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Witnesses : Chan, Karle,
: Nahigian,
: Martinez, Hayes,
: Meltzer, Araas,
: Madrid, Warren,
: et. al.



**DIVISION OF RATEPAYER ADVOCATES
CALIFORNIA PUBLIC UTILITIES COMMISSION**

**Joint Testimony of Southern California Edison
(SCE), San Diego Gas and Electric (SDG&E),
Southern California Gas (SoCalGas), Bear Valley
Electric Service (BVES), PacifiCorp d.b.a. Pacific
Power (PacifiCorp), California Pacific Electric
Company, LLC (CalPeco), TURN (The Utility
Reform Network), and DRA**

San Francisco, California
October 5, 2012

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1 **1. Background**

2 Pursuant to the Assigned Commissioner’s Amended Ruling and Scoping Memo issued on
3 May 17, 2012 in Rulemaking (R.) 11-02-018, Southern California Edison Company (SCE), San
4 Diego Gas and Electric Company (SDG&E), Southern California Gas Company (SoCalGas),
5 Bear Valley Electric Service (BVES), PacifiCorp d.b.a. Pacific Power (PacifiCorp), California
6 Pacific Electric Company, LLC (CalPeco), The Utility Reform Network (TURN), and the
7 Division of Ratepayer Advocates (DRA) (collectively, the “Joint Parties”) submit this joint
8 testimony.¹

9 **2. Introduction**

10 The Joint Parties have agreed on a proposed plan to meet the Rulemaking’s objectives to
11 encourage more conversions of master-metered mobilehome parks and manufactured housing
12 communities (MHPs) to direct utility service. The plan would establish a temporary new MHP
13 Conversion Tariff Rule applicable to MHPs that includes a conversion credit to help offset
14 construction costs required as part of the conversion. This joint proposal provides MHP owners
15 an incentive to convert to direct utility service which exceeds what is provided under the current
16 statutory transfer process. The Joint Parties have agreed to ratepayer funding through a
17 conversion credit incentive for the purpose of motivating more MHP owners to convert their
18 systems while at the same time enabling the Joint Parties and the Commission to obtain pertinent
19 data on MHP conversions and cost of conversions for future assessment of the benefit of the
20 incentive in meeting the Rulemaking’s objectives and recommendations for the program going
21 forward. However, the Joint Parties remain sensitive to the overall costs to ratepayers of a
22 permanent program that would commit to a conversion of all master-metered MHPs.

23 **3. Overview of Proposal**

24 This MHP conversion program will allow a limited number of MHP conversions to be
25 completed over a five year period in order to gather and assess pertinent information on
26 converted MHPs and the associated costs. The program entails converting a maximum of 10%

¹ See Appendix B for Witness Qualifications.

1 of MHP spaces in each investor-owned utility's (IOU's) service territory during the conversion
2 period. Small and multijurisdictional electric IOUs (SMJUs), such as PacifiCorp, BVES and
3 CalPeco, that have few MHPs in their service territories, would have the option to either limit the
4 number of conversions to be completed over the five year period to a maximum of 10% of MHP
5 spaces or one park as the maximum if the number of spaces in the one park meets or exceeds the
6 10% number of spaces.²

7 The program would remain voluntary, and participation is dependent on the MHP
8 owners' willingness to convert their MHPs under the provisions of the proposed MHP
9 Conversion Tariff Rule. Under the new rule, IOUs other than the SMJUs would offer a
10 conversion credit of up to \$4,000 per space for gas service and \$4,000 per space for electric
11 service to the MHP owner for assistance with costs to build a new utility system and convert the
12 system to direct utility service. Because the SMJUs costs would generally be approximately half
13 the costs of the larger utilities, under the new rule the SMJUs would offer a conversion credit to
14 the MHP of up to \$2000 per space for electric service.³ This conversion credit will assist with
15 costs to build a new utility system and convert the MHP to direct utility service.

16 To address MHP safety and reliability concerns, the IOUs will prioritize MHPs which opt
17 to participate in this program based on criteria to be developed by the Joint Parties in
18 collaboration with the Commission's Consumer Protection and Safety Division (CPSD). Under
19 the proposed program, there would be no change to current tariffs and rules applicable to serving
20 master metered customers. Master metered customers would continue to be served under
21 existing master metered schedules until moving to service under individually metered tariffs
22 upon completion of the conversion.

² As an example, PacifiCorp has 14 MHPs with a total number of 507 spaces in its service territory that may be eligible for this temporary program. The largest MHP has 99 spaces. If this MHP proceeds with conversion, it would exceed the 10% maximum number of spaces, but could be beneficial to the temporary program in providing desired information for program evaluation purposes. In the interest of parity with the large utilities, if such a conversion is completed, PacifiCorp's obligations to provide the temporary program should be deemed fulfilled.

³ Based on the estimated costs for the San Luis Rey Homes' MHP case study presented in Exhibit 1 - Joint Cost Report, dated July 13, 2012.

1 The IOUs recognize that the current statutory transfer cost sharing mechanism has not
2 attracted a significant number of MHP owners to convert their service to utility direct service.⁴
3 This proposal will reduce the overall construction costs for MHP owners and shift a portion of
4 the cost burden to the serving gas and electric IOUs through the application of an MHP
5 conversion credit. The new rule will provide MHP owners with design and construction options
6 to either perform the work themselves or have the IOU perform the work. Lastly, this proposal
7 only addresses construction and cost responsibilities for the installation of new MHP gas and
8 electric distribution systems to the meter. The MHP owner maintains responsibility for the
9 electric and gas private lines beyond the service delivery point.

10 **4. Safety and Prioritization**

11 The Joint Parties recognize that CPSD inspections of MHP gas systems occur in cycles of
12 three to seven years; and that the California Department of Housing and Development (HCD) is
13 able to perform inspections of electrical facilities. CPSD will, on at least an annual basis,
14 generate a prioritization list of MHP gas system replacements. This agreement requires the
15 utilities to use their best efforts to follow the CPSD's prioritization list, documenting any
16 deviations from the prioritization list and the reasons for such deviations.

17 The utilities shall retain the discretion to schedule conversions of MHPs outside CPSD's
18 prioritization list; such as when conversions can be performed more efficiently, when
19 coordinating conversions for both electric and gas system replacements, or if the utility
20 encounters other delays or circumstances beyond the control of the utility. However, in all
21 instances where utilities deviate from the order of conversions in the CPSD list by converting
22 lower priority systems before those ranked higher on the list, the utilities would be required to
23 provide a detailed explanation of their reasons for such deviation from the order in the CPSD list
24 in their annual reports as described in Section 6.7 – Annual Reporting.

⁴ For example, since 1997, SCE has had around 80 MHP transfer inquiries with only 15 completed transfers. SoCalGas has converted five MHPs while SDG&E has converted four MHPs to direct utility service.

1 Enforcement and monitoring of gas and electric safety at MHPs is under the jurisdiction
2 of the Commission's CPSD and HCD, respectively, and should remain so until the conversion is
3 completed.⁵ Once the conversion is completed, the oversight responsibility for the utility's gas
4 and electric systems would be with the Commission. The facts presented in this Rulemaking
5 have not warranted a deviation from this safety oversight as to unduly shift safety administration
6 away from these agencies. Many of the parties' proposals filed in October 2011 addressed
7 concerns for safety and reliability of service at MHPs primarily affected by gas issues.

8 **4.1. Prioritization for MHP Conversions should first be assessed by CPSD for**
9 **Gas Safety**

10 Under the Joint Parties' proposed program, CPSD will provide a prioritized list of MHPs
11 with gas safety issues by utility service territory. These MHPs are thus identified as having the
12 highest priority for receiving the increased incentive, though the IOUs also recommend an
13 updated list be provided just prior to program commencement. Utilities would target their
14 outreach as outlined in Section 6.5 - Outreach. Each utility would give priority to the MHPs
15 identified in CPSD's list and offer the MHP owner the opportunity to make an informed decision
16 as to whether to accept the new incentives for conversion to direct utility service. Contacting the
17 MHPs responding to the outreach would follow the priorities outlined in CPSD's prioritization
18 report as described in Section 6.5 - Outreach. Ideally, all MHPs with a history of gas safety
19 violations would volunteer for transfer under this proposed program.

20 **5. Beyond the Meter Responsibilities – MHP Owner**

21 The point of demarcation for utility work is at the individually metered customer service
22 delivery point. In addition to furnishing an approved metering pedestal for electric conversions,
23 any work required beyond this point to extend service to the tenant's point of connection has
24 always been the responsibility of the MHP owner and should remain so. This is standard utility

⁵ HCD would be the Authority Having Jurisdiction or in areas where HCD has delegated authority to a local agency it could include City, County, state and Federal agencies and Indian Reservations authorized to make inspections. Authority Having Jurisdiction refers to the agency responsible for issuing permits, making inspections of the customer's electrical wiring system or gas house lines and notifying the utility that such wiring and system components and gas house lines meet the criteria enforced by the agency.

1 practice for all residential installations. The associated costs of materials, installation, and
2 replacement of pedestals from the point of demarcation to the connection point have always been
3 and should continue to be part of the MHP owner costs. Currently, this part of the work is
4 handled by the MHP owner using specialized licensed contractors and engineers.

5 MHP owners should continue to be assigned the full responsibility for installation and
6 replacement of beyond the meter facilities (electrical meter panels and /or pedestals, gas house
7 line relocations, etc.). The IOUs will not energize any service delivery point until all permitted
8 work performed beyond the meter has been inspected and released by the Authority Having
9 Jurisdiction.

10 **5.1. Beyond the Meter - Conversion Preparation**

11 **5.1.1. Electrical**

12 The MHP Owner will ensure that each MHP unit is constructed for 100 amps service.
13 The tenant cut-over is from the new point of demarcation to point of connection on each unit.
14 This includes pedestal, grounding, customer load side wire, breakers, and related material.

15 **5.1.2. Gas**

16 The MHP Owner is responsible for all house line relocations, replacements and upgrades
17 if the meter location has been changed.

18 **6. Conversion Program**

19 **6.1. Proposed New Rule**

20 The Joint Parties propose to convert a maximum of 10% of the total MHP spaces over the
21 proposed five (5) year conversion period, under a new rule.⁶ The new rule will be filed by each
22 IOU after a CPUC decision is rendered in this Rulemaking. Under the terms and conditions
23 detailed below, the new rule will be exclusively applicable to MHP conversions and installations
24 of new parallel electric and gas systems and will function independently of current utility line
25 and service extension rules. The existing statutory transfer process outlined in the Public
26 Utilities Code Sections 2791-2799 is to be left in place and applicable to transfers and upgrades

⁶ The maximum may be different for SMJUs, as stated in Section 3 – Overview of Proposal.

1 of existing MHP systems outside of this program to meet utility standards. No legislative
2 changes are required for the implementation of the new tariff rule.

3 **6.2. Conversion Process**

4 MHP owners interested in converting to direct electric and/or natural gas service under
5 this new rule must first submit a formal conversion request to the MHPs' gas or electric utility
6 during a proposed annual MHP Conversion Open Season.⁷ In addition to providing the utilities
7 with basic MHP information, the conversion request should also include:

- 8 1. All owner information necessary to develop contracts, billing invoices and
9 Easements;
- 10 2. Site contact to coordinate design, construction activities and individual
11 homeowner requests for service;
- 12 3. Copy of grant deed and assessor's parcel number;
- 13 4. Satisfactory scaled site plan suitable for use as a base map;
- 14 5. Average square footage of mobile homes in MHP;
- 15 6. Desired electrical panel size;
- 16 7. Location of all desired common area services including owner street lights;
- 17 8. On-site "As-Built" plans, showing the location of all other utilities; and
- 18 9. Preliminary information as described in Appendix A – List of Metrics.

19 The IOUs will gather all MHP conversion requests received during the Open Season and
20 will establish an initial conversion priority based upon CPSD's prioritization list. This
21 prioritization will ensure that MHPs with prior gas safety issues are addressed first in the
22 conversion program. The serving gas and electric utilities will then coordinate and schedule the
23 remaining MHP conversion requests accordingly. The IOUs will prioritize the additional MHPs
24 based on the IOU's own discretion, taking into account location, size, and other factors to best
25 utilize limited resources and to increase efficiencies.

⁷ IOUs will provide Conversion Request forms to all MHP owners inquiring about the program during an annual Open Season conducted to receive MHP owners request to convert to direct IOU service. The forms will also be available on each IOUs website and will include pertinent information about the conversion program.

1 Once the work is prioritized, the serving gas and electric utilities will notify the MHP
2 owners of their acceptance into the program and schedule a meeting with the MHP owner to
3 discuss the proposed conversion process, the roles and responsibilities for construction and
4 installation costs and requirements, supplemental maps, drawings and any other pertinent
5 information. As described in Section 6.3 - Conversion Options, MHP owners will have the
6 option of designing and/or constructing the systems in their MHPs or at the option of the IOU,
7 having the IOUs perform this work. The utilities may collect an engineering advance to cover
8 any engineering, planning, and design work necessary to design the job.

9 Prior to any construction work performed or managed by the IOUs, the IOUs may request
10 evidence that the MHP owner has adequate financing to complete the trench and civil work, pay
11 its contractors in full and pay the IOU any excess conversion costs over and above the
12 conversion credits.⁸ The MHP owner should provide the IOUs with cash contributions for the
13 MHP owner's portion of costs which exceed the conversion credits. The utility may, at its
14 discretion, establish a payment plan, such as a bond, with the MHP Owner.

15 **6.3. Conversion Options**

16 **6.3.1. Design**

17 The utility will perform an engineering evaluation for the MHP conversion and develop a
18 design and cost estimate of the conversion up to the meter. When a MHP owner elects, the
19 utility gas and or electric system may be designed by the MHP owner's qualified contractor or
20 sub-contractor in accordance with utility's design and construction standards. All non-utility
21 design work on gas and electric facilities must be performed by or under the direction of a
22 licensed professional engineer and all design work submitted to the utility must be certified by an
23 appropriately licensed professional engineer, consistent with the applicable federal, state, and
24 local codes and ordinances (such as but not limited to the California Business and Professions

⁸ Trenching includes the excavation, plating, backfill, removal and replacement of existing roadway material, disposal and paving of the main-line and service trenches. Other civil work includes the cost to install all required conduit, ducts, equipment pads and hand-holes, splice boxes, PME structures, and barriers.

1 Code). The utility may require non-utility designers to meet the utility’s prequalification
2 requirements prior to participating in non-utility design.⁹

3 **6.3.2. Construction**

4 The MHP owner shall be responsible for installing the electric meter panels. The MHP
5 owner shall also be responsible for the civil work, which includes any excavation, installation of
6 substructures, conduit, protective barriers, sound enclosures and surface repairs as required to
7 install the gas and/or electric distribution and service systems necessary to serve the MHP and
8 extend to adjacent properties as required to allow the utility full use of its systems. If the MHP
9 owner requests the utility to perform the civil work, the utility at its sole discretion, may elect to
10 perform this work. The MHP owner will retain and maintain ownership and responsibility of its
11 existing, decommissioned and abandoned in place, electric and gas facilities.

12 The utility shall install the electric and gas distribution and service lines up to the service
13 delivery point.¹⁰ When a MHP owner elects, the electric or gas distribution lines may be
14 installed by a qualified contractor or sub-contractor in accordance with the utility's design and
15 specifications. The MHP owner shall pay to the utility the estimated cost of utility’s inspection
16 which shall be a fixed amount, not subject to reconciliation. Only duly authorized employees of
17 the utility are allowed to connect to, disconnect from, or perform any work on utility's facilities.

18 The MHP owner’s electric contractor or subcontractor shall be licensed in California for
19 the appropriate type of work, shall employ workmen properly qualified for specific skills
20 required (Qualified Electrical Worker, Qualified Person, etc.) as defined in the State of
21 California High Voltage Safety Orders (Title 8, Chapter 4, Subchapter 5, Group 2), shall comply
22 with applicable laws, have adequate insurance coverage and demonstrate financial responsibility

⁹ Utilities design electric and gas MHP systems to meet their electric and gas design standards and applicable codes and regulations such as General Orders 95, 128 and 112. This design ensures that the facilities are consistent with existing utility facilities and can be incorporated into routine utility maintenance and monitoring programs.

¹⁰ Service Delivery Point refers to where the utility's electric Service Facilities are connected to either Applicant's electric conductors or other service termination facility designated and approved by utility or where the utility's gas Service Lateral is connected to Applicant's pipe (house line), normally adjacent to the location of the meter(s).

1 commensurate with the scope of the contract (able to furnish a surety bond for performance of
2 the contract, if required).

3 The MHP owner's gas contractor or subcontractor shall be licensed in California for the
4 appropriate type of work, shall employ workmen properly qualified by the utility for the specific
5 skills required (e.g., plastic fusion, welding, etc.), shall comply with applicable laws, have
6 adequate insurance coverage and demonstrate financial responsibility commensurate with the
7 scope of the contract (e.g., be able to furnish a surety bond for performance of the contract, if
8 required).

9 The utility may require evidence that the MHP owner's electric or gas contractor has the
10 proper equipment to install the utility systems per the utility's practices and standards.

11 Upon completion and acceptance of the facilities installed by the MHP owner's
12 contractor, the MHP owner will convey ownership of those facilities to the utility. If an MHP
13 owner's-hired contractor performs the civil work, the assets will be automatically conveyed to
14 the corresponding IOU upon the start of the installation of the electric distribution and service
15 lines. If a MHP owner's-hired contractor installs the gas system, the assets will be automatically
16 conveyed to the corresponding IOU after testing and before the IOU energizes the gas
17 distribution and service lines.

18 **6.4. Project Management**

19 Each IOU should have discretion regarding its own management of the MHP conversion
20 program. At least one IOU representative may be assigned to coordinate work efforts with
21 CPSD, HCD, local agencies, and other IOUs to prioritize, schedule and plan conversions.

22 **6.5. Outreach**

23 Overall outreach shall be at the discretion of each utility, according to each utility's
24 standard outreach practice. In addition, each utility may draft an enhanced outreach plan
25 designed to prioritize MHPs with safety issues in each service territory identified by CPSD's
26 prioritization list. Enhanced outreach to these priority MHPs would ensure that each MHP

1 owner is presented with the opportunity to make an informed decision as to whether to convert to
2 direct utility service.

3 The MHP conversion process will require in-person contact with MHP residents. A
4 successful outreach program will need to include community meetings in order to familiarize
5 residents with utility employees and provide all information necessary to ensure a successful
6 transition to direct utility service. This method of outreach is beneficial for a number of reasons.
7 First, direct customer interaction has typically been successful in encouraging immediate action
8 by the customer in the form of service enrollments and enrollment in low-income and medical
9 baseline programs. Second, this method of outreach is relatively low-cost.

10 **6.6. Metrics for Evaluation**

11 Parties will capture metrics on converted MHPs to evaluate the proposed conversion
12 process. All parties will offer recommendations on the effectiveness and modifications of the
13 existing and new conversion process, if deemed necessary. See Appendix A for a list of metrics.

14 **6.7. Annual Reporting**

15 On an annual basis, the utilities will submit auditable progress reports to the Commission
16 that reference the decision in this proceeding.¹¹ The annual reports, due 12 months after the
17 MHP Conversion Open Season is administered, will include at a minimum:

- 18 1. Number of parks/spaces transitioned so far;
- 19 2. Number of parks/spaces transitioned in the past year;
- 20 3. Number of parks/spaces in progress;
- 21 4. Total expenditures to date;
- 22 5. Expenditures in the report year; and
- 23 6. Explanations of deviations, if any, from CPSD's MHP prioritization list.

¹¹ For the SMJUs, because the number of conversion completed over the five year period is limited to a maximum of 10% of MHP spaces or one park as the maximum if it meets or exceeds the 10% number of spaces, it is possible that the conversions may be completed within one year. Once the conversions are completed within an SMJU's service territory, the SMJU will no longer be required to file an annual report.

1 **7. MHP Conversion Credit**

2 Under the new rule, the larger IOUs will provide a standard conversion credit of up to
3 \$4,000 per space for gas service and \$4,000 per space for electric service to help offset
4 construction costs for MHP owners. The SMJUs will provide a standard conversion credit of up
5 to \$2,000 per space. This conversion credit will in all instances be applied first toward any utility
6 costs. Any excess costs for the gas and/or electrical installation will be paid by the MHP owners.

7 Once established, the conversion credit will remain the same throughout the five-year
8 conversion period. A conversion credit evaluation will be performed at the end of the five-year
9 period to determine its effectiveness and appropriateness.

10 In all cases, the MHP owner is responsible for the design and construction costs but will
11 receive a conversion credit or allowance from the IOU, upon completion and acceptance of
12 facilities by IOU, to offset the total costs for construction work up to the meter. The MHP owner
13 is solely responsible for the costs and obligations owed to its contractors. If the IOU performs
14 any portion of the conversion work, the construction costs will be billed to the MHP owner based
15 on the IOU's previously estimated costs. In either case, the MHP owner is responsible for paying
16 the upfront construction costs and associated taxes less any credits or allowances.

17 The conversion credit being recommended is based on, but not specific to, the IOU's cost
18 estimates for the San Luis Rey Homes' estimated conversion costs submitted in Exhibit 1- Joint
19 Cost Report.¹² The credit will be a flat, fixed, maximum value per space that the utilities will
20 contribute toward the conversion costs. Site specific costs for each conversion project will be
21 calculated by each utility and the utility will provide a credit up to the maximum value per space
22 but not to exceed the site specific utility estimated conversion cost.

23 The Joint Parties have recommended that the conversion credit be capped at a maximum
24 of \$4,000 per electric and or gas service to each occupied MHP space for the larger utilities. The
25 Joint Parties recommend that this fixed conversion credit be the same for each serving IOU in the

¹² Exhibit 1 - Mobile Home Parks And Manufactured Housing Communities Service Transfer To Electric And Gas Corporations: "Joint Cost Report." Page 38, dated July 13, 2012.

1 State, with the exception of SMJUs, which have exceptionally different service costs per space as
2 evidenced in Exhibit 1 - Joint Cost Report. This fixed credit will ensure that every participating
3 MHP will be given the same credit regardless of the IOU service territory.

4 The Joint Parties recognize that the potential conversion costs contemplated in this
5 document are significant, but emphasize that the approach discussed in this document is the
6 fairest approach to address this Rulemaking and gather the required data.

7 The conversion credit is designed to cover a significant portion of the trenching costs and
8 the gas and/or electrical system replacement costs. In order to encourage more conversions,
9 where a MHP is served both gas and electric by an IOU, each IOU would provide the credit
10 against its own estimated costs.

11 The MHP owner would be responsible to perform the trenching for both electric and gas
12 systems and install the conduits and substructures for the electric system. The MHP owner
13 would submit his/her contractor's bid for the trench work up to the meter to each utility and
14 his/her contractor's bid for the conduit and substructure work to the electric utility. The utility
15 would compare the MHP contractors' bid against the utility's estimated cost for that work. If a
16 joint trench is being constructed, each utility will use 50% of the MHP contractors' trench bid as
17 the value of the utility trench. The utility would use the lower of the utility's estimated cost or
18 the MHP contractor's bid to determine the final conversion costs. The utility would apply the
19 conversion credit to the conversion costs. If the conversion costs exceed the credit, the MHP
20 owner would be required to pay those costs in excess of the credit.

21 The Joint Parties realize that every MHP site will have different actual conversion costs
22 that may be more or less than the credit offered. If the MHP owner's request to have the IOU
23 perform all the construction work to the meter is accepted by the IOU, the conversion credit will
24 be applied to the IOU's total estimated construction cost and the MHP owner will be responsible
25 to pay the difference plus any applicable taxes for his/her contribution in advance of the start of
26 any construction. Should circumstances occur where unexpected trenching costs occur and the
27 MHP owner is financially unable to fulfill his/her obligation to complete the trench, the utility

1 will make a business decision as to whether to continue the project or cease work. Should the
2 utility decide to complete the project and require increased financial support of the project over
3 and above the established conversion credit, the utility will file an Advice Letter with the
4 Commission for a decision to proceed or stop.

5 When separate IOUs provide electric and gas service, they will come to an agreement as
6 to which one will perform the trench and or civil work or if a third party contractor shall be
7 jointly used. Each utility will then include its 50% share of the trenching costs (and the electric
8 utility will also include the civil installation costs) in its total cost. If the MHP owner performs
9 the civil work, under the provisions of the new rule, the owner will be reimbursed by the IOUs
10 conversion credit to help offset his/her costs. The conversion credit will first be applied towards
11 the utility systems costs, with any balance then applied to the civil work and then to the
12 excavation costs, in that order. The MHP owners that proceed with conversion under the new
13 rule will be responsible for providing the IOUs with their estimated conversion costs.

14 **8. Ratemaking**

15 **8.1. Application to Establish a Balancing Account**

16 Each utility shall file an application to establish a balancing account for recovery of its
17 MHP conversion cost forecast for the conversion plan in current rates. Subsequent forecasts
18 would be filed annually with the Commission and include prior year recorded data. Forecast
19 costs will be based on the anticipated number of MHPs to be converted in the period along with
20 the forecast of associated costs and revenue requirement.

21 **8.2. Development of Annual Costs**

22 The IOUs will develop their costs on a forecast basis. That forecast will be based on the
23 IOUs' per space conversion credit multiplied by a five year conversion target of 10% of the
24 MHP spaces in each IOUs' service territory. SCE has identified 107,630 spaces with electric
25 sub-meter service which translates into a five-year maximum conversion of 10,763 spaces to
26 direct utility service. SoCalGas has identified 129,230 spaces with sub-meter gas service that
27 translates into a five-year maximum conversion of 12,923 spaces to direct utility service.

1 SDG&E has identified 33,800 spaces with sub-meter electric service and 28,700 spaces with gas
2 sub-meter service.

3 SCE proposes a conversion credit not to exceed \$4,000 per space. Multiplied by a 5-year
4 target of converting 10,763 spaces results in a total five-year capital budget of \$43.1 million.
5 SoCalGas proposes a conversion credit of \$4,000 per space. SoCalGas' five-year conversion
6 target is 12,923 spaces which results in a total five-year capital budget of \$52 million. SDG&E
7 proposes a conversion credit not to exceed \$4,000 per space served by electric and a separate
8 conversion credit not to exceed \$4,000 per space served by gas. Since the majority of SDG&E
9 parks are served by both gas and electric, SDG&E's five-year conversion target is 3,380 gas and
10 electric spaces receiving a combined conversion credit of \$8,000 for a total five-year capital
11 budget of about \$27.1 million.

12 The annual capital budget for SCE, SoCalGas and SDG&E is forecast as one-fifth of the
13 five year budget or \$8.48 million for SCE, \$10.4 million for SoCalGas and \$5.42 million for
14 SDG&E. The Joint Parties recommend that the IOUs have the flexibility to spend more or less
15 than this budget in any one year as long as the IOUs do not spend any more than two times the
16 annual budget in any of the first three years of the five year program. The utility will notify the
17 Commission via advice letter at the beginning of Year Five if it anticipates exceeding the total
18 five -year capital budget, and will include reasons and extenuating circumstances for the cost
19 overruns in the subsequent annual report. For SMJUs, it is possible that converting one park will
20 fulfill the maximum number of spaces and the total five year budget, which could all be
21 accomplished in one year. SMJUs will develop a five-year budget for this program and will
22 provide annual budgets in years where conversions may take place based on open season
23 activity. Given that one park may meet or exceed the total five-year budget, the annual budget
24 may exceed one-fifth of the total budget. Annual budgets will not be required from SMJUs if
25 conversion targets are met prior to the end of the five-year program period.

1

Table 1 Total Potential Cost per IOU						
	SCE	SoCal Gas	SDG&E	PacifiCorp	CalPeco	BVES
IOU/Ratepayer Share per Space	\$4,000	\$4,000	\$8,000 (Note 1)	\$2,000	\$2,000	\$2,000
10% of Spaces	10,763	12,923	3,380	51 (Note 2)	63	61
Total Potential Cost per IOU	\$43,052,000	\$51,692,000	\$27,048,000	\$102,000	\$126,000	\$122,000
Note 1 – This number reflects a conversion credit of \$4000 per space for gas + \$4000 per space for electric as SDG&E is a dual utility. Note 2 – Because SMJUs have the option to either limit the number of conversions to be completed over the five year period to a maximum of 10% of MHP spaces or one park as the maximum if it meets or exceeds the 10% number of spaces, the number of spaces converted could be up to 99 spaces with a potential total cost of \$198,000.						

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Each utility, in its Application, will also identify other incremental costs such as project management costs and outreach costs related to the plant installation for converted MHPs as additional costs to be identified and recovered between rate cases.

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8.3. Full Recovery of Costs

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Upon approval by the Commission, the IOUs will recover in rates, each year, the forecasted revenue requirement for that year, plus any over or under collections from the previous year, if any. Forecasted revenue requirements will include one-time and ongoing O&M and capital-related costs that are associated with implementation of their MHP conversions, as defined in their Applications described in Section 8.1. These costs will be incremental until included in the revenue requirement authorized in a General Rate Case.

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The conversion costs, customer outreach costs, and associated ongoing costs (including, but not limited to, adding additional full-time employees) will also be recorded in the balancing account for rate recovery. The IOUs will include these start-up costs in their initial cost recovery Applications. Such start-up costs may be subject to review to determine whether they are incremental and expended for the purpose of the MHP project.

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8.4. New Two-Way Balancing Accounts

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The IOUs agree to a cost recovery mechanism to protect customers from overpaying and to allow each IOU a fair opportunity to earn its authorized rate of return. Because of the uncertainty of current MHP system conditions, congestion of MHP sites, and number of MHPs converted each year, two-way balancing accounts are appropriate as the conversion costs and

1 revenues are difficult to estimate. Given the uncertainty of costs, the Joint Parties propose a two-
2 way balancing account in order to recover from or return any differences between forecast and
3 actual costs to customers. The utilities will submit annual reports as described above in Section
4 6.7 – Annual Reporting, which will be subject to audit by the Commission staff.

5 **8.4.1. Balancing Account Procedure**

6 The IOUs will establish two-way balancing accounts to record the difference between the
7 authorized and actual revenue requirement based on the forecast and actual total costs,
8 respectively. Authorized revenue requirements (including return, depreciation and taxes on
9 capitalized costs, transition costs, customer outreach costs, and associated ongoing costs) that are
10 included in rates will be credited to the IOUs’ balancing accounts. The actual incremental
11 revenue requirements, (including return, depreciation and taxes on capitalized costs, conversion
12 costs, customer outreach costs, and associated ongoing costs) will be debited to the IOUs’
13 balancing accounts.

14 The year-end balance in the balancing account will be reflected in customers’ rates in
15 connection with the IOUs’ next annual rate update filings (*e.g.*, annual regulatory account
16 balance update filing or other appropriate rate update filing). IOUs may carryover underspent
17 funding within the conversion period in anticipation of unexpected future high conversion costs.
18 In any case, at the end of the conversion period, any over-collected balance in the balancing
19 account will be refunded to ratepayers.

20 **8.4.2. Relationship to the GRC**

21 The IOUs will incorporate their MHP conversion program revenue requirements in the
22 next scheduled GRC after the completion of the five-year program. In the interim, the IOUs will
23 continue to recover their actual revenue requirements via balancing accounts.

1 **APPENDIX A – LIST OF METRICS**

2 This document proposes a list of metrics which would be collected by MHP Owners and
3 the Utilities as outlined by the Joint Parties in their Joint Testimony dated October 5, 2012. The
4 purpose of the data collection is to help guide future Commission policy in assessing the
5 effectiveness of the proposed conversion program and in enabling the Joint Parties and the
6 Commission to obtain pertinent data for MHP conversions and costs of conversions for future
7 assessment on the benefit of the conversion credit incentive in meeting the OIR’s objectives and
8 recommendations for the program going forward.

9 Information collected under this program may be shared anonymously with the public in
10 accordance with Article I, Section 3 (b) of the California State Constitution.

11 **1. Information Required from MHP Owners**

12 The Joint Parties recommend the formulation of a questionnaire which MHP owners
13 would be required to complete as a condition of acceptance into the proposed conversion
14 program.

15 **1.1. Information Required Prior to Conversion**

- 16 • Park Utility System Information
 - 17 ○ Basic gas or electric engineering information including as-built drawings and
18 description of the configuration of the system that is being converted to direct
19 utility service.
 - 20 ○ Survey Questions from the [CPUC Report dated August 10, 2011](#) to identify the
21 original condition of the parks which convert to direct utility service, such as:
22 number of spaces, year built, configuration of utility system, etc.
 - 23 ▪ Electric: Include information from Questions #1-#8 and #11-#14
 - 24 ▪ Gas: Include information from Questions #1-#3 and #9-#14
 - 25 ○ Description of any major replacement or repair to system in last ten years.

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- 1 • Park Owner Information
- 2 ○ Disclosure of any other California MHPs Owned and Operated by the MHP
- 3 Owner.
- 4 ○ Disclosure of any safety violations issued by HCD, CPSD or any local
- 5 government agency within the past five years.
- 6 ○ Indicate the city or county jurisdiction under which the park is regulated and
- 7 whether the jurisdiction is subject to rent control. If rent controlled, identify the
- 8 mechanism for rent increases (i.e., is it an automatic adjustment, governed by rent
- 9 board hearing, or other.)
- 10 • Tenant Information and/or Notification
- 11 ○ CARE Participation Rates
- 12 ▪ Number of MHP Customers currently Enrolled in CARE.
- 13 ▪ Number of MHP Customers newly Enrolled in CARE in the past 12
- 14 months.

15 **1.2. Information Required after Successful MHP Conversion**

16 The MHP Owner should submit cost information per Table A below after a successful
17 conversion to the utility providing service. The information should account for all materials and
18 equipment broken out by equipment type and other unit costs as available. Where applicable,
19 bids from MHP owner’s contractor should be retained by the utility. Because this equipment can
20 be installed by the utility or by a MHP Owner-selected contractor, cost information reported in
21 Table A should include the entity that did the work (i.e., normal utility installation for all, a
22 portion, or entirely installed by a MHP Owner’s contractor).

23 **1.3. Information Required from MHPs Which Request Conversion but do not** 24 **Complete Conversion**

25 The MHP Owner should provide the following information to the serving utility.

- 26 • Provide a copy and summary of the initial design and construction estimate.

- 1 • Provide narrative on why the MHP did not proceed or complete conversion, and where in
- 2 the process the issues arose. Possible reasons may include, but are not limited to:
- 3 ○ Financial problems;
- 4 ○ Concern over tenant disruptions;
- 5 ○ Encounter hazardous or environmental problems that could not economically be
- 6 mitigated;
- 7 ○ Bureaucratic problems; and
- 8 ○ Jurisdictional or permitting problems.

9 **2. Information Tracked by the Utilities**

10 The Utilities as part of the proposed conversion program will track the following metrics.

11 **2.1. Information Tracked Prior to Conversion**

- 12 • MHP resident CARE enrollment statistics pre-conversion.
- 13 • MHP Owner credit and payment history (subject to existing privacy laws) information
- 14 prior to conversion should be available to the Commission for post-project analysis.

15 **2.2. Information Tracked After Successful Conversion**

- 16 • MHP resident CARE enrollment statistics post-conversion.
- 17 • MHP resident credit and payment history (subject to existing privacy laws) information
- 18 post-conversion should be available to the Commission for post-project analysis.
- 19 • Utilities will track the effective date of resident conversions to utility customer for this
- 20 program. Utilities should keep record of any payment issues such as notices of late
- 21 payment, shut off for non-payment, etc., consistent with the utility's current reporting
- 22 methods.
- 23 • Utility costs shall be tracked by each utility per Table A.
- 24 • Utility Responsibility For Electric MHP Conversions:
 - 25 ○ Cost of engineering and estimating;
 - 26 ○ Feet of conductor installed broken into primary and/or secondary conductor;
 - 27 ○ The a) cost, b) number, c) ratings, and type (UG vs. OH) of transformers installed;

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- For MHPs with Overhead Electric;
 - Poles and their costs
 - Feet and costs of overhead conductors and
 - Costs and number of overhead transformers
 - For existing MHPs with overhead electric which is converted to underground, provide the reason why replacing existing overhead was not considered (for example: financial, local jurisdictional permitting, other).
- Utility Responsibility for:
 - Electric Service Extensions;
 - Service Line
 - Transformer
 - Meter
 - Riser material
 - Main Gas Extensions;
 - Pipe
 - Valves
 - Regulators
 - Trenching
 - Gas Service Extensions;
 - Service pipeline
 - Valves
 - Regulators
 - Meters
- **Trenching Costs and Joint Trenching Opportunities:**
 - Report metrics (feet and dollars) of trench for gas and underground electric facilities;
 - Electric only –report costs and feet (estimated and recorded);

- 1 ○ Gas only—report costs and feet (estimated and recorded);
- 2 ○ Gas and electric—break out by a) same utility, b) IOU and IOU, and c) IOU and
- 3 MUNI;
- 4 ▪ Examples: a) MHP served by a dual commodity IOU that undergrounds
- 5 electric facilities, b) MHP served by two single commodity IOUs (e.g.,
- 6 SoCalGas and Edison), and c) MHP served by an IOU and a MUNI utility
- 7 (e.g., SoCalGas and LADWP).
- 8 ▪ Provide estimated and recorded cost of electric portion of trench; and
- 9 ▪ Provide estimated and recorded cost and credits (if any for main gas
- 10 trenching) for gas portion of the joint trench.
- 11 ○ For each MHP briefly summarize the trenching process and report on any other
- 12 dry utilities in the trench. Identify any additional costs and/or credits from these
- 13 utilities.
- 14 • Report all the costs as applicable for each individual MHP that is converted:
 - 15 ○ Report estimates and recorded costs;
 - 16 ○ Unit costs provided in feet for trenching, cabling and pipe installations;
 - 17 ○ Equipment unit costs (\$/meter or \$/transformer, etc.) and rating for other
 - 18 equipment installation costs; and
 - 19 ○ Explain cost over-runs and under-runs to extent possible and categorize with the
 - 20 following as potential categories:
 - 21 ▪ Change in equipment cost;
 - 22 ▪ Change in initial design;
 - 23 ▪ Previously unknown construction barrier arises;
 - 24 ▪ Environmental or other previously unknown measures that must be
 - 25 mitigated;
 - 26 ▪ Jurisdictional or permitting problems;
 - 27 ▪ Utility or MHP scheduling issues; and

- Financial difficulties on part of MHP owner.
- **Transaction and Contract Cost Reporting**—Summarize all the information for each individual conversion:
 - Report the amount of utility conversion credits (and other costs if applicable) provided and how they were applied to the conversion job.
 - Break out all MHP costs and credits;
 - Break out all utility costs and credits; and
 - Provide both the initial contract and estimates and the final recorded costs and payments between utility and MHP owners.

Table A

	Utility Cost	MHP Cost
Trench, Backfill, Surface Restoration Costs <ul style="list-style-type: none"> ▪ Joint Electric & Gas Distribution & Service ▪ Electric Only Distribution & Service ▪ Gas Only Distribution & Service 		
Electric Distribution Line Extension <ul style="list-style-type: none"> ▪ Substructures ▪ Conduit ▪ Protective structures 		
Utility Distribution Electric Costs <ul style="list-style-type: none"> ▪ Cable and connections ▪ Transformers ▪ Other equipment 		
Electric Service Extension Costs <ul style="list-style-type: none"> ▪ Cable and connections 		

<ul style="list-style-type: none"> ▪ Meters ▪ Protective Structures ▪ Facilities behind the meter or utility delivery service point 		
<p>Utility Gas Distribution Costs</p> <ul style="list-style-type: none"> ▪ Pipe and fittings ▪ Other gas equipment ▪ Protective Structures 		
<p>Gas Services Costs</p> <ul style="list-style-type: none"> ▪ Pipe and fittings ▪ Meters and service regulators ▪ Protective structures ▪ Substructures ▪ Facilities behind the meter of utility service delivery point 		

APPENDIX B – WITNESS QUALIFICATIONS

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- I. Cherie Chan – DRA
- II. Matthew Karle - DRA
- III. Jeff Nahigian – TURN
- IV. Nestor Martinez – SCE
- V. John O. Hayes – SDG&E
- VI. Daniel D. Meltzer – SoCalGas
- VII. David Araas – PacifiCorp
- VIII. Richard J. Madrid – CalPeco
- IX. Karuna Warren – BVES

1 **Qualifications of Cherie Chan**

2 My name is Cherie Chan. My business address is 505 Van Ness Avenue, San Francisco,
3 CA 94102.

4 I hold a Bachelor of Arts degree from the University of California at Berkeley, with a
5 major in Social Welfare and minors in Business and Demography. I am employed by the
6 California Public Utilities Commission as a Public Utilities Regulatory Analyst in the Electricity
7 Pricing and Customer Programs Branch of Division of Ratepayer Advocates. I have worked as a
8 Billing Analyst at PG&E and as Manager of the Billing Department at Utility.com. At ABB
9 Inc., I helped implement Interval Data Software products for utilities as a Project Manager and
10 Product Engineer. I joined the Commission in 2005 and have sponsored Marginal Cost and AMI
11 Technology testimony, departing in 2007 to manage marketing and product management of
12 smart grid programs at eMeter and Oracle. I returned to The Commission in 2009 and have
13 sponsored DRA's Small Commercial Rate Design recommendations in various proceedings.

1 **Qualifications of Matthew Karle**

2 My name is Matthew Karle. My business address is 505 Van Ness Avenue,
3 San Francisco, California, 94102.

4 I have a Master of Arts degree in Government from California State University
5 Sacramento, and a dual Bachelor of Arts degree in English and Political Science from San
6 Francisco State University. I am employed by the State of California at the California Public
7 Utilities Commission as a Regulatory Analyst with the Division of Ratepayer Advocates. I have
8 been employed with the DRA since May of 2012. In my capacity as a Regulatory Analyst I have
9 conducted discovery and analysis in a number of natural gas related proceedings currently before
10 the Commission.

11 I have not previously testified before the Commission.

1 **Qualifications of Jeff Nahigian**

2 Jeffrey Nahigian, a Senior Economist, has over 24 years experience analyzing utility
3 operations and rate design issues. He received a B.S. in Environmental Policy Analysis and
4 Planning from the University of California, Davis, in 1986. He also holds a B.Mus. degree from
5 the San Francisco Conservatory of Music. In 1986, Mr. Nahigian joined JBS Energy.

6 Mr. Nahigian has analyzed cost-of service and rate design issues in California, Nevada,
7 Arkansas and Alberta including review of marginal and embedded electric and gas distribution
8 and customer costs, residential baseline rates, customer charges and time-of-use rates, and
9 interruptible electric rate design. He was a member of the rate unbundling working group for
10 California electric restructuring.

11 He has 18 years' experience with the analysis of line extension rules in several
12 jurisdictions and of energy and water utility issues affecting mobilehome park tenants. He has
13 reviewed conservation programs of utilities in Georgia, Texas, and the District of Columbia for
14 prudence in implementation and cost-effectiveness. He wrote a white paper analyzing
15 conservation strategies for targeting large industrial users of natural gas. He has also reviewed
16 the energy efficiency programs of California's four major gas and electric investor owned
17 utilities and evaluated third-party bids for local efficiency programs. He is currently involved in
18 the evaluation of advanced meter deployment in California and has been a featured speaker on
19 this topic for various national and international utility and metering conferences.

20 He has reviewed avoided cost methodology and policies for several clients, calculated
21 emissions and emissions values from utility power plants, and reviewed nuclear power plant
22 performance and costs. Mr. Nahigian was the lead analyst for a comparative study of the costs
23 of San Diego Gas and Electric (SDG&E) and other California utilities. He served on an advisory
24 committee to the California Energy Commission on transmission policy under Senate Bill 2431.

25 Mr. Nahigian was manager of two projects analyzing the Rancho Seco nuclear plant and
26 alternatives to it. He was an alternate member of the SMUD Rate Advisory Committee in
27 1990-91.

1 Mr. Nahigian has testified at the California Public Utilities Commission on many
2 occasions on demand response programs, costs and operational benefits of advanced metering
3 infrastructure, electric and gas cost of service and rate design, water rates for mobile home parks,
4 line extension rules, and utility revenue requirements (forecasts of capital and operating expenses
5 and fuel budgets). He testified at the California Energy Commission on resource planning issues
6 relating to energy efficiency, nuclear plant performance, Qualifying Facility (QF) projects,
7 municipal utility demand conformance, and the economics of returning mothballed fossil plants
8 to service. He has also provided expert testimony before the Los Angeles County Superior Court
9 on electric rates for mobilehome parks; before the Public Utilities Commission of Nevada on gas
10 cost of service and rate design, and before the Alberta Energy and Utilities Board on line
11 extension policy. Before joining JBS, Mr. Nahigian was a staff analyst for the California
12 Independent Energy Producers Association.

1 **Qualifications of Nestor Martinez**

2 My name is Nestor Martinez, and my business address is 3 Innovation Way, Pomona, CA
3 91768.

4 I am the Director of Central Design and Field Accounting (CD&FA) in the Power
5 Delivery (PWRD) area within Transmission and Distribution, reporting to the Managing
6 Director, Distribution Business Line. The Director of CD&FA, is responsible for all aspects of
7 distribution design for SCE's miles of distribution network, and all aspects of transmission,
8 distribution and substation material management and capital plant work order closings.

9 I hold a Bachelor of Science in Engineering (BSE) with an emphasis on Electrical from
10 the University of South Florida and since 1988 have held an active Professional Engineer's
11 License (Electrical) from the State of Florida. From 1980-1998 and 2004-2006, I worked for
12 Tampa Electric Company, a regulated utility in Tampa, Florida (a subsidiary of TECO Energy)
13 in various roles within the Energy Delivery Department including Senior Engineer, District
14 Manager, Manager Distribution Engineering, Manager Electrical System Planning and Manager
15 Meter Operations. From 1998-2004, I held positions in the unregulated businesses of TECO
16 Energy in various roles including Director Development, Director Transmission and
17 Distribution, Director Transmission Strategy and Commercial Director. During that time among
18 my other duties, I had responsibility for the overall performance of our international distribution
19 electric utility. I joined SCE in mid-2006, as Region Manager, (Distribution) Construction and
20 Maintenance, for Desert Region and also served in a temporary assignment as business advisor
21 for Distribution Construction and Maintenance for the implementation of phase 3 of the
22 Enterprise Resource Planning (ERP) project and Manager of Special Projects reporting to the
23 Vice President, Power Delivery. I assumed my current duties in March, 2012.

1 **Qualifications of John O. Hayes**

2 My name is John O. Hayes. My business address is 8315 Century Park Court, CP22B,
3 San Diego, California, 92123-1548. I am employed by the San Diego Gas and Electric Company
4 (SDG&E) as Project Management Manager.

5 I hold a Bachelor of Science degree in Chemistry from San Diego State University.
6 I have been employed by SDG&E since 1978, and have held positions of increasing
7 responsibilities in the Project Management Department. I have been in my current position as
8 Project Management Manager, Policies and Procedures since 2005. In my current position, I am
9 responsible for Electric Line Extension Policy/Procedure/Process for SDG&E.

10 I have not previously testified before the Commission.

1 **Qualifications of Daniel D. Meltzer**

2 My name is Daniel D. Meltzer. My business address is 555 West Fifth Street,
3 Los Angeles, California, 90013-1011. I am employed by the Southern California Gas Company
4 (SoCalGas) as Gas Construction Planning and Design Process Manager for SoCalGas and
5 San Diego Gas & Electric Company (SDG&E).

6 I hold a Bachelor of Science degree in Chemical Engineering from California State
7 University at Long Beach. I have been employed by SoCalGas since 1985, and have held
8 positions of increasing responsibilities in the Engineering, Marketing, Transmission and
9 Distribution departments. I have been in my current position as Gas Construction Planning and
10 Design Process Manager since 2003. In my current position, I am responsible for Gas Line
11 Extension Policy/Procedure/Process for both utilities and Gas Design Policy/Procedure/Process
12 at SoCalGas.

13 I have previously testified before the Commission.

1 **Qualifications of David Araas**

2 My name is David Araas and my business address is 300 S. Main St, Yreka, CA 96097.
3 I am one of the Operations Managers overseeing the Lines and Services Department for
4 PacifiCorp's Yreka / Mt. Shasta District.

5 I have a Bachelor of Science Degree in Business Administration from the University of
6 Phoenix. As an Operations Manager for PacifiCorp, I have the responsibility to assist in the
7 planning and preparation of the O&M and Capital Budgets and to review and approve a large
8 portion of the capital expenditures in this district. Within this responsibility, my duties include
9 overseeing all of the capital planning line extensions, property issues, contracts (both Line
10 Extension and civil/line construction), post audit review of completed capital work, and customer
11 service issues. I also have the responsibility to assure the safety and training for the Local 659
12 employees to ensure employee / public safety and compliance with federal and state regulations
13 regarding electrical system security and reliability. I am also a member of the PacifiCorp
14 Standards Advisory Committee.

15 Prior to my current position as Operations Manager in Yreka / Mt Shasta I performed
16 similar duties in Medford, OR, Cedar City, UT, and Casper, WY; all employed by PacifiCorp.
17 Before becoming a manager I worked as a Journeyman Estimator, preparing cost estimates for
18 new line extensions and system rebuilds including underground cable replacements.

19 I am helping to prepare cost estimates for the Mobile Home Park master metering
20 settlement on behalf of PacifiCorp and have attended the settlement conferences with other
21 parties. I have been employed by PacifiCorp in areas of increasing responsibility since
22 July 2, 1974.

1 **Qualifications of Richard J. Madrid**

2 My name is Richard J. Madrid. I am employed by California Pacific Electric Company,
3 LLC as a Senior Design Administrator. My business address is 933 Eloise Avenue, South Lake
4 Tahoe, California 96150.

5 I graduated from California State University, Chico in 1978 with a Bachelor of Science
6 Degree in Business Administration with a concentration in Finance. Upon graduation, I was
7 employed by Wells Fargo Mortgage Company as a Loan Originator in the Sacramento area. My
8 primary job responsibilities included prequalification of loan applications and processing and
9 packaging of information for submittal to loan underwriters.

10 In 1980, I worked in the family business in the Sacramento area in warehouse, shipping
11 and receiving for inventory. I was also Corporation Vice-President in the family owned business
12 at that time.

13 In 1984, I relocated back to my home town in South Lake Tahoe and was hired by Sierra
14 Pacific Power Company. As an entry level employee, my duties in South Lake Tahoe included
15 daily meter readings, turn/off of customer accounts, and credit and collections. In 1990, I
16 applied for a Marketing position for the Tahoe District Region. My daily responsibilities
17 included high bill complaints, energy usage investigations, and energy audits. Additional
18 responsibilities included filing Commission bi-annual reporting, local media contact for radio
19 and print, and community based events. I have previously testified before the California Public
20 Utilities Commission for energy efficiency programs.

21 In 1997 I was transferred to Utility Design Engineering in the Tahoe District. I worked
22 primarily in the South Tahoe and North Tahoe areas. I also worked in the Carson City District
23 office as utility Design Administrator for 3 years before accepting a position in
24 North Lake Tahoe.

1 **Qualifications of Karuna Warren**

2 My name is Karuna Warren and my business address is 42020 Garstin Drive, Big Bear
3 Lake, CA 92315. I am the Operations and Planning Manager overseeing the Engineering
4 Department and Operations at Bear Valley Electric Service (BVES).

5 I have a Bachelor of Science Degree in Civil Engineering from Northwestern University,
6 as well as a Master of Science Degree in Engineering Management from Florida International
7 University.

8 In my position as Operations and Planning Manager, I have responsibility for reviewing,
9 planning and coordinating the O&M and Capital Budgets; approving the Engineering
10 Department new capital projects and plant additions, planning long term goals and improving
11 processes for field based electric operations (includes IBEW local 47 union employees). I also
12 have responsibility for scheduling and overseeing the Safety Committee, BVES Standards
13 Committee, training development, and to ensure compliance with federal and state regulations
14 regarding electrical system security and reliability. Prior to my Operations and planning position
15 here at BVES, I was the Engineering and Planning Supervisor responsible for coordinating
16 capital improvement projects, permitting, and design estimates. I also was involved in planning
17 for upgrades to distribution (4 kV), transmission (34 kV), GO 95/165 inspection compliance
18 projects, and design and construction of substation facilities. I am helping to prepare cost
19 estimates for the Mobile Home Park master metering settlement on behalf of BVES and attended
20 a settlement hearing with the California Public Utility Commission (CPUC). I have been
21 employed by BVES since April 11, 2011.