

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

RESOLUTION G-3215

R E S O L U T I O N

RESOLUTION G-3215 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 1997-1998 AND AUTHORIZES TARIFF
FILINGS.

SUMMARY

1. The Public Utilities Commission (Commission) enforces certain mobilehome park safety standards and funds this activity by a surcharge on mobilehome park owners. 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 California Public Utilities Code (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, 1997. The rate is increased from \$0.16 per space per month to \$0.18 per space per month.

BACKGROUND

1. In 1990, the California 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 "Rules Governing Design, Construction, Testing, Maintenance and Operation of Utility Gas Gathering, Transmission and Distribution Piping Systems".
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 (PUCURA) in the General Fund. The provisions of the Code became operative on July 1, 1991.

4. Section 4358 of the Code authorizes recovery of the Program expenses through a surcharge on mobilehome park operators and sets the maximum surcharge at \$0.25 per space per month. Resolution G-3190, approved by the Commission on June 19, 1996 set the surcharge at \$0.16 per space per month from July 1, 1996 to June 30, 1997.

DISCUSSION

1. PROGRAM COST

The Utilities Safety Branch (USB) MHP Program expense estimate for fiscal year 1997-1998 is \$875,000. These expenses include:

Personnel - \$576,000

USB forecasts for fiscal year 1997-98, that staff will work approximately 2367 person-days in the MHP Program. This will constitute an 18 percent increase over fiscal year 1996-97.

Operating Expense - \$87,000.

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 \$35,000 to cover all related traveling expenses in fiscal year 1997-98.

Training: Several members of staff will attend courses and receive training in gas safety during fiscal year 1997-98. 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. In addition, USB will conduct gas safety training seminars for MHP operators at locations chosen randomly throughout the state. USB estimates total training costs will be \$15,000.

Transportation: USB estimates use of three vehicles exclusively for the MHP Program. The transportation costs based on 15,000 miles per vehicle will be approximately \$11,000.

Other operating expenses include mailings and supplies, and maintenance of inspection equipment at an estimated cost of \$26,000. USB estimates that the MHP Program will need \$87,000 to fund the Program's operating expenses.

Equipment - \$37,000.

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 1997-98. These new computers will replace USB's existing inventory of laptops which

are outdated and beginning to malfunction. Other related computer equipment for fiscal year 1997-98 include the procurement of new software and the maintenance of USB's computer network.

For fiscal 1997-98, USB estimates the Program will need \$37,000 to fund its equipment costs.

Indirect Costs - \$175,000

Indirect costs are overhead expenses assigned by the Information and 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 1997-98 will be approximately 25% of the MHP forecasted budget expenses.

2. FUNDING SOURCES

Department of Transportation - \$200,000.

DOT will contribute \$200,000 to the USB for mobilehome park inspections in gas safety during fiscal year 97-98.

Prior Year Carryover - \$120,000.

During fiscal year 1996-97, the Gas Safety Program experienced a surplus of \$120,000 because budgeted personnel positions remained vacant.

Surcharge for fiscal 1997-98 - \$555,000.

The Program requires \$555,000 in additional funds (See Appendix A). These funds will be obtained through the MHP surcharge. Based on 252,374 regulated spaces, USB derived a surcharge of 18 cents per space per month for fiscal year 1997-98. This rate represents a \$0.02 per space per month increase from the 1996-97 fiscal year.

3. RECOMMENDATION

The gas utilities now collect a \$0.16 per space per month surcharge. The surcharge should be increased to \$0.18 for bills rendered on and after July 1, 1997 by gas utilities upon all master-metered mobilehome park operators (For calculation of the \$0.18 surcharge, please see Appendix A).

The Management Services Division, the Consumer Services Division, and the Energy Division have reviewed this Resolution and recommend adoption by the Commission. This Resolution complies with Public Utilities Code Section 4358.

NOTICE

1. Notice was provided by publication in the Commission Agenda for the Meeting of June 25, 1997.

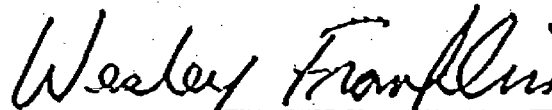
FINDINGS

1. Sections 4351 through 4358 of the Public Utilities Code designate the Commission as the enforcement agency for the Program.
2. Section 4358 authorizes recovery of the Commission's Program expenses through a uniform billing per space or lot surcharge on mobile home park operators. A reasonable surcharge for the fiscal year 1997-98 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 PUCURA.

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 \$0.18 per mobilehome space per month for the period from July 1, 1997 until June 30, 1998.
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, 1997, to be effective July 1, 1997 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 25, 1997. The following Commissioners approved it:



WESLEY FRANKLIN
Executive Director

P. Gregory Conlon, President
Jessie J. Knight, Jr.
Henry M. Duque
Josiah L. Neeper
Richard A. Bilas
Commissioners

APPENDIX A
MOBILEHOME PARK BUDGET
(1997-1998)

(1) EXPENSE ELEMENTS

Personnel.....	\$576,000
Operations.....	87,000
Equipment.....	37,000
Indirect Costs.....	<u>175,000</u>
Total.....	\$875,000

(2) FUNDING SOURCE

Department of Transportation Contribution	\$200,000
Budget surplus.....	120,000
Surcharge revenues	<u>555,000</u>
Total	\$875,000

(3) DERIVATION OF MHP SURCHARGE

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

\$555,000
252,374 X 12 = \$0.18 per space per month