

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

Order Instituting Rulemaking into Transfer of
Master-Meter/Submeter Systems at Mobilehome
Parks and Manufactured Housing Communities to
Electric and Gas Corporations.

Rulemaking 11-02-018

**OPENING BRIEF OF
THE COALITION OF CALIFORNIA UTILITY EMPLOYEES**

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The Coalition of California Utility Employees (“CUE”) respectfully submits this Opening Brief pursuant to the Assigned Commissioner’s Second Amended Ruling and Scoping Memo issued July 17, 2013. Sections are numbered based on the Joint Stipulation of Parties’ common briefing outline. In this Opening Brief, CUE focuses on Issues, but may address other topics in its Reply Brief.

I. INTRODUCTION

This proceeding confronts a sad truth in the state of California — many of our mobilehome park (“MHP”) communities live with unacceptable utility service. These MHPs have long suffered from unreliable and unsafe utility systems. Many of the MHP master-metered systems are 40-70 years old¹ and fail to meet safety requirements,² or have systems that are code-compliant but do not meet utility

¹ Exh. 6, WMA/McCann, p. 4, line 5-7.

² Exh. 3. PG&E/Haley, pp. 2-1-2-3.

design and/or installation standards.³ Several lack critical documentation such as installation records, operations and maintenance records, as-built drawings, and system maps.⁴ These systems are accidents waiting to happen. All of the Commission's attempts at piecemeal conversion programs have failed. Clearly, short cuts are not an option. Fully addressing this disgraceful problem requires a total overhaul of the systems and oversight of MHP safety. PG&E's proposal offers the only genuine path to ensure that unsafe and unreliable MHP master-metered service transfers to safe and reliable public utility service.

A. Procedural Background

On February 24, 2011, the Commission opened this Rulemaking to examine what the Commission can and should do to encourage replacing MHP submeter systems with direct utility service on a reasonable basis and in a manner both timely and fair to all concerned.⁵ This Rulemaking was initiated after Western Manufacturing Housing Communities Association ("WMA") filed a petition seeking to establish a standard transfer agreement, adopt procedural steps for an expedited approval process, and other Commission actions to transfer MHPs to direct utility service. On October 11, 2011, parties filed proposals which were later discussed at workshops held on November 2-3, 2011. On May 17, 2012, the Assigned Commissioner issued an Amended Ruling and Scoping Memo directing parties to

³ Exh. 3, SWGas/Grandlienard, p. 5-3.

⁴ *Id.*

⁵ R.11-02-018; Decision Granting Petition in Part and Instituting Rulemaking Into Issues Concerning Transfer of Electric and Natural Gas Master-Metered Service at Mobile Home Parks and Manufactured Housing Communities to Direct Service by Electric and/or Natural Gas Corporations, p. 1.

jointly develop a single report that identifies cost estimates for converting master-meter service to direct utility service and to submit prepared testimony with program proposals.

Pursuant to the October 1, 2012 Scoping Memo and the Administrative Law Judge's Ruling Memorializing Schedule Changes, the parties filed two program proposals in jointly prepared testimony on October 5, 2012. PG&E, Southwest Gas Corporation (SWGAs), WMA, Golden State Manufactured Home Owners League, CUE, and San Luis Rey Homes (collectively "PG&E") jointly submitted prepared testimony. The Joint Parties (SCE, SDG&E, SoCalGas, Bear Valley Electric Service, PacificCorp, California Pacific Electric Company, LLC, TURN, and DRA) also submitted testimony.

On February 2, 2013, the Assigned Commissioner and Administrative Law Judge issued a Joint Ruling Setting Aside Submission to Set a Workshop and Consecutive Public Meeting, Revising Schedule, and Receiving Exhibits in Evidence. Pursuant to this Joint Ruling, the Commission hosted a workshop and public meeting to discuss the two proposals. After the workshop and Commissioner-hosted public meeting, the Assigned Commissioner issued a Second Amended Ruling and Scoping Memo on July 17, 2013. This Second Amended Ruling and Scoping Memo ("ACR") changed the category of this proceeding to ratemaking and called for limited additional testimony to develop a three-year pilot program for MHP conversion. The Assigned Commissioner stated that neither of the two proposals provides an "implementable solution to the master-meter conversion

issues that this rulemaking has been exploring.”⁶ Commissioner Florio expressed doubt that Joint Parties’ proposal would provide enough incentive to increase conversion rates, that PG&E’s proposal might be too costly,⁷ and called for the parties to file supplemental prepared testimony for an implementable three-year pilot program with certain proscribed elements as listed in the Second Amended ACR.

Pursuant to the Second Amended ACR, PG&E, SWGas, and Joint Parties served supplemental prepared testimony on August 19, 2013. Joint Parties, PG&E, SWGas, and WMA served rebuttal testimony on August 30, 2013. Evidentiary hearings were held on September 9-10, 2013 on the supplemental testimony.

B. Overview

1. PG&E’s Proposal

PG&E proposed a pilot that offers a safe, comprehensive approach to transfer MHP master-metered service to direct utility access. PG&E would implement its MHP conversion program as originally presented, but with modifications to reflect the Second Amended ACR.⁸ It would receive and process applications and accept conversion priority recommendations from CPUC’s Safety and Enforcement Division (“SED”) and the California Department of Housing and Community Development (“HCD”) until the MHP conversion program is terminated or all conversions of pre-1997 MHPs to direct utility service are complete.⁹ Additionally, PG&E would work beyond the meter to install the individual electric meter

⁶ Assigned Commissioner’s Second Amended Ruling and Scoping Memo, p. 3.

⁷ *Id.*, at pp. 3-4

⁸ Exh. 19, PG&E/Domingos, p. 1-1.

⁹ *Id.*

pedestals and electrical wiring from each electrical meter panel pedestal to the point of connection to each mobile home, and gas houseline plumbing from the PG&E riser to the home connection to ensure an efficient and safe transition.¹⁰

The conversion process begins with a MHP conversion program interest application.¹¹ PG&E would accept priority recommendations of SED and HCD, and will work with MHP applicant to obtain site-specific data necessary for pre-construction planning.¹² After pre-construction planning, and prior to construction scheduling and outreach activities, PG&E and the MHP conversion applicant would enter into the MHP conversion program agreement.¹³ PG&E would process applications on an ongoing basis during the three-year pilot and beyond. Under this continuous approach, PG&E would accept applications from interested MHP owners until the program is terminated.¹⁴

PG&E's proposal achieves the Commission's goal to increase the safety and reliability of utility service to MHP residents, and also provides real incentives for MHP owners to transfer to direct utility access.

2. Joint Parties' Proposal

The Joint Parties propose a three-year voluntary program to convert a *maximum* of 2 to 3% of MHP spaces in each IOU territory, and one MHP in each small and multijurisdictional electric IOU territory.¹⁵ Interested MHP owners must submit a formal conversion request to SED or the MHPs' gas or electric utility

¹⁰ *Id.*; Exh. 3, PG&E/Fernandez, p. 1-3.

¹¹ *Id.*, at p. 1-2.

¹² *Id.*

¹³ *Id.*

¹⁴ *Id.*, at p. 1-3.

¹⁵ Exh. 17, Joint Parties, p. 9.

during the 90-day “Open Season.”¹⁶ Accepted MHPs will meet with the IOU to discuss the proposed conversion process, the roles and responsibilities for construction and installation cost and requirements.¹⁷ Prior to any construction work, the IOUs would request evidence of adequate financing to complete conversion of the MHP.¹⁸ Any MHP that does not provide evidence of adequate financing would be rejected from the program.¹⁹ The IOUs would finance construction and installation of the new utility systems up to the service delivery point for accepted MHPs.²⁰ DRA, however, opposes the full payment to the meter and proposes a 50/50 cost sharing between the MHP and the utility ratepayers.²¹ The Joint Parties also propose that MHPs place master-meter discount revenues in excess of operating and maintenance costs in an escrow account.²²

III. ISSUES

In issuing this Rulemaking, the Commission seeks to encourage replacing MHP submeter systems with direct utility service.²³ It identified three priorities: (1) safety/reliability; (2) transfer prioritization; and (3) reasonable cost allocation.²⁴ The Second ACR asked the parties to incorporate additional conceptual elements into their proposals, including: (1) a three-year initial term; (2) MHP eligibility based on risk assessment and prioritization factors developed by SED and HCD; (3) comparison of costs to the meter and beyond the meter; and (4) a pledge that the

¹⁶ *Id.*, at p. 10.

¹⁷ *Id.*, at p. 11.

¹⁸ *Id.*

¹⁹ Transcript, Joint Parties/Hayes, Martinez, Vol. 1: 93, ll. 21-27.

²⁰ Exh. 17, Joint Parties, p. 12.

²¹ *Id.*, at p. 17.

²² *Id.*, at pp. 13-14.

²³ Rulemaking R.11-02-018, p. 15.

²⁴ *Id.*

MHP owner will separately account for all construction and transfer costs.²⁵ The new considerations in parties' supplemental testimony should still address safety as the primary consideration, consistent with the goals expressed in this Rulemaking.²⁶

The Joint Parties focused their proposal on cost and ratepayer impact. Obviously, cost and ratepayer impacts are a legitimate concern. But PG&E's proposal actually **accomplishes** what the Rulemaking seeks to do: transfer MHPs from master-meter to direct utility service. The Joint Parties' proposal may avoid some ratepayer impacts, but it will ultimately cost more in time, safety, and procedural inefficiencies. Setting limits on conversions and offering arbitrary discounts will discourage MHP conversions.

Approximately 500,000 Californians live in MHPs and they too deserve safe, reliable electric and gas service.²⁷ The Joint Parties would effectively delay offering these California residents safe and reliable utility service and deny the most dangerous parks access to the program. Additionally, these residents may **never** have enough money to undertake beyond the meter conversion. If ensuring safe and reliable service is the "paramount consideration in the context of how...electric and gas service [will] be provided in mobilehome parks," then PG&E's proposal is the only real option.²⁸ Safety should not be sacrificed on the altar of cost savings.

²⁵ Second Amended Ruling and Scoping Memo, pp. 4-5.

²⁶ Rulemaking R.11-02-018, p. 15.

²⁷ Exh. 4, PG&E/Fernandez, p. 7.

²⁸ R.11-02-018, Rulemaking, pp. 15-16, quoting Commissioner Ryan at the PreHearing Conference.

A. Policy, Safety, and Reliability Issues

1. 97 to 98% of MHP Spaces Would Remain Unsafe.

The most obvious fatal flaw in the Joint Parties' proposal is that the voluntary three-year pilot program aims to convert only 2 to 3% of each IOU's MHP spaces. Limiting the program participation to 2 to 3%, by definition, excludes 97 to 98% of each IOU's MHP spaces. Assuming the program succeeds and continues after the initial three-year period, it would take over fifty years to convert the remaining 97 to 98% of MHP spaces.²⁹ The Joint Parties' proposed goal of converting 2 to 3% of MHP spaces in three years barely scratches the surface of the existing master-metered MHPs. This proposal fails to meet the Commission's stated intention:

[T]he bedrock responsibility of the PUC is consumer protection, and consumer protection has many faces, certainly rates, which is what we talk about most often, but clearly customer safety is an important dimension of consumer protection as well ... [a]nd I think safety is the paramount consideration in the context of how will electric and gas service be provided in the mobilehome parks and who will provide that service.³⁰

Moreover, the Joint Parties' proposal will leave us in the same position in three years—weighing the success of its limited pilot program and asking how to design a program to convert the remaining MHPs. The 90-day Open Season will severely limit program enrollment, with the next opportunity for conversion when and if the Commission approves the Joint Parties' program. The Joint Parties' proposal is small band aid for a large wound.

²⁹ Exh. 4, PG&E/Fernandez, p. 2.

³⁰ R.11-02-018, Rulemaking, pp. 15-16, quoting Commissioner Ryan at the PreHearing Conference.

PG&E's proposed pilot and original proposal, if adopted, would wholly resolve this issue. The utility takes ownership of the system which will then fall under the Commission's regulation. This option may cost more up front, but the entire process will accomplish meaningful change, unlike Joint Parties' proposal.

2. The Joint Parties Proposal and DRA's Cost-Sharing Proposal Are Cost-Prohibitive for MHP Owners.

The Joint Parties' propose paying for conversion costs only up to the meter. However, the Joint Parties have not demonstrated that if the utility does not pay costs beyond the meter, there would be any substantial participation in the program. The record shows that costs are a major impediment to MHP conversion to direct utility service.³¹ This is exactly the stalemate that has prevented conversions for decades.

DRA's 50/50 cost sharing proposal is a step backward from the Joint Parties' initial proposal. In some cases, the 50/50 cost-sharing would shift even more costs to MHP owners than the \$8,000 credit in the Joint Parties' original proposal.³² The Second Amended ACR specifically noted that the original Joint Parties proposal did not provide enough incentive to increase low conversion rates.³³ DRA also proposes increased MHP owner education to encourage MHP transfers. However, the record reflects that the majority of MHP owners are already aware of the existing transfer process.³⁴ Furthermore, DRA contends that the record does not contain "an

³¹ Transcript, Joint Parties/Martinez, Meltzer, Vol. 1:83, ll. 16-25; Transcript, DRA/Karle, Vol. 2: 183, ll. 2-10.

³² Exh 17, Joint Parties, p. 16 (For example, SoCal Gas, \$7,096 per space, Original proposed credit would cover \$4,000 of those costs. Current DRA proposal covers \$3,548).

³³ Second Amended Ruling and Scoping Memo, p. 3.

³⁴ Exh. 20, PG&E, p. 4.

adequate amount of evidence...speaking to the condition of these mobile home parks.”³⁵ At hearings, DRA’s witness refused to acknowledge the evidence in Exhibits 25 and 26, presentations by SCE and SDG&E reflecting serious safety issues at MHPs in their territory, by dismissing them as “anecdotes.”³⁶ Further, DRA’s witness admitted to never having inspected a MHP³⁷ and never having testified in a master-meter proceeding.³⁸ DRA’s flippant response to evidence of safety violations in MHPs, the lack of a qualified DRA witness, and a cost-sharing proposal which provides negative to little more incentive than the original proposal proves that the Commission should reject DRA’s proposals outright.

3. Construction Only Up To the Meter Does Not Guarantee Safe and Reliable Systems.

The Joint Parties’ proposal does not offer any type of conversion credit for behind the meter costs. This places responsibility for upgrades and system replacements solely on the MHP. Unfortunately, this approach ignores the widespread safety and reliability issues with existing behind the meter systems.

The Joint Parties do not include a requirement to inspect existing gas and electric metering facilities if the MHP owner chooses not to replace the equipment.³⁹ The proposal only requires that each MHP unit is constructed for 100 meter amp service.⁴⁰ While the Joint Parties propose that the service delivery point would be inspected and released by the Authority Having Jurisdiction,⁴¹ they have provided

³⁵ Transcript, DRA/Karle, Vol. 2: 197, ll. 9-15.

³⁶ *Id.*, at p. 200, ll. 20-21.

³⁷ *Id.*, at p. 199, ll. 14-16.

³⁸ *Id.*, at p. 177, ll. 3-6.

³⁹ Exh. 8, Responses to CUE’s Data Request #1, p. 11.

⁴⁰ Exh. 2, Joint Parties, p. 12.

⁴¹ *Id.*, at p. 11; Exh. 17, Joint Parties, p. 12.

no evidence that the existing beyond the meter equipment will be capable of supporting 100 meter amp service. History shows that MHPs either cannot or will not pay for system conversion, implying that the MHP may never have the capability to perform the behind the meter work necessary to provide safe and reliable service. Therefore, the utility cannot guarantee the safety and reliability of the equipment leading to the point of service.⁴²

PG&E's proposal would provide all new systems for the MHPs and the necessary inspections. Ensuring safety and reliability requires a *minimum* of inspecting existing gas and electric systems before converting to direct utility access. Otherwise, the utility is merely attaching a new service delivery point on degraded systems. Again, the Joint Parties are foregoing safety concerns in order to avoid incurring additional, yet necessary, costs.

4. Joint Parties' Program Will Present a Biased Sample: Those MHPs Identified as the Most in Need Are the Least Likely to Come Forward.

PG&E proposes a process where the Commission, in consultation with the SED and Department of Housing and Community Development (HCD), or the responsible regulatory agency, prioritizes projects as requests for conversion are received.⁴³ This program seeks to convert 100% of MHPs in PG&E's territory at the utility's cost, so those parks with the biggest safety issues can be addressed first.

The Joint Parties propose that SED generate a priority list of MHP gas system replacements by utility service territory.⁴⁴ The IOUs would notify the

⁴² Exh. 4, PG&E/Fernandez, pp. 3-4.

⁴³ Exh. 19, PG&E/Domingos, p. 1-1.

⁴⁴ Exh. 17, Joint Parties, pp. 5-6.

MHPs about the pilot program and interested MHP owners would then submit a formal application during the 90-day Open Season.⁴⁵ After the MHP has been chosen for the program, it must show it has adequate financing to complete the behind the meter conversion costs. If the MHP does not provide evidence of adequate financing, it will be rejected from the program.⁴⁶

WMA testified that MHPs with gas-safety issues are more likely to have utility management issues.⁴⁷ In other words, the most poorly managed, unsafe MHPs will *not* be the ones to come forward or chosen to participate. Therefore, the MHPs that would volunteer under the Joint Parties' program and successfully complete conversion have owners that are the most financially sound and most prudent in maintaining their MHP systems.⁴⁸ The data the Joint Parties collect from the three-year voluntary program will represent a biased sample which will not represent the remaining 97 to 98% of MHPs. Those parks that can afford the conversion will make up the *entire* sample. It is hard to imagine a less representative sample of MHPs.

The Joint Parties' program creates a situation where the safest and most reliable MHPs will volunteer for and be accepted into the initial pilot program. Those MHPs with the most safety and reliability issues will make up the remaining 97 to 98%, effectively postponing any real progress in making MHPs safe from outdated and out-of-compliance gas and electric systems.

⁴⁵ *Id.*, at p. 10.

⁴⁶ Transcript, Joint Parties/Hayes, Martinez, Vol. 1: 93, ll. 21-27.

⁴⁷ Exh. 6, WMA/McCann, p. 5.

⁴⁸ *Id.*

B. Regulatory

1. Prioritizing MHPs

The Commission established as its second most important priority addressing those MHPs with the most unsafe and unreliable service.⁴⁹ PG&E's proposal sets up a system where the Commission consults with SED and HCD and/or the city or county regulatory agency to prioritize projects as requests are received.⁵⁰

The Joint Parties' proposed pilot program has SED providing the IOUs with a prioritized list of MHP gas system replacements. But electric and gas MHPs will be prioritized on a first-come, first-serve basis without consideration of electric reliability.⁵¹

This proposal has several fatal flaws. First, relying on SED as the only agency with inspection jurisdiction over gas systems excludes electric facility safety in MHP conversion prioritization.⁵² The prioritizing process should include information from HCD or any other regulatory agency with inspection authority over electric systems. Secondly, the Joint Parties are assuming that those parks with the most severe safety issues will volunteer for the conversion program. The opposite seems more likely: as discussed above, WMA testified that based on discussion with CPSD staff at previous workshops, the MHPs experiencing gas-safety issues are more likely to have utility management issues.⁵³ Again, the Joint Parties' proposal is wishful thinking which would achieve a partial solution, at best.

⁴⁹ R.11-02-018, p. 15.

⁵⁰ Exh. 19, PG&E/Domingos, p. 1-2.

⁵¹ Exh. 17, Joint Parties, p. 6.

⁵² Exh. 4, PG&E/Fernandez, p. 4.

⁵³ Exh. 6, WMA/McCann, p. 5.

2. Timelines

PG&E's rolling application process will enable the maximum number of conversions during the three-year pilot program. PG&E proposes to receive and process MHP conversion interest applications and accept conversion priority recommendations until the Commission either terminates the program or all pre-1997 MHPs are converted.⁵⁴

In contrast, Joint Parties' 90-day Open Season will only allow conversion of a maximum of 2 to 3% of MHP spaces, with another 90-day Open Season at the end of the pilot program, or not at all. This limited approach to conversion will provide very little change to the status quo.⁵⁵

3. Program Reporting

PG&E proposes annual reporting on the program in order to receive feedback and make necessary changes during the pilot.⁵⁶ The Joint Parties propose issuing one report after the pilot period ends.⁵⁷ However, submitting a report four years after the start of the pilot program prevents any course correction during the pilot program, and delays any forward movement should the Commission approve the long-term program. Annual reports provide important feedback on the efficacy of the pilot program and how to, if necessary, alter the program for the better.

⁵⁴ Exh. 19, PG&E/Domingos, p. 1-1.

⁵⁵ Transcript, PG&E/Domingos, Vol. 2: 280, ll. 18-21; Transcript, WMA/McCann, Vol. 2: 341, ll. 15-25.

⁵⁶ Exh. 19, PG&E/Hoglund, p. 1-5.

⁵⁷ Exh. 17, Joint Parties, p. 13.

C. Program Cost and Ratemaking

1. To the Meter

PG&E's proposal covers all costs up to the meter and offers replacement of the MHP master-metered systems.⁵⁸ The Joint Parties propose covering costs only up to the meter.⁵⁹ DRA proposes a 50/50 cost sharing between the utility ratepayers and the MHP on costs up to the meter.⁶⁰

For the Joint Parties, the only requirement to prepare for conversion beyond the meter is that each MHP unit be constructed for 100 amp service.⁶¹ As discussed above, the safety and reliability of the *existing* behind the meter system will not be inspected to ensure compatibility with the 100 meter amp equipment.

Furthermore, requiring MHP participants to coordinate their construction with the IOUs' will slow conversions and increase the overall expense.⁶²

2. Beyond the Meter

PG&E's proposal includes conversion work beyond the meter, reimbursing the cost of installing the individual electric meter pedestals and electrical wiring from each electrical meter panel pedestal to the point of connection at each mobile home, and gas houseline plumbing from the PG&E riser and meter to the home connection.⁶³ Each MHP owner would select a qualified contractor to install a new service delivery point beyond PG&E's termination point, including, but not limited

⁵⁸ Exh. 3, PG&E/Haley, p. 2-5.

⁵⁹ Exh. 2, Joint Parties, p. 2.

⁶⁰ Exh. 17, Joint Parties, at pp. 17-18.

⁶¹ Exh. 2, Joint Parties, p. 5.

⁶² Exh. 21, WMA/McCann, p.5.

⁶³ Exh. 3, PG&E/Haley, p. 2-5.

to, the meter pedestal/termination section, wire, conduit, and all trenching.⁶⁴ PG&E will then reimburse the MHP owner the cost of the new service facilities, and those costs would be capitalized as part of the cost of the MHP conversion program.⁶⁵ Including beyond the meter improvements ensures that MHP residents will obtain the full benefit of a new utility system and that the service delivery points have been inspected and approved in advance of system cutover.⁶⁶

While the costs for PG&E's proposal are somewhat greater than the Joint Parties' proposed costs, the MHPs under PG&E's program will receive an entirely new underground utility system. Under the Joint Parties' proposal, the existing beyond the meter utility systems will continue to degrade, resulting in further safety and reliability issues. Completing work only up to the meter is another piecemeal approach to fixing, or not fixing, this problem. The only way to ensure safe and reliable service is to inspect the existing gas and electric metering facilities and replace if necessary. The Joint Parties' proposal utterly fails to ensure safe and reliable service.

3. Cost Recovery

As requested in the Second ACR, both sets of supplemental testimony provided a comparison of estimated ratepayer impacts for both up to the meter and beyond the meter. PG&E's supplemental testimony shows the changes in

⁶⁴ *Id.*

⁶⁵ *Id.*, at pp. 2-5-2-6.

⁶⁶ Exh. 3, PG&E/Fernandez, p. 1-3.

ratepayers' average monthly bill if its program were approved⁶⁷ and those changes are not significant when considering the safety of over 500,000 California residents.

D. Incentives

The Joint Parties' testimony fails to demonstrate that prohibiting ratepayer funding beyond the meter would solve existing safety and reliability issues. More likely is that the current stalemate would continue indefinitely.

Furthermore, DRA's proposal for 50/50 cost-sharing shifts even more cost to MHP owners than the original Joint Parties proposal of an \$8,000 credit.⁶⁸ The Second ACR specifically recognized that the original credit proposal would not provide enough incentive to encourage conversion to direct utility service.⁶⁹

PG&E's proposal and three-year pilot program offers the most incentive for MHPs to convert to direct utility service. The rolling applications, combined with the 100% cost coverage give MHPs provides the most incentive to transfer to direct utility service.

IV. CONCLUSION AND RECOMMENDATION

Only PG&E's proposal would effectively solve the major safety problem presented by antiquated, unsafe MHP utility systems. The Joint Parties are merely proposing band aids to cure a system riddled with cancer. Converting such a limited number of the MHPs in their territory over the next three years is a waste of the Commission's time and ratepayers' money. Their approach does not address the widespread safety and reliability issues with the existing MHP utility systems.

⁶⁷ Exh. 19, PG&E/Hoglund, p. 1-5.

⁶⁸ Exh. 20, PG&E, p. 3.

⁶⁹ Second Amended Ruling and Scoping Memo, p. 3.

The Joint Parties do not require inspection of the existing systems, other than that the service equipment meets the IOU's standards, before converting the MHPs.⁷⁰ In effect, the old, unreliable systems will continue to decay and cause further safety risks. Lastly, the Joint Parties' conversion program is not big enough in scope. This proposal would not lead to replacing all of the unsafe, unreliable utility systems in mobilehome parks.

PG&E's proposal is the only option for transferring MHP submeter service to safe and reliable direct utility service. The Joint Parties' proposal will affect little to no change due to its limited conversion window and overall failure to address safety and reliability issues within existing utility systems. Therefore, the Commission should adopt PG&E's MHP conversion proposal.

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⁷⁰ Transcript, Joint Parties/Hayes, Vol, 1:95, ll. 17-2-96, ll.7; Exh. 8, Responses to CUE's Data Request #1, p. 11.