

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION G-3190
June 19, 1996

R E S O L U T I O N

RESOLUTION G-3190 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 1996-
1997 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 \$0.16 per space per month beginning July 1, 1996. The rate is reduced from \$0.18 per space per month.

BACKGROUND

1. In 1990, the Legislature enacted Senate Bill 2647 and Assembly Bill 3327, which became law on January 1, 1991, designating the Commission as the enforcement agency for establishing and implementing a gas safety inspection and enforcement program (Program) for mobilehome parks with master metered natural gas distribution systems.
2. The Commission is to verify compliance with federal and state pipeline safety laws and regulations including the Commission's General Order 112-E.

3. The uniform billing per therm surcharge is to be established by the Commission, and the fees collected are to be deposited in the Public Utilities Commission Utilities Reimbursement Account in the General Fund (PUCURA). The provisions of the Code became operative on July 1, 1991.

4. Section 4358 of the Code 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-3169 set the surcharge at \$0.18 per space per month from July 1, 1995 to June 30, 1996.

DISCUSSION

1. PROGRAM COST

The Utilities Safety Branch (USB) MHP Program expense estimate for fiscal year 1996-1997 is \$857,000. These expenses include:

Personnel - \$545,000.

USB forecasts for fiscal year 1996-97, that staff will work approximately 1957 person days in the MHP Program. This will constitute a 21 percent increase over fiscal year 1995-96.

Operating Expense - \$108,000.

Operating expense elements include:

Travel: The Mobilehome Park staff spends a majority of time in the field conducting inspections. Occasionally, management will accompany staff members on routine inspections to assure that MHP inspections are being conducted properly. USB estimates about \$39,000 to cover all related traveling expenses in fiscal year 1996-97.

Training: Only a few members of staff will attend courses and receive training in gas safety during fiscal year 1996-97. The majority of these courses will take place in Oklahoma City, under the instruction of the United States Department of Transportation (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 vehicles are leased on a monthly basis and have been in operation since the MHP Program commenced in 1991. USB plans to retire two of the vehicles in fiscal 1996-97, and replace them with two new ones. The new vehicles will be purchased outright; thereby eliminating the need for a lease agreement.

Other operating expenses include mailings and supplies, and maintenance of inspection equipment.

For fiscal year 1996-97, USB estimates that the MHP Program will need \$108,000 to fund the Program's operating expenses.

Equipment - \$61,000.

Computers: To provide all members of staff efficient access to the MHP computer database while in the field, USB plans to purchase new laptop computers during fiscal 1996-97. These new computers will replace USB's existing inventory of laptops which are outdated and beginning to malfunction.

MHP Computer Database: In order to provide staff a new improved computer database that operates within a Windows environment, USB plans to move its existing MHP computer database from Oracle to Microsoft Access for Windows. Estimated costs for design and implementation is \$25,000.

Other related computer equipment for fiscal year 1996-97, include the procurement of new software and the maintenance of USB's computer network.

For fiscal 1996-97, USB estimates the MHP Program will need \$61,000 to fund its equipment costs.

Indirect Costs - \$143,000

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 1996-97 will be approximately 20% of the MHP forecasted budget expenses.

2. FUNDING SOURCES

Department of Transportation - \$250,000.

DOT will contribute \$250,000 to the Utilities Safety Branch for mobilehome park inspections in gas safety during fiscal year 1996-97.

Prior Year Carryover - \$127,000.

During fiscal year 1995-96, the Gas Safety Program experienced a surplus of \$127,000 because budgeted personnel positions remained vacant.

Surcharge for fiscal 1996-97 - \$480,000.

The Gas Safety Program requires \$480,000 in additional funds (See Appendix A). These funds will be obtained through the MHP surcharge. Based on 250,778 regulated spaces, the Utilities Safety Branch derived a surcharge of

16 cents per space per month for fiscal year 1996-97. This rate represents a \$0.02 per space per month reduction from the 1995-96 fiscal year.

RECOMMENDATION

3. The gas utilities now collect a \$0.18 surcharge. The surcharge should be reduced to \$0.16 for bills rendered on and after July 1, 1996 by gas utilities upon all master-metered mobilehome park operators (For calculation of the \$0.16 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 19, 1996.

PROTESTS

1. No protests have been received.

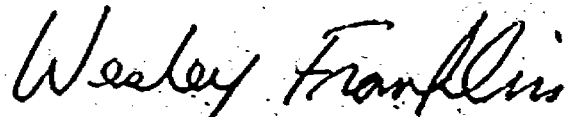
FINDINGS

1. Sections 4351 through 4358 of the Public Utilities 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 1996-97 is \$0.16 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.

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 shall be \$0.16 per mobilehome space per month for the period from July 1, 1996 until June 30, 1997.
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, 1996, to be effective July 1, 1996 for a period of one year, 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 19, 1996. The following Commissioners approved it:



WESLEY M. FRANKLIN
Executive Director

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

APPENDIX A
MOBILEHOME PARK BUDGET
(1996-1997)

(1) EXPENSE ELEMENTS

Personnel.....	\$545,000
Operations.....	108,000
Equipment.....	61,000
Indirect Costs.....	<u>143,000</u>
Total.....	\$857,000

(2) FUNDING SOURCE

Department of Transportation Contribution	\$250,000
Budget surplus.....	127,000
Surcharge revenue	<u>480,000</u>
Total	\$857,000

(3) DERIVATION OF MHP SURCHARGE

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

$\frac{\$480,000}{250,778 \times 12} = \$0.16 \text{ per space per month}$