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Decision 95-11-047 November 21, 1995

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Lake Jennings Park Estates Inc., )  
 Complainant, )  
 vs. )  
 San Diego Gas & Electric )  
 Company, )  
 Defendant. )

Case 94-10-004  
Filed October 3, 1994

O P I N I O N

Pursuant to its Schedule DT, San Diego Gas & Electric Company (SDG&E) charges reduced electric rates for master-meter mobile home park customers who provide submetered domestic service to individual tenants. The reduced rates are provided in the form of a discount whose purpose is to compensate master-meter customers for certain costs they incur in maintaining their distribution systems and providing meter reading and billing services.

Lake Jennings Park Estates, Inc. (Lake Jennings), complainant in this matter, is a resident-owned mobile home park served by SDG&E under Schedule DT. In November 1992 SDG&E reduced the discount from \$0.312 to \$0.232 per meter per day. Lake Jennings contends that this reduction has resulted in inadequate compensation for the costs it incurs in maintaining and operating its electric distribution system. Alleging that its compensation from the discount has been reduced from \$31,000 per year to \$23,000 per year, while the costs associated with operating its electrical distribution system (including costs of line losses, repairs, and meter-related expenses) are \$57,418 per year, Lake Jennings seeks reinstatement of the former discount of \$0.312 per meter per day.

SDG&E requests that the complaint be dismissed on the grounds that it raises issues which were litigated and resolved in Decision (D.) 92-10-033, and that the complaint fails to state a cause of action. SDG&E explains that it proposed to reduce the discount in its 1992 Rate Design Window (RDW) proceeding. SDG&E and mobile home park owners, as represented by the Western Mobilehome Association (WMA), engaged in numerous discussions on the issue of the Schedule DT discount. Those discussions led to a joint proposal by SDG&E and WMA for a reduced discount of \$0.232 per day and a formula for escalating the discount which will remain in effect for ten years, until 2002. D.92-10-033 approved the reduced discount and escalation formula, and authorized SDG&E to modify Schedule DT accordingly.

A duly noticed telephone prehearing conference was held on December 28, 1994. The participants were Howard Wright and Bill Dickens on behalf of Lake Jennings; and Vicki L. Thompson, attorney at law, Margaret Moore, and Jim Parsons on behalf of SDG&E. The administrative law judge (ALJ) determined that Lake Jennings did not take issue with the allegations made by SDG&E in its answer to the complaint. The ALJ ruled that in the absence of factual issues requiring evidentiary hearings, the matter would be submitted to the Commission on the pleadings.

During the prehearing conference there was a discussion regarding the best forum for Commission consideration of rate design proposals, including those regarding master-meter discounts. As a result of that discussion, the ALJ requested that SDG&E provide information to complainant regarding the anticipated schedules for future RDW proceedings. SDG&E provided the schedules by letter dated January 3, 1995.

Discussion

The issue of the appropriate Schedule DT discount level was litigated in SDG&E's 1992 RDW proceeding. The Commission found that a discount of \$0.232 per space per day approximated SDG&E's

cost of providing service comparable to that provided by Schedule DT customers to their tenants. (D.92-10-033, Finding of Fact 5.) The Commission also found that the adopted escalation formula would result in maintaining future Schedule DT discounts at levels approximating SDG&E's future costs of providing service comparable to that provided by Schedule DT customers to their their tenants. (Id., Finding of Fact 6.) D.92-10-033 is a final decision, and the parties in SDG&E's 1992 RDW have not been given notice of and opportunity to be heard on any proposed changes to D.92-10-033. Accordingly, under §§ 1708 and 1709,<sup>1</sup> D.92-10-033 is conclusive in this collateral proceeding.

Even though Lake Jennings' electric distribution costs exceed the average costs faced by SDG&E in serving such systems, there is no basis under the law for proceeding with the complaint. SDG&E's Schedule DT is governed by § 739.5 (a), which provides in relevant part that:

"[t]he commission shall require the corporation furnishing service to the master-meter customer to establish uniform rates 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, except that these costs shall not exceed the average cost that the corporation would have incurred in providing comparable services directly to the users of the service."

Master-meter rates must be uniform, and the differential (discount) allowed by the utility may not exceed the average costs that the utility itself would incur if it served the mobile home park tenants directly, or \$0.232 per space per day in this case. Accordingly, in this proceeding we can neither establish a special discount for Lake Jennings nor order a general increase in the

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<sup>1</sup> All such references are to the Public Utilities Code.

discount. As we are precluded from awarding the relief sought, the complaint should be dismissed.

Findings of Fact

1. In SDG&E's 1992 RDW proceeding, SDG&E and WMA agreed upon and jointly recommended a Schedule DT discount of \$0.232 per meter per day.

2. D.92-10-033 authorized SDG&E to reduce its Schedule DT discount from \$0.312 to \$0.232 per meter per day.

3. D.92-10-033 is a final decision.

4. The complaint does not allege or prove any act or omission by SDG&E which is claimed to be in violation of any provision of law or any order of the Commission.

Conclusion of Law

The complaint should be dismissed as it fails to state a cause of action.

O R D E R

IT IS ORDERED that the complaint is dismissed and the proceeding is closed.

This order becomes effective 30 days from today.

Dated November 21, 1995, at San Francisco, California.

DANIEL Wm. FESSLER  
President  
P. GREGORY CONLON  
JESSIE J. KNIGHT, JR.  
HENRY M. DUQUE  
JOSIAH. L. NEEPER  
Commissioners