

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION G-3169
June 8, 1995

R E S O L U T I O N

RESOLUTION G-3169 PACIFIC GAS AND ELECTRIC COMPANY, SOUTHERN CALIFORNIA GAS COMPANY, SAN DIEGO GAS & ELECTRIC, SOUTHWEST GAS CORPORATION, AND WASHINGTON WATER POWER COMPANY - ADOPTS PUBLIC UTILITY GAS CORPORATION SURCHARGE FOR MOBILEHOME PARK SAFETY INSPECTION AND ENFORCEMENT PROGRAM FOR FISCAL YEAR 1995-1996 AND AUTHORIZES TARIFF FILINGS.

SUMMARY

1. The Commission enforces certain mobilehome park safety standards and funds this activity by a surcharge on mobilehome park operators. Pacific Gas and Electric Company, Southern California Gas Company, San Diego Gas & Electric Company, Southwest Gas Corporation, and Washington Water Power Company collect the surcharge and have filed tariff schedules specifying the surcharge.
2. Section 4358(c) of the Public Utilities Code specifies that the surcharge shall not exceed 25 cents per space per month after July 1, 1992.
3. This Resolution approves a surcharge rate of \$0.18 per space per month beginning July 1, 1995. The rate is reduced from \$0.21 per space per month.

BACKGROUND

1. Sections 4351 through 4358 of the Public Utilities Code (Code) became law on January 1, 1991. They designate the Commission as the enforcement agency for establishing and implementing a Gas Safety Inspection and Enforcement Program (Gas Safety Program) for mobilehome parks with master-metered natural gas distribution systems (MHPs). The Commission is to verify compliance with federal and state pipeline safety laws and regulations, including the Commission's General Order 112-D.
2. Section 4358 authorizes recovery of the Commission's Gas Safety Program expenses through a surcharge on mobilehome park operators and sets the maximum surcharge at \$0.25 per space per

month. Resolution G-3130 set the surcharge at \$0.21 per space per month from July 1, 1994 to June 30, 1995.

DISCUSSION

1. PROGRAM COST

The Utilities Safety Branch (USB) mobilehome program expense estimate for fiscal year 1995-1996 is \$804,000. These expenses include:

Personnel - \$548,000.

Eight inspectors (one Senior Engineer and seven Assistant Engineers) and one Office Technician. Currently, there are only six inspectors. USB plans to hire another inspector for fiscal year '95-'96.

Operating Expense - \$88,000.

Operating expense elements include:

Travel: The Mobile Home Park staff spends a majority of time in the field conducting inspections; USB estimates about \$40,000 in staff traveling expenses during fiscal year '95-'96. Occasionally, management will accompany staff members on routine inspections to assure that MHP inspections are being conducted properly.

Training: Only a few members of staff will attend courses and receive training in gas safety during fiscal year '95-'96. The majority of these courses will take place in Oklahoma City, under the instruction of DOT. Some members of staff will attend other related courses to develop expertise in all areas of utility safety;

Transportation: The MHP unit is equipped with four vehicles for use during inspections. These cars are leased on a monthly basis. Due to the size of California and quantity of parks to be inspected, each car should travel approximately 20,000 miles during fiscal year '95-'96. Other operating expenses include mailings, supplies, and office equipment. For fiscal year '95-'96, USB estimates that the MHP Program will need \$88,000 to fund the Program's operating expenses.

Equipment - \$34,000.

Inspection Equipment: In fiscal year '95-'96, USB plans to purchase two flame ionization units (FI). The FI's will serve as back-ups while the other equipment is in the shop for routine maintenance or repairs.

Computers and Related Equipment: To provide all members of staff with the necessary computer equipment, USB will purchase a new laptop and desk-top computer during fiscal year '95-'96. Some of the funds will be used to maintain USB's computer network (LAN) and the sophisticated MHP database. USB estimates that expenses to purchase new equipment for fiscal year '95-'96 will cost \$34,000.

Indirect Costs - \$134,000

Indirect costs are overhead expenses assigned by the Management Services Division on a percentage basis. These costs include administrative salaries, office space leasing, communication expenses, etc. It is estimated that the indirect cost for fiscal year '95-'96 will be approximately 20% of the MHP budget expense (i.e., \$134,000). For fiscal year '94-'95, these costs were included in the operating expenses.

2. FUNDING SOURCES

Department of Transportation - \$200,000.

Department of Transportation (DOT) will contribute \$200,000 to the Utilities Safety Branch for mobilehome park inspections in gas safety during fiscal year '95-'96.

Prior Year Carryover - \$63,000.

During fiscal year '94-'95, the Gas Safety Program experienced a surplus of \$63,000 because budgeted personnel positions remained vacant.

Surcharge for fiscal 1995-96 - \$541,000.

The Gas Safety Program requires \$541,000 in additional funds (See Appendix A). These funds will be obtained through the MHP surcharge. Based on 245,443 regulated spaces, the Utilities Safety Branch derived a surcharge of 18 cents per space per month for fiscal year 1995-96. This rate represents a \$0.03 per space per month reduction from the 1994-95 fiscal year.

RECOMMENDATION

3. The gas utilities now collect a \$0.21 surcharge. The surcharge should be reduced to \$0.18 for bills rendered on and after July 1, 1995 by gas utilities upon all master-metered mobilehome park operators (For calculation of the \$0.18 surcharge, please see Appendix A).

4. The Management Services Division, the Safety and Enforcement Division, and the Commission Advisory and Compliance Division have reviewed this Resolution and recommend adoption by the Commission. The Resolution complies with Public Utilities Code Section 4358.

NOTICE

1. Notice was provided by publication in the Commission Agenda for the Meeting of June 8, 1995.

PROTESTS

1. No protests have been received.

FINDINGS

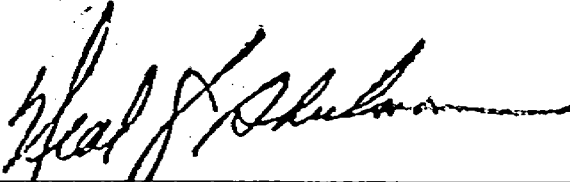
1. Sections 4351 through 4358 of the Public Utilities Code (Code) designate the Commission as the enforcement agency for the Gas Safety Program.
2. Section 4358 authorizes recovery of the Commission's Gas Safety Program expenses through a uniform billing per space or lot surcharge on mobile home park operators. A reasonable surcharge for the fiscal year 1995-96 is \$0.18 per space per month. This surcharge does not exceed the legal maximum of \$0.25 per space per month as set forth in the Public Utilities Code Section 4358(c).
3. The fees, as collected, should be separately identified and forwarded to the Commission at the same time and in the same fashion as other monies collected for deposit in the Public Utilities Commission Utilities Reimbursement Account.

June 8, 1995

THEREFORE, IT IS ORDERED that:

1. The surcharge for the gas safety inspection and enforcement program for mobilehome parks with master-metered natural gas distribution systems (MHPs) shall be \$0.18 per mobilehome space per month for the period from July 1, 1995 until June 30, 1996.
2. Pacific Gas and Electric Company, Southern California Gas Company, San Diego Gas & Electric Company, Southwest Gas Corporation, and Washington Water Power Company shall file advice letters on or before July 1, 1995, to be effective July 1, 1995, reflecting the increased surcharge in tariff rate schedules and preliminary statements.
3. The fees, as billed, shall be separately identified and forwarded to the Commission at the same time and in the same fashion as other monies collected for deposit in the Public Utilities Commission Reimbursement Account.
4. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 8, 1995. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

DANIEL Wm. FESSLER
President
P. GREGORY CONLON
JESSIE J. KNIGHT, Jr.
HENRY M. DUQUE
Commissioners

APPENDIX A
MOBILEHOME PARK BUDGET
(1995-1996)

(1) EXPENSE ELEMENTS

Personnel.....	\$548,000
Operations.....	88,000
Equipment.....	34,000
Indirect Costs.....	<u>134,000</u>
Total	\$804,000

(2) FUNDING SOURCE

Department of Transportation Contribution	\$200,000
Budget surplus.....	63,000
Surcharge revenue	<u>541,000</u>
Total	\$804,000

(3) DERIVATION OF MHP SURCHARGE

Required annual surcharge revenue = monthly surcharge
No. of spaces times 12 months

\$541,000
245,443 X 12 = \$0.18 per space per month