

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,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph
Director, Energy Division



Ronald van der Leeden
Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011
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March 17, 2017

Advice No. 5106
(U 904 G)

Public Utilities Commission of the State of California

Subject: Continuation of The Mobilehome Park Utility Upgrade Program Pursuant to Decision (D.)14-03-021

Purpose

Pursuant to Ordering Paragraph (OP) 13 of D.14-03-021, Southern California Gas Company (SoCalGas) hereby requests California Public Utilities Commission (Commission or CPUC) approval to: (1) continue the Mobilehome Park Utility Upgrade Program (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 mobilehome parks (MHPs) spaces; and (3) continue to record all the costs of the MHP Pilot Program in SoCalGas' Master Meter Balancing Account (MMBA), as indicated in D.14-03-021 and reflected in the revision to Preliminary Statement – Part V, Balancing Accounts, as shown in Attachment A.¹

Background

On March 13, 2014, the Commission issued D.14-03-021, which established a three-year “living pilot” program to provide safe and reliable utility service to MHP and manufactured housing communities by transferring master-metered natural gas and electricity to direct utility service. D.14-03-021 directed the investor-owned utilities² (IOUs) to establish a pilot program to convert 10% of the spaces within their service territories during the three-year pilot term, which runs from January 1, 2015 to December 31, 2017. D.14-03-021 notes that any utility may elect to make an advice letter filing to continue the pilot if the actual

¹ In 2017, SoCalGas anticipates filing an application seeking approval of a SoCalGas MHP Program, similar to the MHP Pilot Program.

² The IOUs consist of SoCalGas, San Diego Gas and Electric Company, Pacific Gas and Electric Company, Southern California Edison Company, Bear Valley Electric Service, Liberty Utilities, Pacific Power, and Southwest Gas Corporation.

experience to that point appears to warrant continuation of the MHP Pilot Program without major modification.³

On July 30, 2014, SoCalGas filed Advice Letter No. 4673 to establish Rule No. 44, which implemented the MHP Pilot Program. Rule No. 44 outlined the general provision of the MHP Pilot Program and set forth the process for MHPs to participate in the program. D.14-03-021 stated that the criteria for *conversion must focus on safety first and then, on reliability and capacity improvements* [emphasis added].⁴ On May 21, 2015, the Commission's Safety and Enforcement Division (SED) provided SoCalGas with a list of prioritized MHPs that were eligible to participate in the Program. Soon thereafter, SoCalGas began working with eligible MHP owners to begin the conversion process in MHPs. Since its inception, 922⁵ MHPs completed the CPUC's Application for Conversion of Master-Meter Service at Mobilehome Park or Manufactured Housing Community to Direct Service from Electric or Gas Corporations.

On February 1, 2016, pursuant to OP 10 of D.14-03-021, SoCalGas filed and served its first annual Mobilehome Park Utility Upgrade Program Report (Annual Report), which provided: (1) information on SoCalGas' program timeline for implementation of the three-year pilot program; (2) SoCalGas' progress on that timeline; (3) the number of the initial applications received by SoCalGas; (4) problems experienced with the prioritization process, and potential, future solutions; and (5) information on MHPs selected for conversion including general location, total spaces, utility services converted and whether the conversion involved other utilities or other municipal or public agency provider.⁶

On February 1, 2017, SoCalGas filed its second Annual Report, as shown in Attachment B, which included: (1) a Program timeline and the current progress towards that timeline; and (2) a preliminary quantification of construction costs incurred per space identified separated by "to the meter" and "beyond the meter."

The MHP Pilot Program is Successful and Should be Continued

As shown in SoCalGas' second Annual Report, SoCalGas has successfully completed the conversion of 32 MHPs, with another 69 MHPs in construction. These conversions replaced aging, privately installed gas distribution systems which may have had varying degrees of maintenance over the years, with new, polyethylene systems that were professionally installed under the current safety standards, and thereby enhancing the safety and reliability of gas service in these communities. To date, construction has proceeded with zero OSHA or Lost Time Safety incidents by either contractors or company employees.

³ D.14-03-021, pp. 59-60.

⁴ Ibid., p. 3.

⁵ The 922 completed applications represent nearly 80% of the estimated MHPs in SoCalGas' service territory.

⁶ SoCalGas February 1, 2016 Annual Report,

http://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/Safety/Mobile_Home_Parks/Southern%20California%20Gas%20Company%20-%202016.pdf.

Based on the Mobilehome Park Upgrade owner/manager customer satisfaction study, shown in Attachment C, 88% of the MHP owners who have participated in the Program indicated that their MHP is safer after the conversion.⁷ SoCalGas' outreach efforts have been successful in informing customers about the conversions and, as shown in Attachment D, SoCalGas has gained customer support, with 86% of residents expressing their overall satisfaction with the Program.⁸ The MHP Pilot Program has also facilitated direct utility relationships with MHP residents, and SoCalGas has identified new customers eligible for the California Alternate Rates for Energy and Medical Baseline Allowance programs.

The MHP Pilot Program has been successful in converting MHPs to direct utility service, enhancing the safety and reliability of gas service to MHP customers, facilitating customer enrollment in utility customer assistance programs, and providing MHP customers with conservation and behavioral benefits derived through the installation of Advanced Meters. **For these reasons, a continuation of the MHP Pilot Program is warranted.**

Furthermore, there is a benefit in continuing the MHP Pilot Program uninterrupted while the Commission reaches a decision on approval of a longer-term program. SoCalGas estimates that if a suspension of the Program occurs, re-starting it could potentially add additional costs and will delay the conversion pace since trained and contracted resources would be redeployed to other projects and may not be readily available to the Program once released.

Therefore, the Commission should authorize SoCalGas to continue the MHP Pilot Program past December 31, 2017.

Continuation of the MHP Pilot Program through 2018 to complete the 10% Goal

Pursuant to D.14-03-021, the MHP Pilot Program will end on December 31, 2017. While SoCalGas plans to achieve the target conversion of MHP spaces as described in the Decision, the process from start to finish is complex. External factors, such as weather, cultural and/or environmental findings at construction sites, contractor availability, MHP owners' availability and ability to complete the requirements have caused the construction schedule for MHPs to extend beyond December 31, 2017.

SoCalGas requires the additional time to complete all 11,619 of the MHPs spaces currently active in the Program, and draw approximately 1,200 additional spaces from the current waitlist to complete its 10% MHP Pilot target of 12,800 spaces. SoCalGas forecasts starting construction on all MHPs currently in scope (199 MHPs representing 11,619 MHP spaces), or approximately 9% of eligible MHP spaces, by August 30, 2017 and anticipates major construction activities for the majority of the participating MHPs to be substantially underway by December 31, 2017. Continuation of the MHP Pilot Program through 2018 is needed in order to successfully complete all currently planned MHP Pilot Program activities and completed the 10% MHP Pilot Program target of 12,800 MHP spaces.

⁷ Mobilehome Park Upgrade Owner/Manager Customer Satisfaction Research Q4 2016, Davis Research.

⁸ Mobilehome Park Upgrade Residential Customer Satisfaction Research Q4 2016, Davis Research.

Given the benefits of the MHP Pilot Program, SoCalGas thinks it is important to complete the entire 10% or 12,800 spaces to deliver the safety and reliability benefits that conversion to direct utility service provides to MHP residents.

Continuation of the MHP Pilot Program to Convert an additional 5% of MHP Spaces pending Commission Approval of SoCalGas' MHP Program Application

The MHP Pilot Program has proven to be successful based on actual benefits to customers and enhancements to safety. The success of the MHP pilot program also warrants continuation of the Program beyond the 10% MHP Pilot Program target. Following the filing of this advice letter, SoCalGas intends to file a formal Application in Q2 of 2017 requesting approval of a SoCalGas Mobilehome Park Utility Upgrade Program. The details of SoCalGas Application are still being developed, however SoCalGas is currently considering a proposal to convert an additional 20% of MHP spaces in SoCalGas' service territory to direct utility service over a period of six years. The 20% of MHP spaces that will be requested in the Application will be in addition to the original 10% planned to be completed as part of the MHP Pilot Program. Anticipating that the Application will require time to process and to avoid disruption to the program while the Application is being considered, SoCalGas requests authority in this advice letter to continue the MHP Pilot Program without any significant modification in order to convert an additional 5% of MHP spaces.⁹ This additional 5% of MHP spaces is beyond the 10% target authorized through D.14-03-021.

Based on information gathered through the MHP Pilot Program, SoCalGas has found that out of an estimated total of 1,198 MHPs eligible to participate in the MHP Pilot Program, 248 MHPs are currently participating and 673 are currently on a waitlist to participate. Continuation of the MHP Pilot Program to convert an additional 5% of MHP spaces would provide an estimated 50 to 80 additional MHPs with the safety benefits of a new polyethylene system professionally installed, operated and maintained by SoCalGas. In addition to the authorization request for SoCalGas to continue the MHP Pilot Program through 2018; convert an additional 5% of MHP spaces; and continue to record the MHP costs through SoCalGas' MMBA, SoCalGas requests approval to execute this continuation of the MHP Pilot Program in the manner authorized in D.14-03-021.

In the event a decision on a future SoCalGas MHP Program Application is not issued and SoCalGas anticipates completing both the original 10% MHP Pilot Program target as well as the additional 5% conversion target, SoCalGas requests authority to file an advice letter seeking continued extension of the MHP Pilot Program until a decision is rendered. If the Commission approves this request to convert 5% of MHP spaces, SoCalGas will seek additional MHPs for conversion from SED's current prioritized waitlist of eligible MHPs. At such time, SoCalGas will begin its standard conversion process, as indicated in Rule No. 44, *Mobilehome Park Utility Upgrade Program*, to reach agreements with eligible MHPs and start conversion to direct utility service.¹⁰

⁹ Any portion of this additional 5% that is converted under this advice letter filing will be counted as part of any future SoCalGas MHP Application proposal.

¹⁰ See Rule No. 44, Section D.1.a.2 - D.10, for details on the conversion process.

Revision to the Master Meter Balancing Account (MMBA)

In accordance with OP 13 of D.14-03-021, SoCalGas is requesting continuation of the conversion program. Thus, SoCalGas submits a minor modification to its MMBA reflecting the continuation of the MHP Pilot Program beyond 2017, as shown in Attachment A.

Revision to Rule No. 44, Mobilehome Park Utility Upgrade Program

SoCalGas requests to revise Rule No. 44 to include a reference to this advice letter filing and to state the purpose and need for the continuation of the MHP Pilot Program beyond 2017, as shown in Attachment A.

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 April 6, 2017. There is no 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 (EDTariffUnit@cpuc.ca.gov). A copy of the protest should also be sent via both e-mail and 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: ROrtiz@SempraUtilities.com

Effective Date

SoCalGas believes that this filing is subject to Energy Division disposition and, per OP 13 of D.14-03-021, should be classified as Tier 2 (effective after staff approval). Therefore, SoCalGas respectfully requests that this advice letter become effective for service on April 16, 2017, which is 30 days from the date filed.

Notice

A copy of this advice letter is being sent to SoCalGas' General Order (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 tariffs@socalgas.com or call 213-244-3387. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or by electronic mail at Process_Office@cpuc.ca.gov.

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:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Ray B. Ortiz

Phone #: (213) 244-3837

E-mail: ROrtiz@semprautilities.com

EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 5106

Subject of AL: Continuation of The Mobilehome Park Utility Upgrade Program pursuant to Decision (D.)14-03-021

Keywords (choose from CPUC listing): Mobilehome Park

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D.14-03-021

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL No

Summarize differences between the AL and the prior withdrawn or rejected AL¹: N/A

Does AL request confidential treatment? If so, provide explanation: No

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 4/16/17

No. of tariff sheets: 6

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: Preliminary Statement – Part V – Balancing Accounts, Master Meter Balancing Account (MMBA), Rule No. 44, and TOCs

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Ave.,
San Francisco, CA 94102
EDTariffUnit@cpuc.ca.gov

Southern California Gas Company
Attention: Ray B. Ortiz
555 West 5th Street, GT14D6
Los Angeles, CA 90013-1011
ROrtiz@semprautilities.com
Tariffs@socalgas.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A
Advice No. 5106

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 53815-G	PRELIMINARY STATEMENT - PART V – BALANCING ACCOUNTS, MASTER METER BALANCING ACCOUNT (MMBA)	Original 50336-G
Original 53816-G	PRELIMINARY STATEMENT - PART V – BALANCING ACCOUNTS, MASTER METER BALANCING ACCOUNT (MMBA)	
Revised 53817-G	Rule No. 44, MOBILEHOME PARK UTILITY UPGRADE PROGRAM, Sheet 1	Original 50890-G
Revised 53818-G	TABLE OF CONTENTS	Revised 53535-G
Revised 53819-G	TABLE OF CONTENTS	Revised 53814-G
Revised 53820-G	TABLE OF CONTENTS	Revised 53477-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 master-metered 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 three-year pilot program as authorized in Decision (D.) 14-03-021. Pursuant to Advice Letter No. 5106, the MMBA will continue to record program expenses beyond 2017.

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N

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. Rates

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 capital-related 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 three-year pilot program and administer the program beyond 2017;
- 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)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5106
 DECISION NO. 14-03-021

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 17, 2017
 EFFECTIVE _____
 RESOLUTION NO. _____

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

(Continued)

5. Disposition

The balance in the MMBA will be amortized in connection with SoCalGas' annual regulatory account balance for gas transportation rates effective January 1 of the following year until mobile home park "to the meter" conversion costs are rolled into base rates in connection with a General Rate Case (GRC) or other applicable proceeding and "beyond the meter" costs are fully amortized over a ten-year period.

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 5106
DECISION NO. 14-03-021

ISSUED BY

Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

SUBMITTED Mar 17, 2017
EFFECTIVE Oct 20, 2017
RESOLUTION NO. _____

MOBILEHOME PARK UTILITY UPGRADE PROGRAM

A. General

SoCalGas offers the Mobilehome Park Utility Upgrade Program (MHP Program) as a voluntary three-year 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 "To-the-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).

Pursuant to Advice Letter No. 5106, SoCalGas will continue the MHP Program beyond the three-year time period to complete the 10% conversion target directed in D.14-03-021, and continue the MHP Program to convert 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.

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(TO BE INSERTED BY UTILITY)
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(TO BE INSERTED BY UTILITY)
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 DECISION NO. 14-03-021

ISSUED BY
Dan Skopec
 Vice President
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(TO BE INSERTED BY CAL. PUC)
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 Economic Practicality Shortfall Memorandum Account (EPSMA) 40896-G
 Catastrophic Event Memorandum Account (CEMA) 40897-G,40898-G
 Vernon Avoided Distribution Cost Memorandum Account (VADCMA) 40899-G
 Vernon Negotiated Core Contract Memorandum Account (VNCCMA) 40901-G
 Research Royalty Memorandum Account (RRMA) 52954-G
 Intervenor Award Memorandum Account (IAMA) 40904-G
 Z Factor Account (ZFA) 40905-G
 Self-Generation Program Memorandum Account (SGPMA) 41105-G
 FERC Settlement Proceeds Memorandum Account (FSPMA) 45756-G
 Gain/Loss on Sale Memorandum Account (GLOSMA) 42133-G
 Affiliate Transfer Fee Account (ATFA) 40919-G
 Firm Access and Storage Rights Memorandum Account (FASRMA) 49320-G,49321-G

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5106
 DECISION NO. 14-03-021

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 17, 2017
 EFFECTIVE Oct 20, 2017
 RESOLUTION NO. _____

ATTACHMENT B

Advice No. 5106

**Mobilehome Park Utility Upgrade Program
February 1, 2017 Report**



A  Sempra Energy utility

Mobilehome Park Utility Upgrade Program

FEBRUARY 1, 2017 Report

SOCALGAS MOBILEHOME PARK UTILITY UPGRADE PROGRAM

FEBRUARY 1, 2017 REPORT

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Mobilehome Park Utility Upgrade Program

FEBRUARY 1, 2017 Report

1. Executive Summary

On March 13, 2014, the California Public Utilities Commission (“Commission”) approved and authorized Southern California Gas Company (“SoCalGas”) to execute the *Mobilehome Park Utility Upgrade Program* (“Program”) through D.14-03-021 (“Decision”). The Program is a three-year pilot (2015-2017) to convert master-metered/sub-metered natural gas and/or electric services to direct utility services for qualified mobile home parks and manufactured housing communities (collectively “MHPs”).

The Decision directs each electric and/or gas utility to annually prepare a status report for the Program on February 1 of each year. Pursuant to Ordering Paragraph (“OP”) 10 of the Decision, each electric and/or gas utility filed their first status report on February 1, 2016; and must file a second and third report on February 1 of 2017 and 2018, respectively. In SoCalGas’ February 1, 2016 Report, SoCalGas provided a timeline for implementation of the three-year pilot, its current status on the timeline, the number of initial applications received, information on the MHPs that would be converted, and the number of spaces to be converted.

In accordance with OP 10 of the Decision, this report provides information on the following: (1) a Program timeline and the current progress towards that timeline, and (2) a preliminary quantification of construction costs incurred per space identified separated by “to the meter” and “beyond the meter.” The Decision further requires that on both “to the meter” and “beyond the meter” bases, cost should be broken out to identify: civil work/trenching; other gas system construction (if applicable); other electric system construction (if applicable); and other costs such as permits and easements.

As of December 31, 2016, SoCalGas has completed conversion of 32 MHPs (of 199 MHPs currently in scope) with a combined total of 1,665 spaces (of 11,619 spaces currently in scope). An additional 59 MHPs are in various stages of construction. The total conversion cost for the 32 MHPs is \$15,843,099. These costs may be adjusted as trailing and other costs are received and charged to their respective MHPs.

2. Program Timeline and Where SoCalGas is on the Timeline

The Program has been planned to achieve the conversion, on a combined To-The-Meter (“TTM”) and Beyond-The-Meter (“BTM”) basis of 10% of the estimated spaces in SoCalGas’ service territory, which currently represents approximately 12,800 spaces. However, there have been a number of MHPs that have elected not to move forward which has resulted in a current space count of 11,619 across 199 MHPs or approximately 9% of all MHP master meter spaces in SoCalGas’ territory. To reach all participating MHP spaces, SoCalGas developed the timeline shown in Figure 1 (“Timeline for Implementation of Three-Year Pilot”) noting that, where possible, dual conversions (natural gas and electric) have been planned through joint efforts with the respective electric service providers. Additionally, joint trenching opportunities may be leveraged with the MHP’s existing telecommunications¹ provider(s).

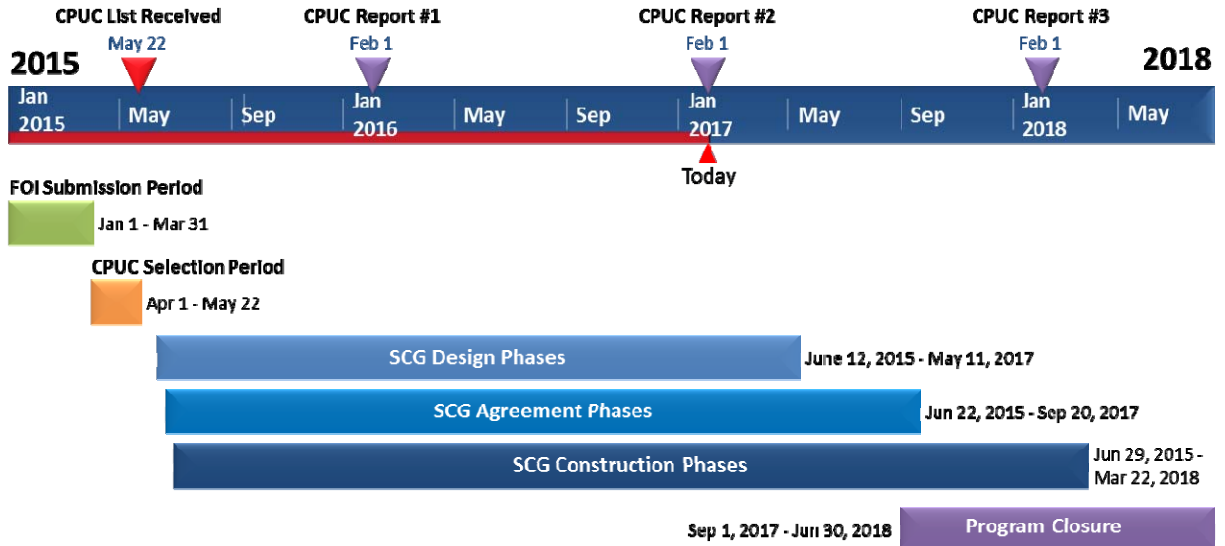
A number of assumptions are inherent in the Schedule, specifically; it assumes that there are no constraints which may prevent the MHP’s participation in the Program, such as the MHP owner’s ability and willingness to complete and move forward with a detailed application, execute the Program Agreement, grant the required easements, secure a qualified BTM contractor, successfully address any environmental issues, finance the BTM construction activities and removal of the legacy system as necessary, and meet the prescribed program schedule. The timeline also assumes that the total number of MHP spaces indicated on the Form of Intent (“FOI”) completed by the MHP owners is accurate. Further assumptions include, but are not limited to, the ability for a joint schedule to be developed, acceptable, and executable by all impacted utilities where shared territory requires joint construction. Also, the schedule is dependent on availability of both TTM and BTM contractors having qualified crews to perform construction and the California Department of Housing and Community Development (“HCD”) and/or other jurisdictional agencies having available trained resources to perform timely inspections on completed portions of the projects. SoCalGas’ schedule is expected to continue to change throughout the Program’s life as Agreements are signed and MHPs decline or opt to participate.

As of December 31, 2016, SoCalGas has 167 MHP designs completed and has 91 MHPs currently in the construction stage or where construction has completed.

Based on its current schedule, SoCalGas forecasts starting all 11,619 currently participating MHP spaces by August 30, 2017, and completing conversion of approximately 80% of the goal by December 31, 2017, whereby major construction activities would be substantially underway.

¹ As of December 31st, 2016, one telecommunications provider has participated in one MHP conversion.

FIGURE 1. TIMELINE FOR IMPLEMENTATION OF THREE-YEAR PILOT AND CURRENT STATUS



3. Preliminary Cost Assessment

As of December 31, 2016, SoCalGas has converted² 32 MHPs (of 199 MHPs currently in scope) with a combined total of 1,665 spaces (of 11,619 spaces currently in scope). In accordance with OP 10 of the Decision, SoCalGas' preliminary quantification of construction costs incurred per space are shown in Table 1 ("SoCalGas Preliminary Quantification of Construction Costs") below. These costs may be adjusted as trailing costs or other changes are required and allocated to their respective MHPs³.

Table 1 details preliminary costs for each category of:

- (1) TTM Contractor Costs, which include contractor costs for gas-only MHPs as well as the portion paid by SoCalGas for TTM activities which are shared with other participating utilities where service territories overlap⁴. These are comprised but not limited to including trenching and paving;
- (2) Utility Crews and Material Cost: This includes the loaded costs of company labor in support of the program including to-the-meter work for selected MHPs, setting meters and tuning on gas service, purging the legacy system, removal of the master meter, as well as the procurement and warehousing of materials.
- (3) BTM Contractor Costs, which are costs reimbursed to the MHP owner/operator to perform the BTM construction work. BTM contractors are selected by the MHP owner/operator; and
- (4) Program Management Costs ("PMC"), which are comprised of:
 - (a) Project Management Office ("PMO") which includes overall Program Management (e.g. program strategy, risk management, change management, schedule management) and the program's Budgeting and Accounting functions;
 - (b) Construction Management ("CM"), which includes Construction Project Management, preliminary planning and full design activities. Planners and designers perform work for multiple parks. Project Managers, Construction Contractor Administration staff, and other support personnel also perform work at multiple construction sites; and

² SoCalGas labels "Converted" MHPs as those where System Cutover has occurred, Master Meter has been removed, and all costs for all TTM, BTM, PMC costs are expected to have been received and allocated to each MHP. SoCalGas established and strives to meet a "Closing Period" of 180-days beyond Master Meter removal to allow for these activities to occur. This report includes MHPs which have completed or are in the Closing Period.

³ "Trailing charges" may include, but are not limited to, contractor invoices, internal labor charges, or other costs which may not have been received within SoCalGas' Closing Period.

⁴ Pacific Gas & Electric Company, Southern California Edison Company, and San Diego Gas and Electric Company.

- (c) Outreach activities which include primary customer contact and coordination before, during and after construction consistent with the Commission-reviewed statewide Outreach Plan.

PMC are tracked separately from TTM costs and BTM Contractor costs and allocated to each MHP based on the number of spaces converted. PMC are allocated as part of SoCalGas' project close activities. To most efficiently utilize PMO resources, selected PMO staff provides management and services to both SoCalGas and SDG&E and costs for such staff are allocated at a rate of 50% to each utility.

TABLE 1. SOCALGAS PRELIMINARY QUANTIFICATION OF CONSTRUCTION COSTS

SoCalGas		
1	To The Meter (TTM) Contractor Costs	
2	Civil / Trenching	\$4,294,587
3	Electric System	N/A
4	Labor	
5	Materials/Structures	
6	Gas System	
7	Labor	\$1,259,160
8	Materials/Structures	\$641,722
9	Sub-Total TTM Contractor Costs	\$6,195,469
10		
11	Other TTM Non-Labor Costs	
12	Property Taxes	\$8,954
13	AFUDC	\$60,817
14	Sub-Total Other TTM Non-Labor Costs	\$69,770
15	Sub-Total TTM Costs	\$6,265,239
16		
17	Beyond The Meter (BTM) Contractor Costs	
18	Civil / Trenching	-
19	Electric System	N/A
20	Labor	
21	Materials/Structures	
22	Gas System	\$2,956,463
23	Labor	\$2,117,036
24	Materials/Structures	\$839,427
25	Other ⁵	\$784,411
26	Sub-Total BTM Costs	\$3,740,874
27		
28	Costs for Utility Crews (UC) supporting Program⁶	
29	Labor	\$2,253,922
30	Materials purchasing, warehouse	\$214,629
31	Sub-Total TTM Utility Crew Costs	\$2,468,551
32		

⁵ Includes city, Local Enforcement Agency (LEA) and/or HCD fees.

⁶ Includes meter installation and turn-on, legacy system purging, master meter removal, company crews performing civil, trenching, construction, and installation for selected MHPs.

33	Program Management Costs (PMC)	
34	Program Management Office (PMO)	\$652,264
35	Outreach	\$249,222
36	Construction Management (CM)	\$2,466,950
37	Subtotal Program Management Costs	\$3,368,435
38		
39	TOTAL	\$15,843,099

41	Total Spaces Converted	TTM	BTM
42	Gas	1,665	1,459
43	Electric	N/A	N/A

45	Average Cost / Space	TTM	BTM	UC	PMC	TOTAL
46	Gas	\$3,763	\$2,564	\$1,483	\$2,023	\$9,833
47	Electric	N/A	N/A	N/A	N/A	\$0
48	Total Average Cost / Space	\$3,763	\$2,564	\$1,483	\$2,023	\$9,833

4. Conclusion

This concludes the second annual filing in accordance with OP 10 of D.14-03-021.

Additional Program information can be found online on SoCalGas' website at <https://www.socalgas.com/stay-safe/safety-and-prevention/mobilehome-park-utility-upgrade-program>



Mobilehome Park Utility Upgrade Program
Management Certification

A  Sempra Energy utility

California Public Utilities Commission (CPUC) Decision (D.) 14-03-021 Ordering Paragraph 11 requires that all reports be verified by an officer of the utility.

As an officer of the Southern California Gas Company (SoCalGas), I hereby certify that the Mobilehome Park Utility Upgrade Program Annual Report generated in compliance with D.14-03-021 is accurate.

Reporting Period: January 1, 2016 to December 31, 2016
Start Date End Date

 Executed on: 1/30/2017
Signature of Officer Month, Day, Year

Gina Orozco-Mejia Vice President – Gas Operations
Print Name Title

ATTACHMENT C

Advice No. 5106

**Mobilehome Park Upgrade Owner/Manager
Customer Satisfaction Study**

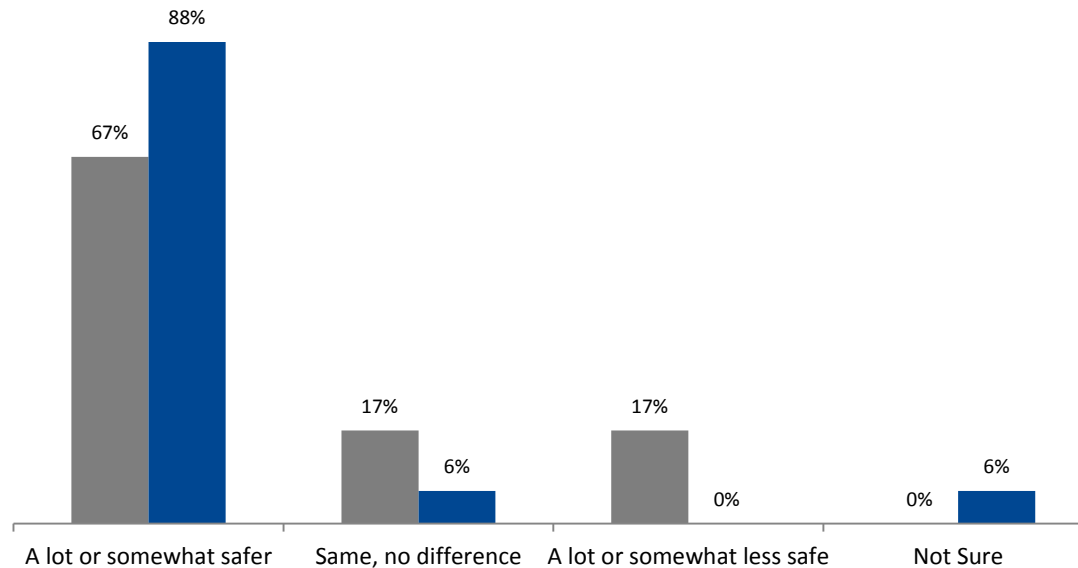
Safety of Natural Gas System

The addition of the natural gas system operated under SoCalGas created a sense of safety among respondents. The number of respondents who felt **a lot or somewhat safer** increased from 67% to 88%.

SAFETY OF NATURAL GAS SYSTEM

How do you feel about the safety of your natural gas system operated under SoCalGas compared to the MHP system?

[% = Very or Somewhat Safer, top 2 box on 5 point scale]



P2. How do you feel about the safety of your natural gas system now operated under SoCalGas compared to the MHP's legacy system? Q4 n=17, Q2 n=6

ATTACHMENT D

Advice No. 5106

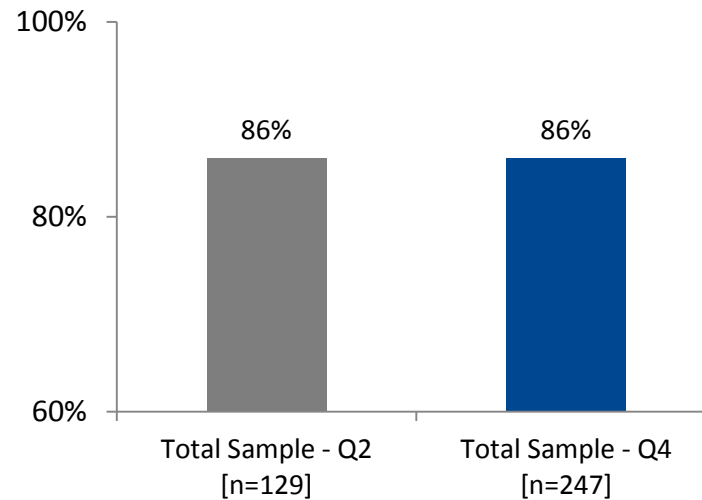
Overall Satisfaction with Utility Upgrade

Overall Satisfaction With Utility Upgrade

Overall, **satisfaction with the upgrade from start to finish** stayed consistent at 86% between Q2 and Q4.

Overall satisfaction with upgrade from start to finish

[% = very or somewhat satisfied, Top 2 box on 5 pt scale]



U1. Thinking about all aspects of the utility upgrade from start to finish, including communications, interactions with SoCalGas representatives, etc., how would you rate your satisfaction with the utility upgrade overall [5 pt scale] % = Top 2 box. Q4 n= 247, Q2 n=129.