PUBLIC UTILITIES COMMISSION 505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298



November 14, 2017

Advice Letter 5106 and 5106-A

Ronald van der Leeden Director, Regulatory Affairs Southern California Gas 555 W. Fifth Street, GT14D6 Los Angeles, CA 90013-1011

Subject: Continuation of the Mobile Home Park Utility Upgrade Program Pursuant to D.14-03-021 and Supplement Filing

Dear Mr. van der Leeden:

Advice Letter 5106 as supplemented is effective as of October 20, 2017 per Resolution E-4878.

Sincerely,

Edward Randoph

Edward Randolph Director, Energy Division



Ronald van der Leeden Director Regulatory Affairs

555 W. Fifth Street, GT14D6 Los Angeles, CA 90013-1011 Tel: 213.244.2009 Fax: 213.244.4957 <u>RvanderLeeden @semprautilities.com</u>

October 20, 2017

<u>Advice No. 5106-A</u> (U 904 G)

Public Utilities Commission of the State of California

<u>Subject</u>: Partial Supplement - Continuation of The Mobile Home Park Utility Upgrade Program Pursuant to Decision (D.)14-03-021

<u>Purpose</u>

Pursuant to Ordering Paragraph (OP) 7 of Resolution (Res.) E-4878, Southern California Gas Company (SoCalGas) hereby requests California Public Utilities Commission (Commission or CPUC) approval to revise tariffs originally submitted in Advice No. (AL) 5106 to comply with Res. E-4878, as shown on Attachment A. This filing supplements, in part, AL 5106, as described herein.

SoCalGas is revising its Preliminary Statement, Part V, Master Meter Balancing Account (MMBA) to indicate that the MMBA will remain open until all the Mobile Home Park (MHP) Conversion Program costs and associated revenue requirements are included in its General Rate Case (GRC). Additionally, SoCalGas is revising its Rule No. 44, Mobile Home Park Utility Upgrade Program, to indicate the continuation of MHP Utility Upgrade Program (MHP Pilot Program) until the earlier date of December 31, 2019 or the issuance of a Commission decision on the applications for the continuation of the program and it would not begin construction of a MHP Pilot Program project if, at the start of the construction project, facts indicate that the conversion project would not be completed by October 31, 2019.

Background

Pursuant to D.14-03-021, the MHP Pilot Program was scheduled to end on December 31, 2017. Pursuant to OP 13 of D.14-03-021, SoCalGas filed AL 5106 on March 17, 2017 requesting approval to: 1) continue the MHP Pilot Program through 2018 to complete the 10% conversion target directed in D.14-03-021; (2) continue the MHP Pilot Program to convert an additional 5% of MHPs spaces; and (3) continue to record all the costs of the MHP Pilot Program in SoCalGas' MMBA.

On September 29, 2017, the Commission issued Res. E-4878, which included allowing SoCalGas to: 1) continue the MHP Pilot Program and complete all Category 1 MHP conversions and work on Category 2 and 3 MHPs until the earlier date of December 1, 2019 or the issuance of a Commission decision on the continuation, expansion, or modification of the program; 2) convert an additional 5% of MHPs spaces; and 3) not begin construction of a MHP Pilot Program project if, at the start of the construction project, facts indicate that the conversion project would not be completed by October 31, 2019.¹

Proposed Tariff Revisions

In accordance with OP 7 of Res. E-4878, SoCalGas modifies the MMBA and Rule No. 44, as follows:

<u>MMBA</u>

- 1) Remove the "three-year" language under the Purpose and Accounting Procedures sections; and
- 2) Add "Pursuant to Resolution E-4878, the MMBA will continue to record program expenses until the earlier date of December 31, 2019 or the issuance of a Commission decision on the continuation, expansion, or modification of the program" under the Purpose and Accounting Procedures sections.

<u>Rule No. 44</u>

- 1) Remove the "three-year" language under the General section;
- 2) Add the "However, SoCalGas will not begin construction of a MHP Program project if, at the start of the construction project, facts indicate that the conversion project would not be completed by October 31, 2019" language to the first paragraph under the General section; and
- 3) Add "Pursuant to Resolution E-4878, SoCalGas will continue the MHP Program until the earlier date of December 31, 2019 or the issuance of a Commission decision on the continuation, expansion, or modification of the program to complete the 10% conversion target directed in D.14-03-021 and continue the MHP Program to convert an additional 5% MHP spaces" language as the new second paragraph under the General section.

Protest

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protests must be made in writing and received within 20 days of the date of this advice letter, which is on November 9, 2017. There is no

¹ Res. E-4878, OP 7.

restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

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

Copies of the protest should also be sent via e-mail to the attention of the Energy Division Tariff Unit (<u>EDTariffUnit@cpuc.ca.gov</u>). A copy of the protest should also be sent via both e-mail <u>and</u> facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Ray B. Ortiz Tariff Manager - GT14D6 555 West Fifth Street Los Angeles, CA 90013-1011 Facsimile No.: (213) 244-4957 E-mail: <u>ROrtiz@SempraUtilities.com</u>

Effective Date

SoCalGas believes that this filing is subject to Energy Division disposition and, per OP 9 of Res. E-4878, should be classified as Tier 1 (effective pending disposition) pursuant to General Order (GO) 96-B. Therefore, SoCalGas respectfully requests that this advice letter become effective for service on October 20, 2017, which is the date filed.

<u>Notice</u>

A copy of this Advice Letter is being sent to SoCalGas' GO 96-B service list and the Commission's service list in R.11-02-018. Address change requests to the GO 96-B service list should be directed by electronic mail to <u>tariffs@socalgas.com</u> or call 213-244-2837. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or by electronic mail at <u>Process Office@cpuc.ca.gov</u>.

Ronald van der Leeden Director - Regulatory Affairs

Attachments

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY

ENERGY UTILITY		
MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)		
Company name/CPUC Utility No. SOUTHERN CALIFORNIA GAS COMPANY (U 904G)		
Utility type:	Contact Person:	•
\Box ELC \boxtimes GAS	Phone #: (213) <u>2</u>	
PLC HEAT WATER	E-mail: <u>ROrtiz@s</u>	emprautilities.com
EXPLANATION OF UTILITY TY	ΥPE	(Date Filed/ Received Stamp by CPUC)
ELC = ElectricGAS = GasPLC = PipelineHEAT = Heat	ATER = Water	
Advice Letter (AL) #: 5106-A		
Subject of AL: Partial Supplement - Co	ontinuation of The	Mobile Home Park Utility Upgrade Program
Pursuant to Decision (D.)14-03-021		<u> </u>
Keywords (choose from CPUC listing):	Mobilehome Park	
AL filing type: Monthly Quarter		e-Time 🗌 Other
If AL filed in compliance with a Comm	-	
D.14-03-021 and Resolution E-4878		
Does AL replace a withdrawn or rejected	d AI ? If so identi	fy the prior AI · No
Summarize differences between the AL		
Summarize unterences between the AL		urawn or rejected AL ² . <u>IN/A</u>
Does AL request confidential treatmen	t? If so, provide exp	lanation: <u>No</u>
Resolution Required? Yes No		Tier Designation: 🛛 1 🗌 2 🗌 3
Requested effective date: 10/20/17 No. of tariff sheets: 5		No. of tariff sheets: <u>5</u>
Estimated system annual revenue effect	ct: (%): <u>N/A</u>	
Estimated system average rate effect (%): <u>N/A</u>	
When rates are affected by AL, include (residential, small commercial, large C		showing average rate effects on customer classes Iting).
		– Balancing Accounts, Master Meter Balancing
Account (MMBA), Rule No. 44, and TOCs		
Service affected and changes proposed ¹ : N/A		
Pending advice letters that revise the same tariff sheets: <u>N/A</u>		
Protests and all other correspondence this filing, unless otherwise authorize	e regarding this AL d by the Commissio	are due no later than 20 days after the date of on, and shall be sent to:
CPUC, Energy Division		Southern California Gas Company
Attention: Tariff Unit		Attention: Ray B. Ortiz
505 Van Ness Ave., San Francisco, CA 94102		555 West 5 th Street, GT14D6
San Francisco, CA 94102 EDTariffUnit@cpuc.ca.gov		Los Angeles, CA 90013-1011 ROrtiz@semprautilities.com
<u> </u>		Cariffs@socalgas.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A Advice No. 5106-A

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 54373-G	PRELIMINARY STATEMENT - PART V – BALANCING ACCOUNTS, MASTER METER BALANCING ACCOUNT (MMBA)	Original 50336-G
Revised 54374-G	Rule No. 44, MOBILEHOME PARK UTILITY UPGRADE PROGRAM, Sheet 1	Original 50890-G
Revised 54375-G	TABLE OF CONTENTS	Revised 54252-G
Revised 54376-G Revised 54377-G	TABLE OF CONTENTS TABLE OF CONTENTS	Revised 54372-G Revised 54138-G

PRELIMINARY STATEMENT - PART V – BALANCING ACCOUNTS MASTER METER BALANCING ACCOUNT (MMBA)

1. Purpose

The MMBA is an interest bearing balancing account reflected on SoCalGas' financial statements. The purpose of the MMBA is to record the incremental costs associated with the conversion of mastermetered service (i.e., Mobile Home Park Conversion Program) at mobile home parks and manufactured housing communities to direct utility service. The Mobile Home Park Conversion Program is a pilot program as authorized in Decision (D.) 14-03-021. Pursuant to Resolution E-4878, the MMBA will continue to record program expenses until the earlier date of December 31, 2019 or the issuance of a Commission decision on the continuation, expansion, or modification of the program.

2. Applicability

This account will be incorporated in gas distribution rates and apply to all gas distribution customers except for those specifically excluded by the Commission.

3. <u>Rates</u>

See Disposition Section.

4. Accounting Procedures

SoCalGas shall maintain the MMBA by recording entries at the end of each month as follows, net of FF&U, where applicable:

- a) A debit entry equal to the actual incremental revenue requirements (i.e., O&M and capitalrelated costs such as depreciation, taxes and return) associated with the "to the meter" Mobile Home Park conversion costs capitalized and placed in service upon system cutover to direct utility service, including incremental O&M start-up costs such as customer outreach, administration and other ongoing costs to implement the pilot program;
- b) A debit entry equal to the actual incremental revenue requirements (i.e., amortization, income taxes and return), of the regulatory asset balance associated with "beyond the meter" Mobile Home Park conversion costs amortized in rates over a ten-year period at SoCalGas' current authorized rate of return on ratebase;
- c) An entry equal to amortization of the MMBA balance as authorized by the Commission; and
- d) An entry equal to the interest on the average balance in the account during the month, calculated in the manner described in the Preliminary Statement, Part I, J.

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(Continued)

ISSUED BY Dan Skopec Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)		
SUBMITTED	Oct 20, 2017	
EFFECTIVE	Oct 20, 2017	
RESOLUTION N	NO. E-4878	

LOS ANGELES, CALIFORNIA CANCELING

54374-G CAL. P.U.C. SHEET NO. 50890-G CAL. P.U.C. SHEET NO.

Rule No. 44 MOBILEHOME PARK UTILITY UPGRADE PROGRAM

Sheet 1

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A. General

SoCalGas offers the Mobilehome Park Utility Upgrade Program (MHP Program) as a voluntary living pilot program to convert approximately 10 percent of eligible master-metered submetered Mobilehome Parks or Manufactured Housing Communities (MHP) spaces within SoCalGas' service territory. Subject to the requirements set forth in this Rule, all eligible submetered spaces (including both "Tothe-Meter" and "Beyond-the-Meter") and common use services within the entire MHP will be converted from master-metered natural gas distribution service to direct SoCalGas distribution and service (Distribution System). However, SoCalGas will not begin construction of a MHP Program project if, at the start of the construction project, facts indicate that the conversion project would not be completed by October 31, 2019.

Pursuant to Resolution E-4878, SoCalGas will continue the MHP Program until the earlier date of December 31, 2019 or the issuance of a Commission decision on the continuation, expansion, or modification of the program to complete the 10% conversion target directed in D.14-03-021 and continue the MHP Program to covert an additional 5% MHP spaces.

B. Applicability

The MHP Program is available to all eligible master-metered submetered MHPs within SoCalGas' service territory, as defined in Section C below. Within the eligible MHPs, the only eligible Mobilehome spaces are those, as shown on the MHP operating permit issued by the California Department of Housing and Community Development. Recreational vehicle parks and spaces are not eligible for the MHP Program.

C. MHP Program Eligibility

- 1. MHPs must meet all of the following criteria to be eligible for the MHP Program. MHP Program eligibility does not guarantee acceptance into the MHP Program, nor does it guarantee conversion to direct service from SoCalGas.
 - a. Receive natural gas through a utility-owned master meter, own and operate the distribution system with at least a gas or electric associated submeters, and furnish natural gas and/or electricity to residents. In cases where only one service is submetered, the submetered service must be served by a MHP Program participating utility;
 - b. Operate under a current and valid license from the governmental entity with relevant authority;
 - c. If operated on leased real property, the land lease agreement must continue for a minimum of 20 years from the time that the MHP Program Agreement is executed by SoCalGas; and
 - d. Not be subject to an enforceable condemnation order and/or to a pending condemnation proceeding.

(Continued) ISSUED BY **Dan Skopec** Vice President **Regulatory Affairs**

(TO BE INSERTED BY CAL. PUC)		
SUBMITTED	Oct 20, 2017	
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(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 5106-A DECISION NO. 14-03-021 2H8 (Continued)

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DATE FILED	Oct 20, 2017	
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