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June 5, 2014

CPUC Energy Division
Attention: Tariff Unit
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Dear Energy Division Tariff Unit:

Subject: Reply of Pacific Gas and Electric Company (PG&E) to Protest of Advice Letter 3473-G/4415-E Request to Establish the Gas Preliminary Statement Part DB, *Mobile Home Park Balancing Account – Gas* and the Electric Preliminary Statement Part GH, *Mobile Home Park Balancing Account – Electric*, Pursuant to Decision 14-03-021

Pursuant to Rule 7.4.3 of the California Public Utilities Commission's (CPUC or Commission) General Order (GO) 96-B, Pacific Gas and Electric Company (PG&E) hereby respectfully submits our reply to the protest to Advice Letter (AL) 3473-G/4415-E submitted by Lance Nolen.

Background

In Decision (D.) 14-03-021, the Commission approved a three-year "living pilot" with a goal to convert approximately 10 percent of mobile home park (MHP) residential spaces in each utility's service territory. Ordering Paragraph 8 of Decision 14-03-021 stated: "Each electric and/or gas corporation is authorized to fully recover in distribution rates the costs of the conversion program..." Ordering Paragraph 9 directed: "Each electric and/or gas corporation must file a Tier 2 Advice Letter for approval of new tariffs to establish a voluntary, mobilehome park/manufactured housing community conversion program that contains all of the program components referenced in these Ordering Paragraphs and further described in this Order."

On May 9, 2014, in compliance with Ordering Paragraphs 8 and 9, PG&E filed Advice Letter 3473-G/4415-E to establish the Gas and Electric Mobile Home Park Balancing Accounts necessary to record and recover the actual incurred costs of implementing the MHP pilot program from all distribution customers.

On May 12, 2014, Lance Nolen submitted a protest, requesting that PG&E's proposal be modified so that households participating in the California Alternate

Rates for Energy (CARE) program are excluded from rate increases due to the MHP pilot program. For the reasons set forth below, Mr. Nolen's protest should be denied.

Response to Protests

A. D.14-03-021 Directed Utilities to Recover MHP Program Costs Through Distribution Rates Paid By All Distribution Customers

In D.14-03-021, the Commission concluded that utilities should recover MHP conversion program costs through distribution rates paid by all distribution customers. Specifically, the Decision found that:

- “[W]e conclude utilities should recover MHP conversion program costs through distribution rates paid by all distribution customers.” (D.14-03-021, p. 51.)
- “Utilities should recover the pilot MHP conversion program costs through distribution rates paid by all distribution customers.” (D.14-03-021, p. 70 Finding of Fact 37.)

PG&E's MHP pilot program balancing account proposal, as set forth in Advice 3473-G/ 4415-E, is consistent with the Commission's mandate to recover actual incurred pilot program costs from all distribution ratepayers. Therefore, Mr. Nolen's protest should be rejected.

B. General Order 96-B Precludes Mr. Nolen's Protest

General Order 96-B provides several grounds upon which advice letters may be protested. (See GO 96-B, Rule 7.4.2.) GO 96-B, Rule 7.4.2 cautions that “a protest may not be made where it would require relitigating a prior order of the Commission.” As an example, GO 96-B states: “Where the Commission has approved a rate change, an advice letter submitting tariff sheets in compliance with the Commission order approving the rate change is not subject to protest on the grounds that the rates are unjust, unreasonable, or discriminatory.”

In his protest, Mr. Nolen effectively contends that it would be unjust or unreasonable to include MHP conversion program costs in rates recovered from CARE customers. However, as noted above, the Commission expressly held in D.14-03-021 that MHP conversion costs should be recovered through distribution rates “paid by all distribution customers.” Therefore, Mr. Nolen's protest would require relitigating D.14-03-021, which is expressly prohibited by GO 96-B.

Conclusion

Based on the discussion above, the Commission should reject Mr. Nolen's protest and approve AL 3473-G/4415-E as filed.

Sincerely,

Handwritten signature of Brian Cherry in cursive script, followed by a horizontal line.

Vice President, Regulatory Relations

cc: Lance Nolen