

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

MANAGEMENT SERVICES DIVISION
SAFETY DIVISION

M-4760
(Ref. No. G-2952)
June 5, 1991

COMMISSION ADVISORY AND COMPLIANCE DIVISION

R E S O L U T I O N

RESOLUTION M-4760 - CP NATIONAL, PACIFIC GAS AND ELECTRIC COMPANY, SOUTHERN CALIFORNIA GAS COMPANY, SAN DIEGO GAS AND ELECTRIC COMPANY, SOUTHWEST GAS CORPORATION ADOPT LEVEL OF PUBLIC UTILITY GAS CORPORATION SURCHARGE FOR MOBILEHOME PARK SAFETY INSPECTION AND ENFORCEMENT PROGRAM FOR FISCAL YEAR 1991-92 AND AUTHORIZING TARIFF FILINGS.

BY CP NATIONAL ADVICE LETTER C-268-G, FILED ON APRIL 18; PACIFIC GAS AND ELECTRIC COMPANY ADVICE LETTER 1642-G, FILED ON APRIL 12; SOUTHERN CALIFORNIA GAS COMPANY ADVICE LETTER 2033, FILED ON APRIL 26; SAN DIEGO GAS & ELECTRIC COMPANY ADVICE LETTER 753-G, FILED ON MAY 3; AND SOUTHWEST GAS CORPORATION ADVICE LETTER 428, FILED ON APRIL 26, 1991.

SUMMARY

1. In 1990, the Legislature enacted new provisions for the enforcement of Federal pipeline safety standards for mobilehome park operators. These provisions are embodied in Sections 4351 through 4360 of the Public Utilities Code (Code). Section 4358 provided for the levy of a surcharge on mobilehome park operators and Section 4359 is the Commission's implementation authorization.

2. This Resolution establishes the Mobilehome Park Safety Inspection and Enforcement Program surcharge and orders the filing of tariffs for the purpose of implementing the surcharge pursuant to Sections 4358 and 4359 of the Public Utilities Code.

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 (MHP's). The Commission is to verify compliance with federal and state pipeline safety laws and regulations.
2. The provisions of the Program are contained in Sections 4351 through 4358 of the Code. Section 4358 authorizes recovery of the Commission's Program expenses through a surcharge upon MHP operators. 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 become operative on July 1, 1991.
3. Section 4358 of the Code entitles MHP operators subject to the surcharge to recover the surcharge from tenants on a monthly basis. The surcharge is not to exceed 30 cents per month per tenant for the period from July 1, 1991 until June 30, 1992.

NOTICE

1. Advice Letters to implement the tariff provisions of the Code were filed by CP National, Pacific Gas and Electric Company, Southern California Gas Company, San Diego Gas & Electric Company, and Southwest Gas Corporation on April 18, April 12, April 26, May 3, and April 26, 1991, respectively. Copies of the Advice Letters were mailed to competing and adjacent utilities and other interested parties having requested notification. Notice of the filing of the Advice Letters was published in the Commission calendar.

PROTESTS

The Western Mobilehome Association filed letters of protest concerning the Advice letter filings of Southern California Gas Co., CP National, and Southwest Gas Corp., on May 10, May 7, and May 7, 1991, respectively.

DISCUSSION

1. The Commission's Safety Division (Safety) has gathered information about the number of MHP's, the number of tenants, and historical sales to this customer class. Safety also estimates that expenses for Fiscal 1991-92 will be \$850,000. This cost, spread over historical sales, amounts to \$0.00673 per therm. Sales to 246,000 MHP tenants averaged 25 therms per month. From these amounts, it is possible to establish the uniform billing per therm surcharge at 29 cents per tenant per month. This surcharge does not exceed the legal limit of 30 cents per tenant per month. (See Appendix A).
2. For billing purposes, the number of tenants should be considered equal to the number of spaces in the mobilehome park. First, the utilities' information is based upon the number of spaces, which is a static and predictable quantity, while the number of tenants may vary. Second, the inspection program of the Safety Division will include the entire gas system of the operator, including mains and services to coaches that may be unoccupied at the time of inspection. For these reasons, and to enable efficient administration of the surcharge, the number of tenants should be taken as equal to the number of spaces in the mobilehome park.
3. The gas utilities have filed tariffs to implement the collection of the surcharge. The tariffs consist of a separate schedule that provides for the collection of the surcharge as it applies to MHP's and an addition to the Preliminary Statement that describes the operation of the surcharge. The surcharge is to be collected by gas utilities from all master-metered MHP operators for bills rendered on and after July 1, 1991. As in the establishment of the Public Utilities Commission Reimbursement Fee (Resolution M-4725), this may require the utilities to prorate their bills for one month, but it is unavoidable.
4. The comments of the Western Mobilehome Association (WMA) were directed to the utilities' tariff language that describes the recovery of the surcharge by the operator from the tenants. WMA requested explicit language in the tariff that would prevent overcharges by operators. After consultation with the Legal Division, the WMA suggestion appears to go beyond the language of the legislation. Therefore, the suggested addition will not be adopted at this time. From a practical standpoint, since the rate being authorized is \$0.29 per space per month, and the legal limit for the first year of the program is \$0.30 per space per month, there is little potential for overcharging.

5. The matter of providing notice to the affected customers was discussed with the Commission's Public Advisor. The legislation does not mandate customer notification, but several utilities have indicated their intent to provide notification to educate and inform the customers of this new billing. Such notification should be encouraged but not required.
6. The Management Services Division, the Safety Division, and the Commission Advisory and Compliance Division have reviewed the Advice Letter filings and recommend their authorization.

FINDINGS

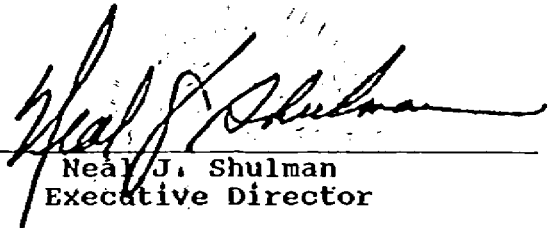
1. Sections 4351 through 4358 of the Code designate the Commission as the enforcement agency for a gas safety Program for MHP's.
2. Section 4358 authorizes recovery of the Commission's Program expenses through a uniform billing per therm surcharge upon MHP operators. A reasonable surcharge for the fiscal year 1991-92 is 29 cents per tenant per month. This surcharge does not exceed the legal limit of 30 cents per tenant per month. The provisions of the Code become operative on July 1, 1991.
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.
4. The number of MHP tenants should be taken as equal to the number of MHP spaces for the purposes of administering the surcharge.
5. MHP operators subject to the surcharge are entitled to recover the surcharge from tenants on a monthly basis. The surcharge is not to exceed 30 cents per month per tenant for the period from July 1, 1991 until June 30, 1992.

THEREFORE, IT IS ORDERED that:

1. The number of mobilehome park tenants shall be taken as equal to the number of mobilehome park spaces for the purposes of administering the mobilehome park surcharge.
2. The surcharge is \$0.29 per mobilehome park space per month.
3. The filings of CP National, Pacific Gas and Electric Company, Southern California Gas Company, San Diego Gas & Electric Company, and Southwest Gas Corporation in Advice Letters C-268-G, 1642-G, 2033, 753-G, and 428, respectively, are authorized to become effective on July 1, 1991.
4. 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 Utilities Reimbursement Account.
5. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 5, 1991. The following Commissioners approved it:

PATRICIA M. ECKERT
President
G. MITCHELL WILK
JOHN B. OHANIAN
DANIEL Wm. FESSLER
NORMAN D. SHUMWAY
Commissioners



Neal J. Shulman
Executive Director