

Docket: R.11-02-018  
Commissioner: Florio  
Admin. Law Judge: Veith  
Date: October 25, 2012

**REBUTTAL OF SAN LUIS REY HOMES (SLRH) TO  
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 (October 5, 2012)**

My name is Sam Rosen, and I am the of San Luis Rey Homes (SLRH) is the revitalization project director and therefore responsible for all aspects of the utility systems at SLRH and have a vast amount of knowledge in issues related to converting our resident-owned private system to directly served by SDG&E.

In the Joint Testimony of the above entitled parties, dated October 5, 2012, on page 1 the Joint Parties state they “have agreed on a proposed plan to meet the Rulemaking’s objectives to encourage more conversions of master-metered mobile home parks and manufactured housing communities (MHPs) to direct utility service.” In SLRH’s opinion, the Testimony contains no discernible or demonstrated substance that would lead to a practical plan to settle the ongoing consumer safety and reliability issues identified in these proceedings. The Joint Parties continue their Testimony on page 1 by further stating, “The plan would establish a temporary new MHP

Conversion Tariff Rule applicable to MHPs that includes a conversion credit to help offset construction costs required as part of the conversion.” The conversion credit is delineated on page 2 as, “Under the new rule, IOUs other than the SMJUs would offer a conversion credit of up to \$4,000 per space for gas service and \$4,000 per space for electric service to the MHP owner for assistance with costs to build a new utility system and convert the system to direct utility service.” SLRH believes that this “credit” will have negligible impact on offsetting construction costs to upgrade their infrastructures to meet current and future resident energy needs in the transfer of utilities to an IOU for mobile home parks that are resident owned and operated as a nonprofit entity. As referenced in their Testimony at footnote 12, “Exhibit 1 - Mobile Home Parks And Manufactured Housing Communities Service Transfer To Electric And Gas Corporations: “Joint Cost Report.” Page 24, dated July 13, 2012, beginning on line 27, the cost estimate per space is:

<b>Average Cost / Space (b)</b>	
To the Meter	\$ 14,346
Beyond the Meter	\$ 9,570
Total	\$ 23,916

Subtracting the proposed \$8,000 credit from the total \$23, 916, each homeowner in our Park would need to be levied \$15,916 to complete the conversion. It is unrealistic and unrealizable to expect senior citizen homeowners on marginal fixed incomes to be held responsible for this huge amount of capital. Even though the Joint Testimony on page 3, line 1, purports:

The IOUs recognize that the current statutory transfer cost sharing mechanism has not attracted a significant number of MHP owners to convert their service to utility direct service. This proposal will reduce the overall construction costs for MHP owners and shift a portion of the cost burden to the serving gas and electric IOUs through the application of an MHP conversion credit.

SLRH deems this rhetoric as nothing more than a continued ruse to keep the status quo of few, if any, conversion processes to be implemented as exhibited in the dismal record of conversions since Legislation on this matter in 1997.

SLRH is distinctive from the majority of MHP owners in that we have no “tenants” because our residents are also owners of their homes and all of the land included in our entire mobile home park. Furthermore, common areas in our Park are not owned by a for-profit owner who usually incorporates charges for usage by tenants in the rent structure paid by the tenants. SLRH’s Home Owner Association (HOA) fees are \$100 per month per owner, and over half of that amount is used for water and trash services. In an Owner/Tenant park, rent is charged to each resident in the hundreds of dollars, and the Owner of the Park is able to substantiate a profit. SLRH “tenants” are owners and members of the HOA and are by principle unable to profit from collected rents. According to existing CPUC statute 2791(b), “Costs, including both costs related to transfer procedures and costs related to construction, related to the transfer of ownership process, whether or not resulting in a transfer of ownership to the serving gas or electric corporation, shall not be passed through to the park or community residents.” This extenuating conundrum was highlighted on Page 7 of the TURN Proposal dated October 21, 2011 under section E., Resident owned parks, “TURN and GSMOL also acknowledge that resident-owned parks may have even more difficulty with the cost of transferring their systems to utility ownership and that it may be necessary to modify the proposals presented above to account for these resident owned parks. TURN and GSMOL do not have a specific proposal at this time for these parks, but recommend that the issue be addressed further as this rulemaking moves forward.” This matter has not been addressed or even acknowledged in this instant Testimony.

If the Commission is to achieve its goal of transitioning MHPs to direct service from utilities and thereby increase the safety, capacity and reliability of service to MHP residents, a new process which removes the current barriers to transfer needs to be implemented, especially as they relate to costs for the conversions.

Along with the impractical plan for “offsetting” costs, the Joint Testimony further states on page 5, line 20 that, “The Joint Parties propose to convert a maximum of 10% of the total MHP spaces over the proposed five (5) year conversion period, under a new rule.” At this proposed rate of conversion, it will take at least 50 years to complete the conversion of the estimated 4500 parks in California! On page 2-3 beginning at line 4 of The Mobile Home Parks and Manufactured Housing Communities Service Transfer to Electric and Gas Corporations Prepared Testimony submitted by PG&E, their Joint Submission states “Gas distribution systems, including MHP systems, were not added to regulations until 1960. As the new regulations were implemented, systems already in use were not required to be retrofitted to meet the newly applicable codes. Potential issues include, but are not limited to, the following:

- Installation of gas piping under mobile homes and other buildings.
- Installation of lines at inappropriate depths.
- Non-standard material in trench backfill.
- Installation without minimum clearances from other utilities.
- Use of non-standard and non-compatible materials including, but not limited to, polyvinyl chloride (PVC) pipe.
- Gas facilities installed in non-standard ways (e.g., glued vs. fused).
- Plastic systems installed without locating wire.
- Lack of cathodic protection.

PG&E further “believes many MHP electric systems built prior to 1975 do not meet the requirements of the National Electric Code and GOs 95 and 128.” It is beyond SLRH’s comprehension how the Joint Parties in this Testimony can maintain their platform of wanting to assist the Commission in resolving this ongoing critical issue. Why the improbable cost cutting

when the statute gives the IOUs the ability to resolve this issue with a meaningful proposal based on CPUC 2797: “The commission shall permit the gas or electric corporation to recover in its revenue requirement and rates all costs to acquire, improve, upgrade, operate, and maintain transferred mobile home park or manufactured housing community gas or electric systems.”

It is time that the Commission establish a process whereby SLRH and like resident owned MHPs that have complied with statutory and regulatory requirements to the best of their abilities, be allowed and compensated to upgrade their utility infrastructures to the standards of the IOUs as they relate to transfer requirements. Potential catastrophes are at stake in these proceedings, and action must be instigated to increase the safety and reliability of gas and electric service to mobile home park residents by offering replacement of utility service to individual residents from MHP owned and operated systems to direct public utility service.