

From: Cherry, Brian K
Sent: 10/6/2011 11:16:25 AM
To: 'pac@cpuc.ca.gov' (pac@cpuc.ca.gov); 'cab@cpuc.ca.gov' (cab@cpuc.ca.gov)
Cc:
Bcc:
Subject: Fw: MobileHome Park OIR

Thought you'd enjoy this. Some don't understand that the world has changed.

----- Original Message -----

From: Cherry, Brian K
Sent: Thursday, October 06, 2011 10:36 AM
To: 'Akbar.Jazayeri@sce.com' <Akbar.Jazayeri@sce.com>; Bottorff, Thomas E
Subject: Re: MobileHome Park OIR

Akbar - you are correct. PG&E's position is that mobile home park upgrades or replacements should be socialized. We did not come to this position lightly. There has been serious Commissioner interest in this issue over that last few years beginning with Commissioner Bohn and now Commissioner Florio. The policy debate has centered on how does the Commission maintain public safety of a network of gas and electric services that may or may not be up to code or reliably maintained. 90 percent of Commission safety staff time has focused on inspecting mobile home parks instead of high pressure gas transmission lines. In a post-San Bruno world, this is an serious problem. From our perspective, we recognize the public safety risk too. However, we also recognize that if it is the Commission's desire to resolve this issue by requiring the IOUs to take over the mobile home parks gas and electric operations, then in many if not most cases, we will need to completely rebuild the infrastructure to our current standards. Such an undertaking will be expensive. Preliminary estimates for PG&E are north or \$600 million. We don't believe Rule 15 and Rule 16 will be sufficient to resolve this matter in a way that maintains public safety. That said, we would welcome the opportunity to discuss this matter with your further.

----- Original Message -----

From: Akbar.Jazayeri@sce.com [<mailto:Akbar.Jazayeri@sce.com>]
Sent: Wednesday, October 05, 2011 04:33 PM
To: Bottorff, Thomas E; Cherry, Brian K
Subject: MobileHome Park OIR

I understand from SCE's attendees in the workshops related to transfer of mobile home parks to the IOUs that PG&E is taking a position that the cost of upgrading these parks and transferring them to the IOUs should be spread to all customers. I am not sure whether indeed this is PG&E's proposal and, even if it is, it has been raised to your levels or not. As you may know, SCE's position has been that the park owners should receive an allowance pursuant to Rules 15 and 16 and be responsible for any costs above the allowance. The IOUs' proposals are due on October 21. If your position is so far apart from SCE (and I understand Sempra's), I am wondering whether it would be useful for us to talk in order to develop a common ground. On our system the cost of upgrading and transferring these parks to SCE could be significant.