

**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

**REPLY BRIEF OF SAN LUIS REY HOMES, INC.
IN THE ORDER INSTITUTING RULEMAKING INTO
TRANSFER OF MASTER-METER/SUBMETER SYSTEMS AT
MOBILEHOME PARKS AND MANUFACTURED HOUSING
COMMUNITIES TO ELECTRIC AND GAS CORPORATIONS**

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Pursuant to the November 20, 2012 Joint Stipulation of the active parties in this proceeding, San Luis Rey Homes, Inc. (SLRH) files this reply brief after reviewing the Opening Briefs of the parties. SLRH continues to support the positions taken and stated in it's the Opening Briefs of Pacific Gas & Electric (PG&E), Golden State Manufactured-Home Owners League (GSMOL), Southwest Gas Corporation (SWG) and the Coalition of California Utility Employees (CCUE), and the Western Manufactured Housing Communities Association (WMA), all or which support the "PG&E" proposal.

Of most concern to SLRH is the position taken by the Joint Parties that their proposal would not cover costs beyond the meter. As made clear in the rebuttal testimony submitted by SLRH on October 25, 2012, the Joint Parties statement that 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" is false. In SLRH's opinion, that 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.

SLRH believes that the "conversion 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:

Average Cost / Space (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.

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. 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 the Joint Parties’ Proposal.

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. 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.

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Respectfully Submitted,

/s/
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