

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Petition of the Western Manufactured Housing
Communities Association to Adopt, Amend, or Repeal a
Regulation Pursuant to California Public Utilities Code
Section 1708.5

Petition 10-08-016
(Filed August 20, 2010)

**RESPONSE OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M) AND
SOUTHERN CALIFORNIA GAS COMPANY (U 904 G) TO THE PETITION
FOR RULEMAKING OF THE WESTERN MANUFACTURED HOUSING
COMMUNITIES ASSOCIATION**

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September 20, 2010

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In accordance with Rule 6.3 of the California Public Utility Commission’s (“Commission” or “CPUC”) Rules of Practice and Procedure, San Diego Gas & Electric Company (“SDG&E”) and Southern California Gas Company (“SoCalGas”) submit this response in opposition to the Western Manufactured Housing Communities Association (“WMA”) Petition for Rulemaking to adopt, amend, or repeal a regulation pursuant to California Public Utilities Code Section 1708.5 (Petition), filed on August 20, 2010, requesting that the Commission issue an Order Instituting Rulemaking (“OIR”) to determine whether additional policies, regulations or rules should be adopted with respect to expediting transfers of ownership and operation of master-metered gas and electric service systems from mobilehome park owners to the local investor owned gas and electric corporations.”¹

In its Petition, the WMA recommends that the Commission evaluate the applicable statutory costs responsibilities of MHP owners and utilities for necessary

¹ WMA Petition pp. 1-2.

replacement or repairs to existing submetered systems, and consider ways to mitigate these costs for mobile home park (MHP) owners. The Petition lists four limited areas of inquiry: 1) establish a standard transfer agreement as a basis for expedited CPUC approval of transfers pursuant to the mandate of Cal. Pub. Util. Code Section 2798; 2) adopt the procedural steps of the expedited approval process for transfers utilizing the standard transfer agreement; 3) adopt eligibility standards for systems subject to transfers pursuant to Section 2794(a); 4) clarify cost sharing requirements between mobilehome park owners and utility ratepayers for converting existing master-metered systems to directly-metered service.²

The WMA alleges in the discussion portion of the Petition that the CPUC has taken no prior actions to investigate the cost to master-metered parks or to address cost recovery in transfers at all.³ SDG&E and SoCalGas respectfully disagree. Decision 04-11-033 specifically concluded that “[c]osts incurred to make a MHP distribution system acceptable for transfer to the utility may not be borne by the utility or the MHP tenants, and the costs may only be charged to ratepayers if there is an offsetting benefit such that they are indifferent. Otherwise, the costs must be borne by the MHP owner.”⁴

Accordingly, the Commission should deny the WMA’s Petition, which proposes a rulemaking based on a limited set of issues that are congruent only with the financial interest of WMA’s members,⁵ supported in its petition, in part, on misstatements of the law and PUC decisions, and otherwise ignores altogether other salient issues, such as safety and reliability. While the WMA clearly frets about the potential costs associated

² *Id.*

³ See generally WMA Petition p. 12.

⁴ D.04-11-033, Finding of Fact 21,

⁵ See generally WMA Petition p. 6.

with their members' statutory operation, maintenance and transfer responsibilities, which were established by the Legislature to ensure the continued safety and reliability of the MHP systems, the Petition is lacking in key issues of law and policies related to the mandates of Cal. Pub. Util. Code Sections 2791-2799, and the larger problems in play here. The proposed structure does not provide fair and efficient means to address all significant matters and criteria the Commission would need to explore and consider in a rulemaking on the transfer responsibility process for master-metered mobile home park or manufactured housing community gas or electric service facilities to the gas or electrical corporation providing service in the area, which extend well beyond the WMA's inner-directed concerns raised in the Petition, that primarily focus on how current law could potentially bind, burden or create harsh economic consequences for MHP owners, who in the not-too-distant past, consciously, voluntarily and willfully undertook to own and operate their own mobilehome community master-metered gas and electric distribution systems. Thus, the WMA's Petition fails to provide an unbiased or proper antecedent basis for the type of claims or kind of action the Commission should appropriately address. In sum, any rulemaking to adopt, repeal, or amend rules, regulations, or guidelines for a class of public utilities should not be so parochial.

SDG&E and SoCalGas strongly support all reasonable efforts to enhance public safety, and are prepared to work with the Commission to scope out an appropriate rulemaking that the Commission may at any time institute on its own motion in accordance with Rule 6.1 of the Commission's rules of practice and procedure. SDG&E and SoCalGas also recognize that, as predicted by the WMA Petition statements pertaining to certain system conditions, the Commission undoubtedly must identify the

extent to which any such system safety issues currently exist and the means necessary to address those issues under current law. SDG&E and SoCalGas, however, are somewhat concerned that a formal Order Instituting Investigation (OII) on a statewide basis involving all the master-metered mobilehome park systems coupled with complicated issues and with many different stakeholders could become unwieldy and get bogged down. Thus, a Commission-sponsored Rulemaking with collaborative stakeholder discussions in workshops rather than the hearing room, is particularly appropriate given the WMA's unprompted assertions in its petition that many MHP's "now face the prospect of needing to replace" their distribution systems.⁶ If true, those systems potentially create known public safety and reliability issues that would necessitate action by appropriate state and federal regulators.

Under these circumstances, it is not surprising that the WMA has requested a reevaluation of the regulations that apply to owners of master-metered mobilehome park gas and electric service systems, including costs related to transfer procedures and costs of construction related to maintaining system and operational safety, both related and unrelated to the statutory transfer of ownership process. And while SDG&E and SoCalGas fully support additional Commission input on the MHP gas and electric facility safety compliance and transfer issues, the scope of the WMA Petition, however, is too narrow a focus given the important case, situation and circumstances presented, and does not comprehensively address the associated transfer risks, liabilities, rate impacts, requirements of the California Environmental Quality Act (CEQA), or describe what

⁶ WMA Petition p. 9.

timelines might reasonably apply under the proposed expedited transfer process and based on the WMA's estimated numbers that exceed 440,000 gas and electric customers.⁷

Because the actual system transfer issues and cost topics are obviously much broader than the proposed scope of the WMA Petition, it must be anticipated that involvement of a wide and varied range of expertise would be required as part of any Commission rulemaking to fully understand, under real field conditions, the "usually 30 to 40 year old existing" master-metered mobilehome park gas and electric service systems.⁸ Professional experts in the areas of construction, engineering, utility system design and safety, cultural and environmental services and law would need to be engaged. Necessary stakeholders should also include: ratepayer, community planning, and environmental advocacy groups, since all of these interests may be impacted on a statewide basis.

The identified problems and proffered solutions offered by the WMA are further problematic because some level of official investigation or analysis by the Commission is warranted in this case to direct the most vital questions and ability to formulate a list of proposed changes to existing or additional rules. It would not be reasonable or appropriate, as the WMA requests, for the Commission to proceed to articulate solutions without determining the root nature and cause of the underlying problems beforehand. Investigation and analysis must logically precede rulemaking.

For the reasons set forth herein, the Commission should decline to open the rulemaking requested by the WMA and either institute its own rulemaking coupled with collaborative stakeholder workshops, or in the alternative conduct its own pre-rulemaking

⁷ WMA Petition p. 3.

⁸ WMA Petition p. 4.

CERTIFICATE OF SERVICE

I hereby certify that I have on this day served a true copy of the foregoing **RESPONSE OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M) AND SOUTHERN CALIFORNIA GAS COMPANY (U 904 G) TO THE PETITION FOR RULEMAKING OF THE WESTERN MANUFACTURED HOUSING COMMUNITIES ASSOCIATION** on all parties who were served with a copy of the above captioned petition (including each party of record of the service list in R.03-03-017, I.03-03-018, C.00-01-017, and C.07-01-007), and on each party named in the official service list for proceeding **P.10-08-016** by electronic service, and by U.S. Mail to those parties who have not provided an electronic address.

Copies were also sent via Federal Express to the assigned Administrative Law Judges and Commissioner.

In addition, copies were served by electronic service, and by U.S. Mail to the following:

California Department of Consumer Affairs
Division of Weights and Measures
Sacramento, CA 95814

Lynn Jacobs, Director
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Golden State Manufactured-Home Owners League (GSMOL)
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Executed this 20th day of September 2010 at San Diego, California.

/s/ Jenny Norin
Jenny Norin