards, and the operators of such systems lack the necessary expertise to operate and maintain such systems properly.

2. The Electric Branch witness cited numerous complaints about incorrect and incomplete bills, unavailability of tariff schedules in MHPs, low voltage conditions, and restrictions against the use of certain appliances such as air-conditioners. He further testified that the standards to which MHP systems are installed are inadequate, that the utilities install more reliable and safer systems, and that utilities are more able to repair faulted systems.

The staff further suggests that the gas and electric utilities contact all MHPs having their own electric and/or gas distribution systems and propose to acquire the existing systems provided that: (1) the owners agree to utility ownership and the utility and system owner can successfully negotiate the cost of purchasing and upgrading the system to Commission standards; (2) this Commission limit the utility's liability and defer enforcement of Commission rules until the systems have been upgraded to Commission standards; (3) the unrecovered costs expended by the utility be included in rate base; and (4) the owner of the system be reimbursed for that portion of the system in good condition.

Position of SoCal

SoCal believes that the record in this proceeding fully supports a Commission order requiring the serving utility to construct, own, and operate the gas piping systems in all new MHPs. Further, should this Commission find on the record developed in this or another proceeding that a public need exists for the utility operation of gas piping systems in existing MHPs, SoCal is willing to assume the responsibility to operate such systems provided that:

- (1) SoCal own the facilities and install individual meters in the existing MHPs.
- (2) The order requiring such takeover provide a reasonable period of time to allow for proper scheduling.
- (3) The present owner is agreeable to utility ownership through abandonment without remuneration.
- (4) The order provide rate relief to promptly recover necessary capital and expense expenditures.
- (5) The Commission limit the utility's liability for a period of time sufficient to correct defective items.
- (6) The utility be permitted to deviate from the requirements of General Order 112-D (GO 112-D) long enough to bring newly acquired systems up to Commission standards.
- (7) The provisions of the utility's Rules 20 and 21 not be applicable to such newly acquired systems.

Position of Edison

It is Edison's position that submetering of electrical use in MHPs by master-meter customers should be prohibited because: (1) conservation is best promoted when a utility directly serves tenants in a MHP; (2) there is conflicting evidence on costs incurred by a MHP owner or operator that should be considered; and (3) tenants are better assured of continuing safe, reliable, and adequate service when served directly by a utility. Edison further believes that the record in this proceeding is insufficient to support an order requiring takeover of existing systems in MHPs by the utility. In addition, Edison requests that C.10599, Unicorn (complainant) versus Edison (defendant), be dismissed because the record discloses no instance wherein Edison has violated Commission orders.

Position of SDG&E

SDG&E has no objection to permitting developers in new MHPs to construct and operate a private submetered gas or electric system as long as the utility is not expected or required to take ownership of such a system and be responsible for its operation and maintenance. SDG&E supports Commission staff witness Samo's recommendation that a future proceeding separate from this proceeding be instituted to consider the issue of acquiring existing systems should this Commission desire such further consideration. SDG&E argues that the current proceeding does not adequately address either the impact of adding differently constructed systems on SDG&E's costs, equipment needs, crew makeup and training, and work quality, or the lack of manpower required to survey existing systems and design replacement systems. SDG&E further argues that it is necessary for it to control system design and construction in order to provide an acceptable level of service and a safe environment for employees and the public.

Position of PG&E

PG&E prefers to directly serve gas and electric MHP tenants through its own facilities. However, it does not, at this time, object to the construction, maintenance, and ownership of new MHP-owned gas and electric distribution systems if installed, maintained, and operated in accordance with all applicable laws and regulations as long as PG&E has no contingent responsibility for their future operation, maintenance, or ownership. According to PG&E, ownership of systems installed and operated by MHPs is implicit in Public Utilities (PU) Code Section 739.5.^{1/} Under these circumstances MHP owners are directly compensated and fully responsible for such systems. It is PG&E's further position that MHP operators should be required to annually prove full compliance with federal and state regulations to

^{1/} "739.5. (a) The commission shall require that, whenever domestic gas or domestic electric service, or both, is provided by a master-meter customer to users through a submeter service system, the master-meter customer providing such submeter service, whether such customer is a mobilehome park, an apartment house, or a similar establishment, shall charge each user at the same rate which would be applicable if the user were receiving such gas or electricity or both, directly from the serving utility. The commission shall require the serving utility to establish uniform rates for each service schedule area for master-meter service at a level which will provide a sufficient differential to cover the reasonable average costs to master-meter customers of providing such submeter service provided, however, that such costs shall not exceed the average cost that the serving utility would have incurred in providing comparable services beyond the master meter to the submeter tenants.

"(b) Every master-meter customer subject to subdivision (a) who, on or after January 1, 1978, receives any rebate from the serving utility shall distribute to, or credit to the account of, each current user served by the master-meter customer that portion of the rebate which the amount of gas or electricity, or both, consigned by the user during the last billing period bears to the total amount used by the master-meter customer during such period.

"(c) Serving utilities shall notify each master-meter customer subject to subdivision (b) of the master-meter customers' responsibilities under that subdivision."

maintain eligibility for master-meter rate differentials provided for in the PU Code. PG&E maintains that the takeover of existing systems by the utilities is not an issue in this proceeding and that any proceeding where such a takeover is an issue should include evidence on the exact nature of the investment, the extent to which it has been depreciated, and the prudent use of funds made available through rate differentials and depreciation as applied to the maintenance, updating, and safe operation of these systems while in the hands of the MHP owners.

Position of Southwest

Southwest did not file briefs on this matter but did, however, submit a statement of its position during the course of the proceeding. Southwest is not opposed to the concept of permitting an MHP developer to install, own, and operate a gas system within the confines of the MHP provided submeters are installed in the interests of conservation. Southwest is, however, totally opposed to the concept that a public utility would, in any manner, be required to purchase, reimburse an owner, or be responsible for the maintenance of a gas system installed without the express approval, supervision, or control of the utility providing the service. Such a position is based, in part, upon Southwest's belief that the quality of installation would always remain questionable and it could not accept the imposition of liability resulting from the failure of a developer-installed gas distribution system. In addition, Southwest believes that the forced acquisition of developer-installed gas distribution systems in MHPs would create a serious constitutional due process issue unless there is a showing of "public need" or mutual agreement between the parties.

Position of GSMOL

GSMOL did not file a brief nor make a statement of position. However, in its exceptions to the proposed report the staff summarized its interpretation of GSMOL's position as follows:

"The park residents, represented mainly by GSMOLI, with a membership of approximately 100,000, in addition to allegations of inaccurate meter readings and overbilling also claimed:

- (1) Low voltage (brownouts) and blackouts and one instance of resulting damage to an electrical appliance.
- (2) Restricted use of electric appliances and/or installation of additional ones prohibited, due to insufficient supply of electricity because of inadequate park-owned distribution system. These conditions largely occurred in parks 5 years or more old, which were designed for smaller mobile homes and electrical loads.
- (3) Very slow service in repairing faulty distribution systems.
- (4) Restrictions on air conditioners, or their unavailability due to prolonged outages was detrimental to the health of the park residents in hot weather, a majority of whom are over 65 years old.
- (5) Residents served directly by the utility instead of by the park owner did not make the above complaints.

"These park residents did not want the park owner to serve gas and electricity but instead, wanted the utilities to directly serve them through utility-owned lines and meters." (Staff exceptions to proposed report, pages 5 and 6.)

Summary of Positions

WMA and Unicorn request the continuation of the present practice of granting an MHP developer the option of either installing his own gas and electric distribution systems in MHPs or having the utilities serve directly on the bases that: (1) this Commission lacks jurisdiction to prohibit the continuation of such an option; (2) the systems presently being installed are required to meet such rigid and comprehensive standards of construction that the installation of safe, reliable, and adequate systems is assured; (3) prohibiting these installations by MHP developers will result in irreparable harm to these businesses serving the MHPs as well as the MHP tenants; and (4) the conservation of energy is not an issue.

The Commission staff urges the restoration of the original Ordering Paragraphs 3 and 4 of D.88651, supra, requiring the utilities to directly serve the ultimate customers of MHPs on the bases that: (1) developer-installed gas and electric distribution systems are substandard, unsafe, unreliable, and incompetently operated and maintained; and (2) conservation is best served by having the utility serve the ultimate consumer directly. In addition, because of alleged unsafe conditions, billing complaints, low voltage complaints, restrictions against appliance usage, and the lack of expertise of MHP personnel to properly operate and maintain such systems, the Commission staff recommends that the gas and electric utilities contact the owners of existing MHP systems for the purpose of acquiring such systems.

The MHP residents and their organization, GSMOL, want the utilities to directly serve them gas and electricity rather than the MHP owners.

SoCal believes that the serving utility should construct, own, and operate the gas piping systems in all new MHPs on the basis that the record would adequately support such an order.

Edison believes that the utility should serve directly on the bases that the tenants are better assured of continuing safe, reliable, and adequate service and that conservation is best promoted when the utility directly serves such tenants.

PG&E, SDG&E, and Southwest have no objection to granting MHP developers the option of installing their own gas and electric systems or receiving service directly from the utility.

SoCal, Edison, PG&E, SDG&E, and Southwest all vehemently oppose the forced takeover of existing systems for all or some of the following reasons:

- (1) This Commission may not have the broad jurisdictional power to require a regulated public utility to take such property from an unwilling owner with or without compensation.
- (2) Such a takeover would create a serious constitutional due process issue unless there is a showing of "public need" or mutual agreement between the parties.
- (3) The present proceeding is an inappropriate vehicle for the consideration of such a matter because of its limited scope.
- (4) The record in this proceeding is wholly inadequate to form the basis for such a decision.
- (5) The existing systems are not compatible with the utilities' systems and would, therefore, be difficult and costly for the utilities to operate and maintain safely.
- (6) The cost of bringing the facilities up to appropriate standards would be extremely high and would impose a financial burden on the utilities.

IV. EXCEPTIONS AND REPLIES

General

As previously stated, exceptions to the proposed report were filed by WMA, Unicorn, SoCal, Edison, PG&E, and the Commission staff, and replies were filed by WMA, Unicorn, and Edison. The reply brief of Unicorn addressed the Commission staff exceptions; the reply brief of WMA addressed the exceptions of the Commission staff, PG&E, Edison, SoCal, and Unicorn; and the reply brief of Edison addressed the exceptions of the Commission staff.

WMA

WMA is wholly in agreement with Ordering Paragraphs 1 through 4 of the proposed report relating to the dismissal of C.10599, the notification to MHP operators of the requirements of DOT for filing annual reports, the contents of the notice, and the notification by the serving utility to DOT, HCD, and the Commission staff of the failure of an MHP operator to file such annual reports. WMA takes exception to Conclusion of Law 2 which states:

- "2. After hearing and in the exercise of its jurisdiction, this Commission has the authority to require gas and electric utilities to directly serve the tenants of future MHPs." (Mineo. page 43.)

WMA also recommends that its assistance be sought in the preparation of the notice to be sent to MHPs setting forth the annual reporting requirements of DOT.

Unicorn

Unicorn takes exception to the determination that certain statutes passed by the Legislature were enacted to resolve existing or anticipated problems involving existing MHPs and did not implicitly approve the installation of private utility systems in the future MHPs. In support of this position Unicorn argues:

1. In enacting Civil Code Section 789.7b, the Legislature found increasing numbers residing in MHPs with private utility systems thereby anticipating the construction of additional MHPs with private utility systems; and
2. ECD, in establishing applicable rules and regulations for the installation of private utility systems in future MHPs, obviously anticipated such future installations.

Unicorn notes that the text of the proposed report and Ordering Paragraphs 3 and 4 are in conflict.

WYA endorses the above exceptions of Unicorn.

Commission Staff

The Commission staff recommends that the ordering paragraphs of the proposed report be modified in the final order to provide that upon complaint by residents and/or when in the judgment of the utility an MHP electric distribution system is found to be unsafe and/or inadequate, the serving utility shall withdraw the master-meter rate differential until a registered electrical engineer certifies that corrective action has been taken and the system is currently safe and adequate.

To support such an ordering paragraph the staff recommends that the position of GSMOL be added to Section III. Such a position would summarize the testimony and/or statements of the 15 GSMOL witnesses and include discussion of such service deficiencies as low-voltage and blackout conditions, restricted use of appliances, and delays in repairing facilities, together with the witnesses' expressed preference to have the utility serve them directly. This added position and ordering paragraph would, in accordance with the staff's recommendation, also be referenced in the sections summarizing the decision, the position of the staff, the positions of the various parties, and included in appropriate findings of fact and conclusions of law.

The staff further recommends that the sentence appearing on page 35 which states: "Similarly, compliance with HCD's continuing procedures relating to electric distribution systems in MHPs should result in the maintenance of safe and reliable electric systems" be replaced with the following:

"Continuing inspection at two year intervals by HCD of the electric distribution systems in MHPs, although worthwhile, is not believed to be frequent enough to prevent the occurrences of low voltage and blackouts in many of the older, approximately 2300, park-owned distribution electrical systems designed and constructed before July, 1979. Also, some further means of control is needed over electrical systems in the 217 cities and counties not under HCD's continuing biannual inspection program. Thus the order that follows will require that the utility withhold the master meter revenue discount to the MHP owner whose distribution system has low voltage outside HCD's standards, or is otherwise unsafe or inadequate and withholding of the discount shall continue until corrected. Record also indicates qualified consultants, electrical contractors and electricians are available to perform the necessary work."

WMA, Unicorn, and Edison all submitted reasons for not adopting the staff recommendation in their replies to the staff's exceptions.

WMA alleges that through its exceptions the staff is rearguing the position it took during the proceeding. WMA further notes that the staff greatly emphasizes the position and testimony of the GSMOL witnesses and, apparently, concedes that the staff investigation provides no basis for the restoration of Ordering Paragraphs 3 and 4 of D.88651, supra.

WMA also opposes the inclusion of the above-discussed staff-recommended ordering paragraphs on the bases that the decision as to the adequacy of an MHP system should be made by HCD and not the utility, and similarly that criteria for the restoration of the master-meter rate differential should be made by HCD.

Unicorn opposes the staff's recommendations on the basis that the record does not support any of the amendments and/or additions recommended by the staff.

Edison concurs with the staff's position that MHP operators found to be operating unsafe and/or inadequate electrical distribution systems should be required to restore adequate service. Edison notes, however, that the MHP system from the point of interconnection with the utility system to the ultimate customer is subject to the jurisdiction of HCD and outside of Edison's control. Edison therefore recommends that, should this Commission adopt the staff concept, the master-meter rate differential be withheld only at Commission request or, alternately, be withheld from all MHPs until compliance with appropriate regulations is certified by a responsible outside agency.

SoCal

SoCal's first exception addresses the apparent ambiguity in the proposed report between Finding of Fact 10, which refers to MHP operators who provide submetered gas service to their tenants, and Ordering Paragraph 2, which refers to operators of privately owned MHP gas distribution systems, irrespective of whether or not the tenants are submetered.

SoCal's second exception relates to numerous references in the proposed report to "master-meter discount" set forth in PU Code Section 739.5. According to SoCal, the referenced code section refers to a "sufficient differential" rather than discount and SoCal, therefore, recommends the terms be clarified.

SoCal's third exception relates to Finding of Fact 11 and Ordering Paragraph 4 which state:

- "11. The gas utilities should notify DOT, HCD, and this Commission of the MHP operators who failed to file copies of the required annual report to DOT and thereby have lost their eligibility for the gas rate discount." (Mimeo. page 42.)
- "4. The serving gas utility shall notify DOT, the California Department of Housing and Community Development, and this Commission of the names and addresses of the MHP operators who do not file such annual report copies." (Mimeo. page 45.)

Essentially, SoCal has no objection to noticing MHP operators who submeter gas to tenants that failure to comply with DOT's annual report requirements will result in the loss of their master-meter rate differential. SoCal does, however, object to the proposed requirement that a list of those who failed to comply with such requirements be supplied DOT and HCD in addition to this Commission. SoCal takes this position so that this Commission would retain its regulatory control over the entire matter. In addition, by maintaining confidentiality of customer names, SoCal will be able to protect and preserve the customer relationship it has developed over the years.

SoCal also urges that a mechanism be provided to allow for the recovery of all reasonably incurred costs associated with the final order.

WMA endorses SoCal's efforts to eliminate any ambiguities in the proposed report.

Edison

Edison is not opposed to the conclusion expressed in the proposed report that the possibility of utility takeover of existing MHP operator-owned electric systems be left for resolution on a case-by-case basis as problems arise, and argues that the utilities' opposition to forced takeover is reasonable. However, because of an expressed concern that increasing numbers of privately owned MHP systems might compound problems for future takeovers, Edison recommends the addition of the following findings of fact:

- "16. Forced take-over by the utilities of gas or electric distribution systems owned by mobilehome park developers or operators would be impractical due to incompatibility of standards followed and materials used among utilities and mobilehome park developers and would greatly increase costs to the utilities' ratepayers.
- "17. Utility take-over of privately owned gas and electric distribution systems should not be required by this Commission but should be left for resolution by the utilities and mobilehome park operators on a case-by-case basis."

Edison further recommends that the proposed report should address the applicability of the ordering paragraphs to master-metered/submetered apartment buildings.

Finally, Edison recommends that Ordering Paragraph 5 be revised to read:

- "5. Ordering Paragraphs 3 and 4 of Decision No. 88651, as modified by Decision No. 90062, shall continue in effect."

WMA concurs with Edison's exceptions and particularly endorses the addition of the above findings of fact.

PG&E

PG&E urges that utilities not be required to notify governmental agencies other than this Commission concerning MHP operators who do not file the required annual DOT reports on the bases that:

- a. Utilities should not be required to police federal safety standards; and
- b. Direct reporting by utilities to DOT raises the possibility that utilities will be viewed as acting under color of law and they could be required to comply with constitutional requirements of law enforcement officials.

PG&E also filed a series of exceptions intended to clarify portions of the proposed report as follows:

1. Conclusion of Law 3 now states:

"Developers and/or owners of MHPs should have the option of installing gas and electric distribution systems to provide submetered service to tenants of MHPs or have the utilities directly provide such gas and electric service." (Mimeo. page 43.)

PG&E recommends that the phrase "to be developed or constructed in the future" be inserted so the conclusion cannot be misconstrued as being applicable to existing systems.

2. Conclusion of Law 6 now reads:

"MHP operators of privately owned gas distribution systems should file copies of annual reports required by the above federal regulations with the serving gas utilities. Failure to so file copies of the annual reports should result in the loss of the master-meter discount provided by Public Utilities Code Section 739.5." (Mimeo. page 44.)

PG&E recommends that the reference to MHP operators in the above conclusion should be modified by the phrase "who provide submetered gas service to their tenants" to help distinguish such operators from those who are not obligated to file reports. PG&E further recommends that the same clarifying phrase be inserted in Ordering Paragraphs 2 and 4.

3. PG&E recommends the addition of a new ordering paragraph actually effecting the discontinuance of the master-meter rate differential as noticed in Ordering Paragraph 3 which reads as follows:

"3. The notice required by Ordering Paragraph 2 shall be by bill insert or other suitable means and shall request the MHP operators to file copies of said annual reports with the serving gas utility and note that failure to file such copies of the required annual reports shall result in loss of the master-meter discount provided by Section 739.5 of the Public Utilities Code." (Mimeo. page 44.)

4. PG&E further recommends that Ordering Paragraph 5 be modified to read:

"Ordering Paragraphs 3 and 4 of Decision No. 88651, supra, shall remain suspended."

WMA concurs with PG&E's recommendation that this Commission not issue an order which would result in "the utility's assuming police powers or acting as enforcement agents for government entities." (PG&E exceptions, page 4.)

V. COMMISSION JURISDICTION

In their opening brief WMA and Unicorn argue that this Commission does not possess the necessary authority to prohibit the installation of MHP developer/operator-owned electrical and gas systems that provide for submetering of the tenants for all the reasons advanced by Unicorn in the Notice of Objection to Hearing, Motion to Dismiss, and Motion to Strike Testimony that it filed with the California Public Utilities Commission (CPUC) on or about January 23, 1979, as well as the grounds advanced in the Rehearing, Reconsideration or Modification Petition which Unicorn filed with the CPUC on or about June 2, 1978 and the Petition for Writ of Review which Unicorn filed with the California Supreme Court on or about July 11, 1978.

The basic contentions set forth in the above-listed pleadings were summarized in a letter dated November 8, 1978 to the Commission staff, attention H. T. Sipe, chief electrical engineer, over the signature of Unicorn's attorney, William F. Capps, as follows:

- "1. The legislative mandate under which Case No. 9988 arose is The Miller-Warren Energy Lifeline Act of 1975 in which the legislature directed the Commission to designate a life-line quantity of energy for residential purposes. Nothing in that act contemplated the abolition of submetering. Unicorn believes very strongly that the Commission is not acting within its official duties in conducting any hearing on the submetering issue.
- "2. The legislature has acted numerous times in recent years to regulate submetering and, by such regulation, implicitly approved of the existence of such practice. Stats. 1975, c.1092, Section 3; Stats. 1976, c.923, Sections 2 and 3; Stats. 1977, c.194, Section 1.

"When the legislature acted in 1975, it specified the method of billing tenants for utilities' charges and the manner of computing such charges if the park management provided master-meter service, and further required the park management to conspicuously post the prevailing residential utility rate published by the serving utility. See Civil Code Section 789.7b.

"In 1976, the legislature, among other things, specifically directed the Commission to require serving utilities to establish uniform rates for each service schedule area for master-meter service at a level which will provide a sufficient differential to cover the reasonable average costs to master-meter customers of providing submeter service. See Public Utilities Code Section 739.5 and Civil Code Section 789.7b.

"In 1977, the legislature required specified master-meter customers to either distribute a proportionate share of rebates received from serving utilities or credit the utilities' account of the submeter users with a like amount. See Civil Code Section 739.5.

"It is inconceivable that the legislature enacted these laws with the understanding that the Commission could render such laws a complete nullity by abolishing submetering in new mobile home parks. It should be noted again that The Miller-Warren Energy Lifeline Act of 1975 had nothing whatever to do with submetering."

The Miller-Warren Energy Lifeline Act of 1975, AB 167, added to the 1975-1976 chaptered California statutes as Chapter 1010 in Section 1(c), states as follows:

"(c) In order to encourage conservation of scarce energy resources and to provide a basic necessary amount of gas and electricity for residential heating and lighting at a cost which is fair to small users, the Legislature has enacted this act."

Obviously, conservation was a primary consideration in the enactment of AB 167. As previously stated, Interim D.86087, supra, left for further consideration the submetering of new residential construction. Such future consideration was related at that time to the effect on conservation of individual meters for each MHP tenant. This subject was subsequently expanded to include consideration of the total conservation measures effected in distribution systems in MHPs as compared to operator-owned systems making it a valid issue in this proceeding.

The cited legislative acts regarding the billing practices for MHP tenants, the rate structures for the billing of master-meter customers by the utilities, and the disposition of rebates received by master-meter customers were all enacted to resolve existing or anticipated problems involving existing MHPs. In addition, such legislative acts would obviously be applicable for any future MHPs with private utility systems. It will be noted, however, that nothing in these acts either mandates the construction of future MHPs with private utility systems or precludes this Commission from requiring gas and electric utilities subject its jurisdiction to serve the MHP tenants directly. It is axiomatic that a Commission order requiring utilities to directly serve all tenants of future MHPs would not affect, modify, or nullify the above legislative acts in any manner whatsoever. Under these circumstances the arguments of WMA and Unicorn, set forth in their opening brief and addressed in their exceptions to the proposed report relating to this Commission's jurisdiction over this matter, are invalid. As noted by the staff in its opening brief:

" . . . 'The Commission has the right and duty to make its own investigations of facts, to initiate its own proceedings and in a large measure to control the scope and method of its inquiries. All hearings, investigations, and proceedings are governed by the provisions of the Public Utilities Act and by rules of practice and procedure adopted by the Commission.' Sale v. Railroad Commission, 15 Cal 2d 612. . . ."

VI. CONSTRUCTION STANDARDS

MHPs

MHPs are subject to the jurisdiction of HCD. Under the requirements of Division 13, Part 2.1 of the Health and Safety Code relating to the construction, use, maintenance, and occupancy of mobile home lots and MHPs, HCD adopted the provisions of Chapter 5 of Title 25 of the California Administrative Code in order to implement, interpret, and make specific the above portion of Division 13 of the Health and Safety Code. The provisions apply to all parts of the State and supersede any ordinance enacted by any city, county, or city and county. These provisions are enforced by HCD, except that upon 30 days' written notice from the governing body to HCD, any city, county, or city and county may, upon approval of HCD, assume the responsibility of enforcing the Title 25 requirements.

Complete plans of proposed MHPs must be submitted to HCD for approval and the construction of these MHPs must rigidly adhere to the approved plans. The plans for the electrical distribution system must be prepared by an electrical engineer registered with the State of California and the plans for the fuel gas system must be prepared under the supervision of a civil engineer registered with the State of California.

The electrical requirements are set forth in Article 3 and generally provide that:

"... all electrical installations outside of buildings in mobilehome parks shall comply with the applicable requirements for installations of 600 volts or less of the 1978 edition of The National Electrical Code, except Article 550 and 551.

"(b) All overhead electrical supply conductors and supporting structures shall comply with the applicable requirements of the California Public Utilities Commission, Rules for Overhead Electrical Line Construction, General Order No. 95, September 11, 1974.

"(c) All underground electric supply conductors shall comply with the applicable requirements of the California Public Utilities Commission, Rules for Underground Electrical Supply and Communications Systems, General Order No. 128, July 16, 1974.

"(d) All electrical equipment and installations in buildings in mobilehome parks shall comply with the California Administrative Code, Title 24, Part 3 (T25-1134)."

* * *

"(e) [sic] Except as otherwise permitted or required, all high voltage electrical installations shall comply with the applicable requirements of the California Administrative Code, Title 8, Chapter 4, Subchapter 5, Group 2, High Voltage Electrical Safety Orders. (Register 75, No. 42, 10/18/75.)"

In addition, Section 1142 requires that services, transformers, and feeders be sized according to specific tables which take into consideration the temperature and elevation of the locality in which the MHP is to be constructed. Article 3 also specifies additional design parameters, such as the permissible voltage drop, disconnecting means, and grounding requirements.

The requirements for gas fuel systems are set forth in Article 4. Article 4 notes that an MHP gas piping system is a distribution system that is subject to DOT requirements as issued by OPS and which are contained in Title 49 of the Code of Federal Regulations, Parts 191 and 192. The operator of a MHP gas piping system is responsible for complying with these federal regulations

in addition to the specific requirements of Title 25. When it is planned to install a metallic gas piping system, the design and installation of a cathodic protection system shall be carried out by, or under the direction of, a person qualified by experience and training in pipeline corrosion methods so that the cathodic protection system fully meets the requirements of Title 49 of the Code of Federal Regulations, Parts 191 and 192.

Article 4 also requires that fuel gas equipment and installations for supplying fuel gas to MHPs comply with the provisions of Chapter 12 of the 1976 edition of the Uniform Plumbing Code. All liquefied petroleum gas equipment and installations shall comply with the applicable provisions of the Unfired Pressure Vessel Safety Orders, Title 8, California Administrative Code, Chapter 4, Subchapter 1.

The federal regulations require that each pipeline under cathodic protection be tested at least once each calendar year, with intervals not to exceed 15 months, to determine whether the cathodic protection meets specified requirements and inspect each cathodic protection rectifier six times each calendar year with intervals not exceeding two and one-half months. These federal requirements also require gas leak detector surveys in business districts and in the vicinity of schools, hospitals, and churches on an annual basis and in other areas as frequently as necessary but at intervals not exceeding five years. In addition, each operator of a distribution system is to file an annual report with DOT on its Form DOT F 7100.1-1 not later than February 15. HCD has no regulations or rules or inspection procedures to effect compliance with these three federal regulations by MHPs.

California Utilities

The minimum construction standards to be met by those gas and electric utilities subject to this Commission's jurisdiction are set forth in General Order 95-Rules for Overhead Electric Line Construction (GO 95), General Order 128-Rules for Construction of Underground Electric Supply and Communication Systems (GO 128), and GO 112-D-Rules Governing Design, Construction, Testing, Maintenance and Operation of Utility Gas Gathering, Transmission and Distribution Piping Systems (GO 112-D). As subsequently discussed, the utilities generally exceed these minimum standards.

GO 95 and GO 128 relate to such subject matters as adequate clearances, strength requirements, configuration of lines, and similar items. They do not address such matters as size requirements for services, transformers and feeders, nor the use of specific standard-approved materials.

GO 112-D, similar to the regulations adopted by OPS, is quite broad and covers virtually all aspects of the design, construction, testing, maintenance, and operation of utility gas gathering, transmission, and distribution piping systems. GO 112-D includes a list of the following standards which must be met by the utilities in the construction of component parts of pipeline systems: American National Standards Institute, American Petroleum Institute, American Society of Mechanical Engineers, American Society for Testing and Materials, Manufacturers Standardization Society of the Value and Fittings Industry, and the National Fire Protection Association. Also included are mandatory cathodic protection procedures, leak detection surveys and procedures, testing procedures, and emergency plans.

PG&E

Testimony relative to gas distribution installations was presented on behalf of PG&E by one of its supervising gas engineers for the Gas Distribution Department, George Gaebler. He testified that PG&E has more or less standardized on polyethylene plastic pipe for installations of three-inch or less pipe diameter and steel for the larger installations. Consequently, polyethylene pipe is installed in most residential developments, including MHPs. He further stated that such pipe is installed by unrolling it from a reel into a smooth trench with the ends being joined together with a heat fusion process. Typical installations operate between 20 and 50 pounds per square inch but not less than three pounds per square inch nor more than 60 pounds per square inch. This witness also testified that he believed polyethylene pipe to be superior to polyvinyl chloride (PVC) with respect to its endurance, life, and solidarity of joints.

Testimony on PG&E's electric design standards was presented by one of its electric distribution engineers, M. A. Larsen. Witness Larsen stated that the basis for the standards is to ensure reliable, safe, and economical utility service to meet anticipated reasonable future loads. He further testified that there is no advantage or disadvantage as far as PG&E's system design is concerned if MHP installations are installed by PG&E or by the MHP, but that PG&E preferred not to operate private systems unless they were installed according to PG&E's specifications.

SDG&E

Testimony on the design standards used by SDG&E for the installation of residential gas distribution systems for MHPs and other residential developments was presented by its gas design supervisor, D. R. Miller. He testified that the utility's standards are based on General Order 112-C (GO 112-C) (subsequently superseded by GO 112-D) which is written in performance language setting broad guidelines for safety but leaving the exact form of compliance to the operator whenever possible as indicated by a quote from paragraph 103.1 which states:

" . . . It is intended that all work performed within the scope of these rules shall meet or exceed the safety standards expressed or implied herein."

He further testified that SDG&E's standards frequently exceed the minimum requirements of GO 112-C and cited as an example that SDG&E requires a 24-inch depth on its pipe whereas GO 112-C requires a 12-inch depth on private property and an 18-inch depth in streets and roads. He noted that SDG&E uses either medium density polyethylene pipe or steel for MHPs whereas the installers of private systems, according to the various codes, have a wide choice of materials, including such plastics as PVC, ABS, and high density polyethylene. He further stated that while any of these materials could be used to construct safe, reliable systems, the addition of such systems to the SDG&E system would severely impact its warehousing costs, equipment needs, crew makeup and training, and work quality.

Testimony on the design standards for electric service to MHPs was presented on behalf of SDG&E by its supervisor of the distribution system standards section of the Electric Distribution Engineering Department, T. A. Ferguson, Jr. Witness Ferguson

testified that SDG&E's standards exceed the requirements of GO 128 in some areas such as trench depth, substructure size and configuration, grounding methods, and joint trench configuration. He noted that other utility distribution systems, as well as commonly installed MHP systems, differ from SDG&E's, and although they might be entirely safe and reliable they would be incompatible with SDG&E's system.

SoCal

Testimony on design standards used by SoCal for construction of gas distribution systems, including MHPs, was presented by its supervisor of construction, E. D. Laughren. Testimony on means available to MHP operators to effect compliance with the continuing requirements of the federal standards was presented by its supervisor of operations and maintenance in the Distribution Department, C. F. Brown.

Witness Laughren testified that SoCal has developed written company procedures and company job instructions used by its employees in the performance of their work. These procedures detail such steps as material selection, planning, installation, cathodic protection, welding, testing, and inspection and meet or exceed the requirements of this Commission's GO 112-D and Title 49 of the Code of Federal Regulations, Part 192. Excerpts from these procedures relating to MHP installations were reproduced as a separate exhibit, together with a pilot plan for a typical MHP. The actual installations are performed either by SoCal personnel or by contractors approved by SoCal using material furnished by SoCal. SoCal uses medium density polyethylene or steel pipe in MHPs. SoCal's standards require a minimum depth for plastic services of 24 inches in public property

and 20 inches in private property, as compared to 18 inches and 12 inches, respectively, required by GO 112-D and the federal regulations. Similarly, SoCal requires a 30-inch depth for plastic mains on public and private properties, as compared to 24 inches required by GO 112-D and the federal regulations. SoCal believes the extra depth provides greater protection from outside interference at minimal cost. SoCal's procedures also provide for qualification and requalification of welders, plastic pipe joiners, and X-ray technicians to ensure that both company and contract personnel are well-qualified to make quality installations.

Witness Brown testified that federal standards prescribe procedures for corrosion control, operations and maintenance of piping, and for making annual reports to DOT that are equally applicable to utility-operated gas distribution systems and MFP-operated gas distribution systems. He noted that one way MFP operators can operate and maintain safe gas distribution systems is to retain consultants, contractors, or trained employees to do the work prescribed by the safety standards. According to his testimony, such consultants and contractors are available, and SoCal prefers that MFP operators arrange with such consultants to comply with federal regulations. However, SoCal will, upon request, enter into agreements with MFP operators on a cost reimbursement basis to provide for maintenance of cathodic protection, leakage surveys, and leak repair when such services are not otherwise readily available.

Edison

Testimony on design standards for MHP service was presented on behalf of Edison by one of its supervising division distribution engineers, R. L. Barkle. According to the testimony of this witness, the source documents forming the bases for Edison's design criteria are this Commission's GO 95 and GO 128, Edison's rules on file with this Commission, the National Electrical Code, and the California High Voltage Electrical Safety Orders. He further testified that Edison's standards exceeded the standards required by Title 25 with respect to cable depths, conductor current carrying capacities, and designed voltage drop, but that Title 25 requirements for installed transformer capacity exceed Edison's. According to the record, an overall comparison between Edison's and Title 25's standards indicates that both could be judged safe and reliable from the standpoint of initial design, construction, and operation. This witness further stated that over the life of the MHP Edison service would be superior to MHP service because Edison has ongoing programs of inspection and maintenance which he believes superior to the inspection and maintenance done in MHPs and because Edison maintains adequate records that are lacking at these MHPs.

Initial Inspections

As previously stated, MHPs installing their own electric distribution systems and/or gas fuel supply systems are required to submit complete plans for approval by HCD before the start of construction. These gas and electric distribution systems undergo continuing inspection during the course of construction either by inspectors of HCD or by inspectors employed by the cities, counties, or cities and counties who have assumed responsibility for effecting compliance with Title 25 requirements.

All or portions of electric and gas systems installed for the electric and gas utilities are continually inspected during construction by company personnel and on a sampling basis by members of the Commission staff.

Such inspections, whether by HCD, by the city, county, or city and county, or by utility personnel, should ensure that electric and gas distribution systems installed to serve MHPs are safe and adequate at the time of installation.

Continuing Inspection

According to the record, HCD has in effect continuing inspections of MHPs. Such inspections include visual inspections of the electric distribution and gas fuel systems. HCD attempts to inspect all MHPs biannually and, according to the record, is 90 percent successful in this endeavor. These inspections, however, do not encompass determination of the compliance by the MHPs with the federal regulations contained in Title 49 of the Code of Federal Regulations, Parts 191 and 192. G. L. Smart, HCD's MHPs program manager, testified that reviewing the MHP operators' records for copies of reports indicating compliance with such federal requirements in connection with the normal inspections would not impose any great burden upon HCD personnel, but emphasized the fact that such personnel lacked the expertise necessary to fully enforce the federal regulations. In this respect it should be noted that 217 cities and counties have assumed responsibility for the enforcement of Title 25 so that HCD's inspectors checking to see that the reports required by federal regulations were properly filed would not ensure compliance with federal requirements by all of the MHPs.

According to the record, the gas and electric utilities continually inspect their distribution facilities to ensure adequate and safe facilities as required by this Commission's general orders. In addition, Section 192.723 of GO 112-D requires:

- "(a) Each operator of a distribution system shall provide for periodic leakage surveys in its operating and maintenance plan.
- "(b) The type and scope of the leakage control program must be determined by the nature of the operations and the local conditions, but it must meet the following minimum requirements:
 - "(1) A gas detector survey must be conducted in business districts and in the vicinity of schools, hospitals and churches, including tests of the atmosphere in gas, electric, telephone, sewer and water system manholes, at cracks in pavement, and sidewalks, and at other locations providing an opportunity for finding gas leaks, at intervals not exceeding 1 year.
 - "(2) Leakage surveys of the distribution system outside of the principal business areas must be made as frequently as necessary, but at intervals not exceeding five years."

Section 192.465 provides as follows:

- "(a) Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of Sec. 192.463. However, if tests at those intervals are impractical for separately protected service lines or short sections of protected mains, not in excess of 100 feet, these service lines and mains may be surveyed on a sampling basis. At least 10 percent of these protected structures, distributed over the entire system, must be surveyed each calendar year, with a different 10 percent checked each subsequent year, so that the entire system is tested in each 10-year period.

- "(b) Each cathodic protection rectifier or other impressed current power source must be inspected six times each calendar year, but with intervals not exceeding 2½ months, to insure that it is operating.
- "(c) Each reverse current switch, each diode, and each interference bond whose failure would jeopardize structure protection must be electrically checked for proper performance six times each calendar year, but with intervals not exceeding 2½ months. Each other interference bond must be checked at least once each calendar year, but with intervals not exceeding 15 months.
- "(d) Each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring.
- "(e) After the initial evaluation required by paragraphs (b) and (c) of Sec. 192.455 and paragraph (b) of Sec. 192.457, each operator shall, at intervals not exceeding 3 years, reevaluate its unprotected pipelines and cathodically protect them in accordance with this subpart in areas in which active corrosion is found. The operator shall determine the areas of active corrosion by electrical survey, or where electrical survey is impractical, by the study of corrosion and leak history records, by leak detection survey, or by other means."

The above-quoted requirements are essentially the same as set forth in Part 192 of Title 49 of the Code of Federal Regulations applicable to MHPs.

In addition, Section 191.11 of the Code of Federal Regulations requires each operator of a distribution system to file an annual report with DOT on its Form DOT F 7100.1-1 not later than February 15 for the preceding calendar year. The Commission requires all operators of public utility gas distribution or transmission

systems to file, in duplicate, not later than February 5 of each year, a similar annual report on Form DOT F 7100.1-1 for distribution systems and Form DOT F 7100.2-1 for transmission systems.

A copy of this report is transmitted by the Commission to DOT.

Discussion of Construction Standards

As previously discussed, electric distribution systems installed in MHPs by other than public utilities must conform with the applicable requirements for installations of 600 volts or less of the 1978 edition of the National Electrical Code, except Articles 550 and 551, this Commission's GO 95 and GO 128, and the California High Voltage Electrical Safety Orders. Similarly, gas fuel distribution systems installed by other than public utilities in MHPs must comply with the provisions of Chapter 12 of the 1976 edition of the Uniform Plumbing Code as well as the federal regulations contained in Title 49 of the Code of Federal Regulations, Parts 191 and 192. With the exception of the Federal Gas Safety Orders, compliance with all of the above regulations at the time of construction is effected by rigid inspections of HCD inspectors and/or inspectors employed by the cities, counties, or cities and counties who have assumed responsibility of ensuring compliance with Title 25 requirements. As a result, the utilities generally agree with WMA and Unicorn that currently installed systems are safe and reliable from the standpoint of initial design, construction, and operation.

However, concern is expressed by some of the parties that once the building permits have been signed off, the biannual visual inspections by HCD and other inspectors will be insufficient to ensure the continued safety and reliability of the operations. Particular emphasis is placed on the lack of safeguards regarding compliance with the federal gas regulations. The staff argues that compliance with these federal regulations is enforced by OPS which totally lacks sufficient manpower to ensure such compliance. The staff expresses concern that unless the federal regulations are enforced, the distribution systems in MHPs will deteriorate to the same unsafe condition presently found in existing older systems. WMA and Unicorn argue that such fears are unfounded as the older MHP distribution systems referred to in staff witness testimony were installed prior to the imposition of any building standards, let alone the comprehensive standards imposed for current construction. It would appear, however, that WMA and Unicorn do admit to a deficiency in the system of safeguards as evidenced by their suggestion that every owner and operator of a MHP be required to execute a declaration of compliance with the federal regulations as a condition to obtain the necessary permission to operate. In a similar vein, PG&E suggests that this Commission should qualify MHP operators on an annual basis to receive the master-meter rate differential provided for in the PU Code. However, PG&E does not specify the method by which such annual qualification should be achieved.

As previously discussed, the federal standards with which the operators of privately owned MHP gas distribution systems must comply prescribe procedures for corrosion control; leak detection surveys; the detection, reporting, and repair of hazardous conditions; and making annual reports to DOT. In addition, written plans to be followed by the MHP operators in case of emergencies are required, and records of tests, surveys, and inspections are to be maintained. According to the record, there are qualified consultants, contractors, and plumbers available that could be retained by the MHP operators to perform the work necessary to comply with the federal standards. The above-mentioned annual reports to be filed with DOT are to be made on Form DOT F 7100.1-1. The filing of such reports by MHP operators would provide reasonable assurance that they are complying with the federal regulations. To motivate the filing of such reports, the order that follows will require that copies of such reports be filed with the serving gas utility annually as a prerequisite to the maintenance of the eligibility of MHP operators to continue to receive the master-meter rate differential provided by PU Code Section 739.5. The order that follows will require the gas utilities to provide MHP operators that provide submetered gas service to their tenants written notice, not later than January 15 of each year, of the annual report requirements of the federal regulations, that a copy of such a report is to be filed with the serving utility, and the MHP operators' failure to provide a copy of such report to the serving utility will result in the loss of eligibility for the master-meter rate differential. A list of the names and addresses of those MHP operators who fail to make the required

filing and lose their master-meter rate differential is to be furnished the Commission staff. The inspections, services, and repair work associated with the filing of such reports should ensure the maintenance of safe and reliable gas fuel supply systems in MHPs.

We are concerned about the safety of gas distribution systems and think compliance with DOT standards is essential. On balance, we believe that compliance with DOT standards should be shown if MHPs are to receive the rate differential prescribed by PU Code Section 739.5. The differential rate is reasonable, when balancing public safety considerations, only if there is compliance on the MHP operators' part with DOT standards. Accordingly, we impose this requirement, through utility tariff provisions, as a condition of the MHP differential rate being just and reasonable. This is under our statutory authority to impose conditions on requirements that make a particular rate just and reasonable.

As summarized in the staff's exceptions to the proposed report, statements and/or testimony were presented by MHP tenants indicating low-voltage conditions and/or inadequate capacity resulting in the restricted use of various appliances, including air-conditioners. Such service conditions, while inconvenient, unpleasant, and uncomfortable, can create hazardous conditions that are adverse to public safety. Also, it is clear from the record that these deficient installations were made prior to the imposition of adequate standards. The application of the present strict construction standards should result in future MHPs having good voltage and adequate capacity. Also, HCD and/or those cities, counties, and cities and counties that enforce Title 25 provisions have the jurisdiction and responsibility for the maintenance of safe and reliable electric service in such MHPs. In addition, the electric utilities have the authority to discontinue service to unsafe installations. Consequently, the constant monitoring of the MHP electric systems resulting from periodic scheduled inspections and the resolution of service complaints by HCD and the cities, counties, and cities and counties enforcing Title 25

requirements should result in the maintenance of safe and reliable electric systems. However, we remain concerned about inadequate electric service in existing MHPs, and will further explore possible measures to ensure substandard systems are upgraded.

VII. CONSERVATION

Staff witness Flaherty, testifying on behalf of the Commission staff's Electric Branch, included the following statement regarding conservation in his exhibit:

"Customers in mobile home parks which are master metered-submetered don't have the same benefits as utility-metered customers; the latter, e.g., may receive (1) advice and consultation on conservation and a computer energy use analysis, (2) insulation blankets on their water heaters at low cost, (3) low, or interest free, loans for installation of insulation in their homes, (4) free advice on low energy consumption appliances, etc., from the utility, (5) monthly energy usage report comparing gas consumption and electric consumption for the current month, with last year's respective consumption, and (6) monthly energy conservation messages; ..."

This position is supported by Edison's witness Ferguson who testified that:

"From a conservation standpoint, it is Edison's position that the goals of conservation are best served when service is provided directly to the tenants in mobile home parks by the utility. Whereas, mobile home park developers and owners could potentially own, operate, and maintain a submetered system in a manner which would comparably accomplish these goals, there is no means for the Commission or for Edison through its filed tariffs, to monitor and, therefore, be assured that such conservation is, in fact, being accomplished." and

" . . . Also Edison has programs designed to inform its individually metered customers on ways to conserve energy. Although we encourage master meter customers to forward this information to their tenants, there is no assurance that they do. . . ."

Edison argues that its and the staff's concerns about the lack of conservation information and assistance provided to master-meter tenants was reinforced by the testimony of several public witnesses who presented evidence in this proceeding. Such testimony related to lack of the following: consumption comparisons for the previous year's bill; bill statements relating to the conservation of energy; and conservation information furnished directly served MHP tenants by Edison that was not given those tenants served by MHPs.

Testimony presented on behalf of Southwest by its division manager of southern California, J. F. Lowman, indicated that Southwest has a number of conservation programs, including energy audits, insulation sales and promotions, conservation devices, standing pilot extinguishment, and appliance-related programs. According to the testimony, since December 1978 Southwest has sent letters and communicated with operators of MHPs offering water heater insulation kits to MHP tenants at the same reduced cost as offered to Southwest's own individually metered customers. In addition, conservation presentations have been made at MHPs demonstrating the benefits of such kits. These steps have been, according to Southwest, significantly successful in getting MHP tenants to install such kits. In addition, Southwest has mailed directly to tenants of all master-metered MHPs information relative to the benefits of extinguishing furnace

CORRECTION

CORRECTION

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HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

requirements should result in the maintenance of safe and reliable electric systems. However, we remain concerned about inadequate electric service in existing MHPs, and will further explore possible measures to ensure substandard systems are upgraded.

VII. CONSERVATION

Staff witness Flaherty, testifying on behalf of the Commission staff's Electric Branch, included the following statement regarding conservation in his exhibit:

"Customers in mobile home parks which are master metered-submetered don't have the same benefits as utility-metered customers; the latter, e.g., may receive (1) advice and consultation on conservation and a computer energy use analysis, (2) insulation blankets on their water heaters at low cost, (3) low, or interest free, loans for installation of insulation in their homes, (4) free advice on low energy consumption appliances, etc., from the utility, (5) monthly energy usage report comparing gas consumption and electric consumption for the current month, with last year's respective consumption, and (6) monthly energy conservation messages; ..."

This position is supported by Edison's witness Ferguson who testified that:

"From a conservation standpoint, it is Edison's position that the goals of conservation are best served when service is provided directly to the tenants in mobile home parks by the utility. Whereas, mobile home park developers and owners could potentially own, operate, and maintain a submetered system in a manner which would comparably accomplish these goals, there is no means for the Commission or for Edison through its filed tariffs, to monitor and, therefore, be assured that such conservation is, in fact, being accomplished." and

" . . . Also Edison has programs designed to inform its individually metered customers on ways to conserve energy. Although we encourage master meter customers to forward this information to their tenants, there is no assurance that they do. . . ."

Edison argues that its and the staff's concerns about the lack of conservation information and assistance provided to master-meter tenants was reinforced by the testimony of several public witnesses who presented evidence in this proceeding. Such testimony related to lack of the following: consumption comparisons for the previous year's bill; bill statements relating to the conservation of energy; and conservation information furnished directly served MHP tenants by Edison that was not given those tenants served by MHPs.

Testimony presented on behalf of Southwest by its division manager of southern California, J. F. Lowman, indicated that Southwest has a number of conservation programs, including energy audits, insulation sales and promotions, conservation devices, standing pilot extinguishment, and appliance-related programs. According to the testimony, since December 1978 Southwest has sent letters and communicated with operators of MHPs offering water heater insulation kits to MHP tenants at the same reduced cost as offered to Southwest's own individually metered customers. In addition, conservation presentations have been made at MHPs demonstrating the benefits of such kits. These steps have been, according to Southwest, significantly successful in getting MHP tenants to install such kits. In addition, Southwest has mailed directly to tenants of all master-metered MHPs information relative to the benefits of extinguishing furnace

pilots through the summer season which was followed by personally delivering a door-hanger package which included a mailback response to a number of items, including response to the pilot light extinguishment program. Southwest claims that 85 percent of the MHP tenants did extinguish pilot lights in the summertime. It would appear that MHPs, whether served directly by the utility or by the MHP operator, provide a unique opportunity to present the economic and conservation advantages of water heater blankets and pilot light extinguishment to a large number of customers with a minimum of effort. This proceeding is not the proper vehicle for pursuing this facet of conservation further, but it will be reviewed in connection with the individual rate increase applications of the various utilities.

It will be noted that two of the more successful conservation procedures, namely, voltage reduction for electric utilities and added insulation for both gas and electric utilities, are inapplicable for either utility-served or operator-served MHP tenants. The former because the reduced voltage is effected solely by the electric utility, and the latter because the expense and difficulty of increasing the insulation to mobile homes is not, at this time, cost-effective.

It is true that when the utility serves the MHP tenant directly, conservation messages in the form of bill stuffers are inexpensive and easily accomplished. It should be realized, however, that such messages are also transmitted in newspapers, on radio and television, and on billboards and posters. Obviously,

the tenants of operator-served MHPs are equally exposed to such messages as the tenants of utility-served MHPs. Furthermore, by letters dated October 23, 1980 to managers of conservation departments of the eight major California utilities, this Commission requested that these utilities respond to all requests for residential audits or requests for advice on how to reduce high bills received from tenants of MHPs irrespective of whether they are served directly by the utility or are served by a privately owned MHP system.

With the tenants of operator-served MHPs being billed at the same rates as utility-served MHPs, with most of the conservation material equally available to tenants of both types of MHPs, and with some of the most effective conservation measures being equally inapplicable to both types of MHPs, it would appear that the differences in conservation benefits enjoyed by tenants of operator-served MHPs and tenants of utility-served MHPs are nominal.

VIII. UTILITY TAKEOVER

As set forth previously, SoCal, Edison, PG&E, SDG&E, and Southwest all oppose the forced takeover of existing MHP operator-owned gas and electric distribution systems as recommended by the Commission staff. This question is rendered moot by our decision to continue to permit MHP developers to install their own gas and electric distribution systems. It might be well at this point, however, to set forth the basic reason why such a forced takeover is unpalatable to the utilities.

As discussed in detail, each utility has its own construction standards based on various regulatory requirements. These standards, although complying with the same regulatory requirements, vary from utility to utility with the result that facilities constructed in accordance with one utility's standards are not necessarily compatible with facilities constructed in accordance with another utility's standards. This variance in facilities is even more exaggerated in the case of MHPs where the various systems were constructed in accordance with standards that are markedly different from those used by the utilities. For the utilities to take over such systems, even those in good, safe operating condition, it would be necessary to substantially increase their material inventories, procure additional equipment, and provide additional training for their personnel, together with possible changes in the manning of their crews. The alternative to such actions would be the complete rebuilding of the systems thus acquired. In either case, the cost would be prohibitive and would impose a severe financial burden on the ratepayers should the utility for one reason or another be unable to assess such costs against the MHP operator. Under these circumstances the utilities' position on this matter does not appear unreasonable, and we will leave the matter of the possible takeover of such systems for resolution by the utilities and MHP operators on a case-by-case basis as problems arise.

As noted by Edison in its exceptions to the proposed report, the concerns expressed by the utilities would apply with even more force to any future consideration of the issue of forced takeover by utilities of existing MHP systems as the number of MHPs with privately owned distribution systems continue to grow.

IX. MASTER-METERED APARTMENT BUILDINGS

The issue of master-meter/submetering of apartment houses was not specifically addressed in this proceeding primarily due to the fact that utilities do not install distribution facilities within the apartment houses. The electrical wiring and/or gas fuel piping from the utility's service point to the individual apartments is installed, owned, and maintained by the apartment house owner irrespective of whether the apartments are individually metered by the utility or are master-metered/submetered by the apartment house owner. D.88651, supra, provided for separate metering by the utility for gas and electric service to multi-unit residential structures and no petitions or protests were received on these restrictions. Consequently, the order that follows will reinstate the restrictions for multi-unit residential structures.

X. UNICORN VERSUS EDISON

On June 14, 1978 Unicorn filed a complaint against Edison, C.10599, alleging that it refused to provide Security Land Development Company (Security) an application form in which to elect master-meter electrical service for certain mobile home units. Edison allegedly based its refusal to provide such master-meter service on the provisions of D.88651, supra. According to Unicorn, such a refusal was not only violating the decision but also various rules and regulations promulgated by this Commission.

In its answer Edison stated that in accordance with the provisions of D.88651, supra, as modified by D.88969, supra, it was refusing to provide master-metered service to new multi-unit residential facilities, including new MHPs, except when a commitment for such service was made prior to June 13, 1978. Edison further stated that it had previously refused service without commitments prior to May 4, 1978 and when the date was changed to June 13, 1978, Edison notified Security that it would provide the requested master-metered service.

In D.89196, supra, we stated:

"Unicorn has also filed Case No. 10599 in which it complains of certain practices of Southern California Edison Company with sub-metering of mobile home parks. The issues in Case No. 10599 appear to be embraced within the limited rehearing of Case No. 9988 ordered herein; therefore, those matters should be consolidated for hearing."
(Mimeo. page 3.)

Unicorn entered an appearance at the consolidated hearing. However, evidence presented by Unicorn addressed the overall issues on a statewide basis and was not specifically limited to Edison's operations and practices. Under these circumstances it is obvious that C.10599, involving only Unicorn and Edison, should be dismissed.

XI. FINDINGS AND CONCLUSIONS

Findings of Fact

1. Gas and electric distribution systems installed in MHPs by other than utilities are subject to the requirements of Title 25 of the California Administrative Code enforced by HCD or by the cities, counties, or cities and counties that have assumed responsibility for enforcing the provisions of Title 25.

2. The electrical requirements for MHPs set forth in Title 25 include compliance with the requirements for installation of 600 volts or less of the 1978 edition of the National Electrical Code, except Articles 550 and 551, this Commission's GO 95 and GO 128, and the California High Voltage Electrical Safety Orders.

3. Fuel gas distribution systems installed in MHPs are required to comply with the provisions of Chapter 12 of the 1976 edition of the Uniform Plumbing Code.

4. A fuel gas distribution system installed in an MHP by other than a public utility is subject to the federal regulations contained in Title 49 of the Code of Federal Regulations, Parts 191 and 192, issued by OPS of DOT.

5. The above federal regulations require periodic inspection of cathodic protection equipment, periodic leak detection surveys, and annual reports to be filed with DOT on its Form DOT F 7100.1-1 for the preceding calendar year not later than February 15.

6. Title 25 regulations notify MHP operators of their responsibility to comply with Title 49 of the Code of Federal Regulations, Parts 191 and 192, but HCD lacks the trained personnel to enforce its provisions.

7. DOT lacks the necessary personnel to enforce the provisions of its federal gas regulations for the MHPs.

8. The PU Code provides for rate differentials for MHPs that provide submetered gas and electric service to tenants.

9. As evidence of compliance with the federal gas regulations, the MHP operators can and should file copies of the required annual reports to DOT with the utilities. The MHP differential gas rate is just and reasonable only if MHPs comply with DOT safety standards.

10. Those MHP operators who fail to file a copy of the required annual report to DOT with the serving gas utility should not receive the benefits of the master-meter gas rate differential.

11. To properly notify MHP operators of the possible loss of eligibility for the benefits of the master-meter gas rate differential, the gas utilities can and should annually, on or before January 15, inform MHP operators who provide submetered gas service to their tenants of the annual report requirements of the federal regulations and state that to maintain their eligibility for the master-meter rate differential, it will be necessary to file a copy of their report on Form DOT F 7100.1-1 with the serving utility.

12. Upon failure of such MHP operators to file the required copy of the DOT report with the utility within the specified time, the utility should notify such operator that unless, within 30 days, evidence is received by the utility showing the reporting requirements have been fulfilled, the master-meter rate differential will be discontinued. Should the operator still not file the required report, the utility should discontinue the master-meter rate differential and notify the Commission, within 45 days, of the names and addresses of the operators who have lost their master-meter rate differential.

13. Gas fuel and electric distribution systems installed in MHPs by other than public utilities that conform to the Title 25 requirements, as enforced by HCD or the cities, counties, or cities and counties which have assumed responsibility for the enforcement of such requirements, are safe and reliable installations at the time of their installation.

14. The continuing procedures enforced by HCD, coupled with compliance with the federal gas regulations as provided in this order, should result in continued safe and reliable privately owned gas and electric systems in MHPs.

15. With the tenants of operator-served MHPs being billed at the same rates as utility-served MHPs, with most of the conservation material equally available to tenants of both types of MHPs, and with some of the most effective conservation measures being equally inapplicable to both types of MHPs, it appears that the differences in conservation benefits enjoyed by tenants of operator-served MHPs and tenants of utility-served MHPs are minimal.

16. Each respondent electric utility should provide separate metering by the utility or for individual unit submetering by the owner or operator for electric service to each unit in new residential MHPs.

17. Each respondent gas utility should provide for separate metering by the utility or for individual unit submetering by the developer, owner, or operator for gas service to new residential MHPs where such MHP tenants use gas directly in gas appliances in each occupancy.

18. The electrical wiring and/or gas fuel piping from the utility's service point to the individual apartments are installed, owned, and maintained by the apartment house owner irrespective of whether the apartments are individually metered by the utility or are master-metered/submetered by the apartment house owner.

19. With the owner of multi-unit residential structures owning the electrical wiring and/or gas fuel piping from the utility's service point to the individual apartments, the utility can and should provide separate metering for each residential unit.

20. Each electric utility can and should provide separate metering by the utility for electric service to each unit in new multi-unit residential structures.

21. Each gas utility can and should provide for separate metering by the utility for gas service to each unit in new multi-unit residential structures where such multi-unit tenants use gas directly in gas appliances in each occupancy and which require venting.

22. Unicorn presented evidence addressed to the overall issues in C.9988 on a statewide basis but presented no evidence which was specifically limited to Edison's practices and operations in C.10599.

23. Forced takeover by the utility of gas or electric distribution systems owned by MHP developers or operators would be impractical due to incompatibility of standards followed and materials used among utilities and MHP developers and would greatly increase costs to all the utilities' ratepayers.

24. Utility takeover of privately owned gas and electric distribution systems should not be required by this Commission but should be left for resolution by the utilities and MHP operators on a case-by-case basis.

Conclusions of Law

1. C.10599 should be dismissed.
2. After hearing and in the exercise of its jurisdiction, this Commission has the authority to require gas and electric utilities to directly serve the tenants of future MHPs.

3. Developers and/or owners of MHPs to be developed or constructed in the future should have the option of installing gas and electric distribution systems to provide submetered service to tenants of MHPs or have the utilities directly provide such gas and electric service.

4. Gas and electric distribution systems installed in MHPs by other than public utilities must conform to the requirements of Title 25 of the California Administrative Code as promulgated by HCD.

5. Gas distribution systems installed in MHPs by other than public utilities must conform to the requirements contained in Title 49 of the Code of Federal Regulations, Parts 191 and 192, as issued by OPS of DOT.

6. MHP operators of privately owned gas distribution systems who provide submetered gas service to their tenants should file copies of annual reports required by the above federal regulations with the serving gas utilities. Failure to file copies of the annual reports should result in the loss of the master-meter rate differential provided by PU Code Section 739.5; the rate differential is just and reasonable only if there is compliance with applicable federal safety regulations.

INTERIM ORDER ✓

IT IS ORDERED that:

1. Case 10599 is dismissed.
2. Each respondent electric utility shall, within 10 days of the effective date of this order, file necessary revisions to its rules and regulations to provide for separate metering by the utility for electric service to each unit in new multi-unit residential structures.

3. Each respondent gas utility shall, within 10 days of the effective date of this order, file tariffs to provide for separate metering by the utility for gas service to new multi-unit residential structures where such multi-unit tenants use gas directly in gas appliances in each occupancy and which require venting.

4. Each respondent electric utility shall, within 10 days of the effective date of this order, file necessary revisions to its rules and regulations to provide for separate metering by the utility or for individual unit submetering by the developer, owner, or operator for electric service to each unit in new mobile home parks (MHP).

5. Each respondent gas utility shall, within 10 days of the effective date of this order, file tariffs to provide for separate metering by the utility or for individual unit submetering by the developer, owner, or operator for gas service to new residential MHPs where such MHP tenants use gas directly in gas appliances in each occupancy.

6. Each respondent gas utility shall provide written notification to operators of privately owned MHP gas distribution systems who provide submetered gas service to their tenants of the requirements of Title 49 of the Code of Federal Regulations, Parts 191 and 192, as issued by the Office of Pipeline Safety Operations, respecting the filing of annual reports for the preceding calendar year with the Department of Transportation (DOT) on or before January 15.

7. The notice required by Ordering Paragraph 6 shall be by bill insert or other suitable means and shall request the affected MHP operators to file copies of these annual reports with the serving gas utility and note that failure to file such copies of the required annual reports shall result in loss of the master-meter rate differential provided by PU Code Section 739.5.

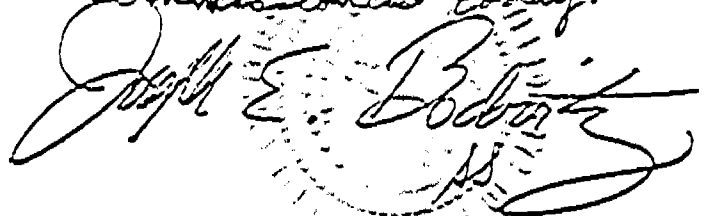
8. Upon failure of the affected MHP operator to file the required copy of the DOT report with the utility within the specified time period, the utility shall notify such operator that unless, within 30 days, evidence is received by the utility showing the reporting requirements have been fulfilled, the master-meter rate differential will be discontinued. Should the operator still not file the required report, the utility shall discontinue the master-meter rate differential and notify the Commission, within 45 days, of the names and addresses of the MHP operators who have had the master-meter rate differential discontinued for failure to file the required copy of the DOT report.

This order becomes effective 30 days from today.

Dated OCT 6 1981, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C. GREW
Commissioners

*I certify that this decision
was approved by the above
Commissioners today.*



John E. Bryson

APPENDIX A
Appearances in Phase II of Case
9988 on January 23, 1979 and Subsequently

LIST OF APPEARANCES

Respondents: Malcolm H. Furbush, Robert Ohlbach, and Kermit R. Kubitz, by Kermit R. Kubitz, Harry W. Long, Jr., and Bernard J. Della Santa, Attorneys at Law, for Pacific Gas and Electric Company; Randall W. Childress, Attorney at Law, for San Diego Gas & Electric Company; Carol B. Henningson, Attorney at Law, for Southern California Edison Company; 1/ John S. Fick, John H. Craig III, and David J. Gilmore, Attorneys at Law, for Southern California Gas Company; and Robert J. Coli, Attorney at Law, for Southwest Gas Corporation.

Interested Parties: Adams, Dugue & Hazeltine, by F. Jack Liebau and William F. Capps, Attorneys at Law, for Unicorn Industries; 2/ Graham & James, by Boris H. Lakusta, David J. Marchant, Thomas J. MacBride, and Cecile A. Tenery, Attorneys at Law, for Western Mobilehome Association; Dennis B. Kavanach, Attorney at Law, for Golden State Mobilehome Owners League, Inc.; Alan R. Kilborn, for California Edison Utilities Company; and John W. Witt, City Attorney, by William S. Shaffran, Deputy City Attorney, for the City of San Diego.

Commission Staff: William J. Jennings, Attorney at Law, and R. S. Kahlon.

1/ Defendant in Case 10599.

2/ Complainant in Case 10599.