



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE **FILED**
STATE OF CALIFORNIA

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Order Instituting Rulemaking into Transfer of
Master-Meter/Submeter Systems at Mobilehome
Parks and Manufactured Housing Communities to
Electric and Gas Corporations

R.11-02-018

**REPLY BRIEF OF THE OFFICE OF RATEPAYER ADVOCATES, THE UTILITY
REFORM NETWORK, SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E),
SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M), SOUTHERN CALIFORNIA
GAS COMPANY (U 904 G), PACIFICORP D.B.A. PACIFIC POWER,
BEAR VALLEY ELECTRIC SERVICE, AND LIBERTY UTILITIES (CALPECO
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Dated: **October 18, 2013**

**REPLY BRIEF OF THE OFFICE OF RATEPAYER ADVOCATES,
THE UTILITY REFORM NETWORK, SOUTHERN CALIFORNIA EDISON
COMPANY (U 338-E), SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M),
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Pursuant to Rule 13.11 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission or CPUC) and in accordance with the Assigned Commissioner's Second Amended Ruling and Scoping Memo (Scoping Memo) issued on July 17, 2013, as amended by Administrative Law Judge (ALJ) Jean Vieth in the evidentiary hearings on September 10, 2013, the following parties jointly file this reply brief in the above-captioned proceeding: the Office of Ratepayer Advocates (ORA), The Utility Reform Network (TURN), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), Southern California Gas Company (SoCalGas), PacifiCorp d/b/a Pacific Power (PacifiCorp), Bear Valley Electric Service (BVES), and Liberty Utilities (CalPeco Electric) LLC (Liberty Utilities) (collectively, the Joint Parties). This reply brief is submitted in response to the opening briefs of Pacific Gas and Electric Company (PG&E), Southwest Gas Corporation (SWG), Western Manufactured Housing Communities Association (WMA), Golden State Manufactured Home Owners League (GSMOL), and Coalition of California Utility Employees (CCUE) filed October 8, 2013.

I.

OVERVIEW OF PROPOSALS

The Joint Parties propose a three-year pilot program to convert—up to the meter—a limited number of mobilehome parks (MHPs) that voluntarily seek direct natural gas and/or electric service from a Commission jurisdictional utility in lieu of continuing to operate a master-metered/submetered utility system at ratepayers’ expense.¹ Conversely, PG&E, SWG, WMA, GSMOL, CCUE and San Luis Rey Homes (SLRH) propose an open-ended program to convert all MHPs—including facilities beyond the meter—at 100% ratepayer expense (the PG&E proposal).²

The PG&E proposal is too expensive (although PG&E has not demonstrated exactly what the rate and bill impacts are), not necessary, and improperly proposes capitalizing the utility funding of work beyond the meter. The Joint Parties’ proposal meets this Rulemaking’s objectives to encourage MHPs to convert to direct utility service, is consistent with the Scoping Memo, and allows the Commission and the IOUs to collect and evaluate information to implement a successful and optimal program going forward.

II.

THERE IS NO EVIDENCE IN THE RECORD THAT MHP OWNERS WILL NOT PARTICIPATE IN THE JOINT PARTIES’ PROPOSED PROGRAM

PG&E and other parties argue that the Joint Parties’ proposal will not “change the status quo,”³ “does not provide sufficient incentive for MHP owners to participate,” and will “limit

¹ Exhibit 17.

² Exhibit 19.

³ Supplemental Opening Brief of PG&E, R.11-02-018, p. 2 (October 8, 2013) (“PG&E Supplemental Opening Brief”).

participation.”⁴ PG&E also declares that “cost barriers...will persist and impede the goals of this OIR.”⁵

There is no evidence in the record, however, to support these claims.

When asked during Evidentiary Hearings whether there is any evidence in the record that the Joint Parties’ proposal would not provide sufficient incentive for MHP owner participation, PG&E’s witness could only state that the current statutory framework has been inadequate:

Q: [T]here’s no evidence in the record that the Joint Parties’ proposal would not sufficiently encourage participation, is there?

A: Our opinion is that the existing transfer program that has been in place for 16 years has not resolved the issue for the mobilehome parks.

...

Q: Is there any evidence in the record that the Joint Parties’ proposal would not sufficiently encourage participation?

A: I can’t answer that question. I’m not aware.⁶

PG&E could not point to any evidence in the record that the Joint Parties’ proposal would not sufficiently encourage participation because *there is no such evidence*.

Despite PG&E’s contentions of “lack of financial resources” as “hurdles” for MHP owners to convert,⁷ there is no evidence in the record that MHP owners cannot afford to pay for conversions. PG&E admitted this during Evidentiary Hearings:

Q: But there’s no evidence in the record establishing that owners actually lack sufficient funds to pay for conversions, is there?

A: No, not that I’m aware of.⁸

⁴ *Id.* at p. 13.

⁵ *Id.* at p. 15.

⁶ Tr. Vol. 2, 275:23-234:2; 234:17-21.

⁷ PG&E Supplemental Opening Brief at pp. 21-22.

⁸ Tr. Vol. 2, 277:5-9.

PG&E could not identify any evidence in the record that owners actually lack sufficient funds to pay for conversions because *there is no such evidence*.

The Joint Parties' proposal weighs the overall costs of the choices being considered and accomplishes the goals of this OIR in a just manner. The Joint Parties have significantly modified their proposal since their initial approach and now recommend a reasonable compromise proposal that should attract significantly more MHP owners to convert their systems, while still being fair to other ratepayers. In contrast, PG&E's proposal continues to have ratepayers bear the entire cost of the replacement of the gas and electric systems of potentially every MHP in the state, regardless of condition. The Commission should adopt the Joint Parties' proposal.

III.

THE JOINT PARTIES' PROPOSAL WILL NOT ALLOW CONNECTION TO "DECREPIT" SYSTEMS

PG&E's Opening Brief states that, under the Joint Parties' proposal, "new utility facilities will in fact be connected to decrepit electric panels and gas houselines that may be over 50 years old with little or no inspection or maintenance history, and no requirements in existing California MHP regulations that a MHP upgrade existing facilities beyond the meter."⁹ This is absolutely false. The Joint Parties' proposal requires that MHP owners ensure that their houselines are up to code before the utilities even begin any work.¹⁰

⁹ PG&E Supplemental Opening Brief at pp. 17-18.

¹⁰ Tr. Vol. 1, 55:22-56:9.

IV.

THE JOINT PARTIES' PROPOSAL TO CONDUCT PRE-CONSTRUCTION VISITS WILL NOT WASTE RATEPAYER FUNDS

PG&E's Opening Brief also claims that ratepayer funds will be wasted under the Joint Parties' proposal if utilities meet with interested MHP owners before the MHPs are prioritized.¹¹ Pre-construction visits are not "unnecessary activities," as characterized by PG&E, but, rather, are an effective way for utilities to plan ahead and streamline the conversion process; no ratepayer funds will be "wasted" with such visits. It would be a waste of ratepayer funds to convert MHPs that do not even require a new system, as PG&E's proposal recommends conversion of all systems statewide, regardless of actual need.

V.

ELECTRIC-ONLY MHPS WILL BE PRIORITIZED ON A FIRST COME, FIRST-SERVED BASIS UNLESS A DOCUMENTED SAFETY CONDITION EXISTS

PG&E and other parties erroneously state that the Joint Parties' proposal does not take safety into consideration in prioritizing electric-only MHPs.¹² The Joint Parties' proposal notes the ability of the California Department of Housing and Community Development (HCD) to perform inspections of electric systems inside MHPs and that HCD occasionally delegates such inspection authority to local cities, towns or counties.¹³

During presentations given by HCD in this proceeding, most recently on March 4, 2013, HCD indicated its inspection program may not be robust, and records on all MHPs may not be

¹¹ PG&E Supplemental Opening Brief at p. 12.

¹² PG&E Supplemental Opening Brief at p. 10; Opening Brief of the Coalition of California Utility Employees, R.11-02-018, p. 13 (October 8, 2013); Opening Brief of the Western Manufactured Housing Communities Association in the Rulemaking into Transfer of Master-Meter/Submeter Systems at Mobilehome Parks and Manufactured Housing Communities, R.11-02-018, p. 12 (October 8, 2013) ("WMA Opening Brief").

¹³ Additional Joint Testimony of Division of Ratepayer Advocates (DRA), 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), and The Utility Reform Network (TURN), R.11-02-018, pp. 5-6.

available. Taking this into consideration and recognizing the number of electric-only MHPs is small and the program voluntary, the Joint Parties have crafted a proposal that balances these issues. In direct testimony, the Joint Parties stated, “[E]lectric-only MHPs will be prioritized on a first-come, first-served basis unless there is a documented safety issue noted by HCD or other agency with inspection authority over MHP electric systems.” This provides ample opportunity to coordinate with HCD in determining whether a MHP interested in transferring to direct utility service has documented any safety issues.

VI.

WMA MISCONSTRUES ELECTRIC RULE 20

WMA argues that the Commission’s undergrounding rules are legal precedent for the utilities to provide funding and/or work beyond the meter, pointing to a 1982 decision in which the Commission approved a recommendation of SDG&E to make Electric Rule 20 funds available for work from the street to the point of connection with customer wiring.

WMA fails to acknowledge that there has *never* been any funding provided for work beyond the meter under SDG&E’s Electric Rule 20. The Commission issued Decision (D.) 82-01-018, allowing its jurisdictional utilities to fund the cost of up to 100 feet of the service lateral in order to facilitate the undergrounding program it had established 15 years earlier (and even this would only occur upon request by local government). The Decision clearly notes, “[I]f utilities were to modify customer wiring to accept underground service, they would be engaged in premises wiring, traditionally the domain and responsibility of customers, their electrical contractors, and local building inspectors.”¹⁴ Consistent with this decision and for the past four decades, SDG&E’s Electric Rule 20 conversions do not undertake work beyond the meter.

¹⁴ D.82-01-018, p.770.

VII.

WMA IMPROPERLY ATTEMPTS TO INTRODUCE NEW EVIDENCE

WMA's Opening Brief contends that, despite the Commission's previous finding that "no evidence that existing MHP submetered service, taken as a whole, poses an imminent and serious safety risk," the CPUC should now find that MHP-related public safety hazards exist and that those hazards make this proceeding "urgent." This argument must be rejected because it is not based on any existing evidence.

WMA's Opening Brief references two newspaper articles as if they were record evidence. They are not. The purpose of a post-hearing brief is "to provide the parties with an opportunity to put forth their views of the appropriate interpretation of the evidence presented in the hearing in the light of applicable law. It is not a forum for producing new evidence, whether or not it is relevant and authentic."¹⁵ WMA fails to cite to a single written testimony citation, discovery response admitted into the record, or transcript quotation in support of its claim of safety hazards. The Commission may not, as a matter of law, consider factual matters that are not included in the evidentiary record as part of its deliberations.¹⁶ Therefore, the Commission may not consider WMA's cited news articles as evidence and should strike the first full paragraph on page 8 of WMA's opening brief and the cited articles in Attachment 1 to that brief, as requested by the Joint Parties' Motion to Strike filed October 16, 2013.¹⁷

¹⁵ D.88-09-061, 1988 Cal. PUC LEXIS 643 at *4-6.

¹⁶ *See, e.g.*, D.98-06-020, 1998 Cal. PUC LEXIS 458 at *2-3 (refusing to consider factual allegations in a party's brief which were not included as part of the evidentiary record because "[c]ontroversial factual matters which are not included in the evidentiary record, may not, as a matter of law, be considered in our deliberations").

¹⁷ If the Joint Parties' Motion to Strike is not granted, the extra-record newspaper articles should be given no weight whatsoever.

VIII.

THE JOINT PARTIES' PROPOSAL SETS A NECESSARY LIMIT ON TOTAL PROGRAM PARTICIPATION

WMA's Opening Brief claims that the Joint Parties' proposal places a limit on total program participation that is "entirely arbitrary and unrelated to the design and goals of the program other than to put a cap on ratepayer spending."¹⁸ The Joint Parties' proposal is indeed limited because the Joint Parties specifically intend to create a pilot program and limit ratepayer spending on MHP transfers until more information is obtained from the pilot program. The limit on total program participation is not arbitrary as WMA suggests—the limit is based upon the number of spaces the utilities believe they can complete in the timeframe of the pilot program.¹⁹

IX.

THE COMMISSION SHOULD PROHIBIT MHP OWNERS FROM SHIFTING ANY COSTS OF TRANSFERRING UTILITY SERVICE ONTO MHP TENANTS

In its opening brief, the Golden State Manufactured Home Owners League, Inc. (GSMOL) raises an important issue concerning the ability of MHP owners to pass on the costs of transfers to tenants.²⁰ GSMOL is concerned that the Joint Parties' proposal to limit ratepayer investment in transfers will result in MHP owners shifting all of their own costs for transfer onto their tenants in the form of rent increases. GSMOL posits that beyond-the-meter work, which may cost as much as \$11,000 to \$15,000 per space, could be passed on to tenants who do not have the financial resources to pay for these costs. GSMOL also suggests that, if the Commission adopts the Joint Parties' proposal, a multitude of adverse consequences could result,

¹⁸ WMA Opening Brief, p. 10.

¹⁹ Additional Joint Testimony of Division of Ratepayer Advocates (DRA), 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), and The Utility Reform Network (TURN), served on August 19, 2013, p. 9, lines 8-11.

²⁰ This does not apply to resident-owned MHPs.

ranging from delay or cancellation of the MHP transfers to tenants losing their homes because they cannot pay for the costs of transfer that MHP owners attempt to pass on in rent.²¹

The Joint Parties acknowledge that GSMOL raises an important issue and agree that it is a cause for concern. Regardless of which final proposal is adopted by the Commission, the proposal must ensure that tenants are not financially punished. Because PG&E proposes that its ratepayers pay 100% of the transfer costs (including the costs of all beyond-the-meter equipment), pass-through of any potential transfer costs is limited, relative to the Joint Parties' proposal due to a shift of costs to the ratepayer. However, even under PG&E's proposal, there is a potential that MHPs will incur other costs, such as environmental mitigation. In any case, the Commission can and should ensure that tenants in MHPs that go through the transfer process remain indifferent and do not become financially disadvantaged by the proposal adopted. The Joint Parties, therefore, urge the Commission to ensure that MHP owners who participate in the voluntary conversion program are prohibited from shifting any costs of transfer to tenants, which would be a violation of current law as discussed further below. For tenant-owned MHPs, common costs are often funded through the park Home Owners Association reserves account and/or assessments amortized for each tenant to lessen the financial impact on each homeowner. PG&E has not explained why, to the extent beyond-the-meter cost are incurred, solutions such as these are not being considered.

A. Public Utilities Code §2791(b) prohibits shifting costs to transfer utility service on to MHP tenants.

GMSOL's fear that MHP owners will shift beyond-the-meter costs to tenants is warranted, but any MHP owner that does so will violate Cal. Pub. Util. Code §2791. Section 2791(a) states that owners of sub-metered MHPs may elect to transfer the MHP's utility service to investor-owned utility (IOU) control pursuant to the requirements outlined in the statute or

²¹ GSMOL Opening Brief, pp. 9-12.

under conditions to which both the MHP owner and the IOU mutually agree. Section 2791(b) clearly and unequivocally states:

(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.* (emphasis added)

Beyond-the-meter costs would be incurred for activity directly related to the transfer process, and MHP owners are, therefore, prohibited from shifting those costs to tenants. Under the Joint Parties' proposal, IOUs will inform MHP tenants of the prohibition against shifting transfer costs as part of the outreach process for the MHPs selected for conversion.

While the Commission does not have direct jurisdiction over MHP owners, it does have control over the transfer process. The Commission can and should ensure that the transfer process does not result in violations of the Public Utilities Code. For example, if an MHP owner attempts to shift the costs of transfer to tenants, the Commission could halt the transfer in its entirety.

B. MHPs that are candidates for transfer should be held to requirements that protect MHP tenants.

GSMOL opines that D.04-04-043 would authorize MHP owners to shift beyond-the-meter costs to tenants because beyond-the-meter costs are not covered by the sub-metering discount and thus could be charged to sub-metered tenant homeowners.²² WMA also cites D.04-04-043, claiming that at least a significant portion of the cost would be recovered from their tenants.²³ D.04-04-043, however, detailed the costs that are included and excluded from the submeter discount that is provided to MHP owners for providing utility service to its tenants on

²² GSMOL Opening Brief at pp. 8-9; *see also* D.04-04-043, Attachment A. In general, costs NOT included in calculating the submeter discount are the applicant's cost responsibilities as defined in the utilities' gas and electric line and service extensions rules (Electric and Gas Rules 15 and 16).

²³ WMA Opening Brief at p. 17.

an ongoing basis. That decision was not intended to cover the relationship between MHP owners, utilities, and tenants under an ownership transfer process.

Both GSMOL and WMA seem to assume that, up until the point at which the utility service is transferred to the IOU, the MHP owner should continue to be treated as if the status quo were unchanged. WMA even explains that its constituents are indeed likely to shift the costs of transferring the MHP to IOU control to their tenants.²⁴ MHPs that are candidates for transfer, however, can and should be treated differently. MHP owners who elect to transfer their utilities to IOU control are subject to the requirements of § 2791(b), and, as explained above, cannot shift the costs related to the transfer process to their tenants.

An MHP owner could, of course, attempt to circumvent state law by upgrading the beyond-the-meter facilities prior to stating its intention to become a candidate for transferring service, but such a tactic should be fairly obvious to the Commission and IOU. Furthermore, the Commission can, on its own, dictate that MHP owners cannot shift the costs and that no ratepayer money will be spent on MHP transfers where the owner has shifted the cost of beyond-the-meter work required to connect IOU service to the mobilehomes to tenants. The Joint Parties are aware that it will require the input of MHP tenants to know if costs are being shifted upon them, but the tenants can be informed of the prohibition against shifting costs during the outreach process.

Both the Joint Parties' and PG&E's proposals may confer significant benefits to MHP owners in the form of possibly increased property values that will be paid for by utility ratepayers. It is unclear to the Joint Parties how it would be unfair to require MHP owners to contribute the beyond-the-meter portion of the costs of the transfer. It would, however, be harmful and unfair to tenants if they were forced to bear the costs, leaving MHP owners with absolutely no cost responsibility for the significant benefit they are receiving. MHP owners should not be able to escape their remaining cost responsibilities—either for beyond-the-meter

²⁴ *Id.*

costs or for any other costs that may arise during the transfer—by shifting those costs onto their tenants. Utility ratepayers should not be required to contribute to MHP owners if those owners choose to harm their tenants.

X.

PG&E’S RATE IMPACT ESTIMATES FAIL TO INCLUDE 2015-2016 IMPACTS

PG&E asserts that its proposed MHP conversion program, which includes ratepayer funding for the replacement of to-the-meter and beyond-the-meter utility facilities, will “result in a de minimis change of 0.08% and 0.29% in the average residential monthly bill for PG&E’s electric and gas distribution customers.”²⁵ These estimates, however, are based upon the initial “get started” year (2014), which only includes some application and planning costs prior to the start of construction. This is an apples-to-oranges comparison to the actual conversion program and therefore does not accurately reflect either the long-term or the average rate impacts of PG&E’s program.

In truth, PG&E’s total revenue requirements for the following years, 2015 and 2016, will be significantly higher, but PG&E offered no testimony on the bill impacts for those years and admitted this fact during Evidentiary Hearings:

Q: And there’s no inclusion of bill impacts for either 2015 or 2016; is that correct?

A: That’s correct.²⁶

Thus, there is no evidence in the record regarding either the actual rate impacts or bill impacts of PG&E’s program. PG&E has offered only its preliminary startup costs in 2014.

²⁵ PG&E Supplemental Opening Brief, p. 21 (citing Tr. Vol. 2, 227: 4-5).

²⁶ Tr. Vol. 2, 233: 4-7.

XI.

PG&E’S AND SWG’S PROPOSAL OF NON-OWNERSHIP OF BEYOND-THE-METER EQUIPMENT DOES NOT JUSTIFY RATE RECOVERY

PG&E and Southwest Gas Corporation (SWG) curiously claim that they will not own any beyond-the-meter facilities, but such equipment (and presumably the labor to install it) should be capitalized and recovered in rates because PG&E’s accounting department has theorized that the equipment is “used and useful.”²⁷

PG&E “proposes to capitalize customer-owned facilities beyond the meter, including installation of the individual electric meter pedestals and electrical wiring from each electrical meter panel pedestal to the point of connection of each mobilehome and gas houseline plumbing from the PG&E riser to the home connection.”²⁸ PG&E further states, “Legacy MHP systems will remain the property and responsibility of the MHP owner.”²⁹

Neither PG&E nor SWG has cited any authority, legal or otherwise, in support of this unusual proposition. In fact, beyond-the-meter equipment that is not owned by the utility is not “used and useful” for ratemaking purposes and thus not eligible for rate recovery. It is certainly not part of a utility’s rate base.

Classification of costs as capital or expense is governed by generally accepted accounting principles (GAAP) and federal accounting standards. An asset may be capitalized if it has a useful life that extends beyond the current year, and a utility must use the asset to conduct its business. Equipment that is not owned by a utility (*e.g.*, equipment that is owned by a customer) does not qualify as a capital asset.

Both PG&E and SWG declared during Evidentiary Hearings that neither utility would own any beyond-the-meter equipment:

²⁷ Tr. Vol. 2, 233:21- 234:1.

²⁸ PG&E Supplemental Opening Brief at p. 6.

²⁹ *Id.*

Q: Then my next question will be posed to both of you. Can you tell me how you plan to treat beyond-the-meter equipment, *i.e.*, do your utilities plan to own the equipment or to deed that equipment over?

WITNESS CONGDON (SWG): We would not intend to own that equipment.

Q: Ms. Hوجلund?

WITNESS HOGLUND (PG&E): Nor would we.³⁰

Yet, both PG&E and SWG stated that each utility would capitalize beyond-the-meter costs:

Q: Then my next question is, how do you plan to treat beyond-the-meter costs? Do you plan to capitalize those costs or to expense those costs?

WITNESS CONGDON (SWG): We had anticipated capitalizing them and including that in the annual program revenue requirement.

Q: Ms. Hوجلund?

WITNESS HOGLUND (PG&E): We had planned on doing the same thing, capitalizing them and including them there.³¹

When asked to elaborate further, however, neither PG&E nor SWG could explain how their accounting theories conformed to ratemaking reality:

Q: So if both your utilities plan to capitalize those costs, how can those costs be capitalized if neither of your utilities will own that equipment?

WITNESS CONGDON (SWG): I am – can't give you a good accounting answer for that, but I think if there's a will, there's a way.³²

PG&E and SWG cannot explain why GAAP should not apply here. PG&E's and SWG's proposal of non-ownership of beyond-the-meter equipment simply does not justify rate recovery.

³⁰ Tr. Vol. 2, 234:2-12.

³¹ Tr. Vol. 2, 234: 2-12.

³² Tr. Vol. 2, 234:13-19.

XII.

CONCLUSION

The Joint Parties' proposal meets the Commission's objective to encourage MHPs to convert to direct utility service and is consistent with the Assigned Commissioner's Scoping Memo, transfer of ownership and operational responsibility under Cal. Pub. Util. Code §§ 2791-2799, and the principles established in the gas or electric corporation's line extension rules. The Joint Parties' pilot program is a reasonable method to procure accurate data to better forecast future MHP conversion costs statewide on a long-term basis, giving the Commission and the IOUs time to gather information to determine the most efficient and cost-effective MHP conversion program possible, to manage necessary personnel modifications, and to avoid negatively impacting ratepayers in the form of excessively higher rates.

The Joint Parties' proposal truly weighs the overall costs of the choices being considered. The Joint Parties' proposal accomplishes the goals of this rulemaking in a fair and balanced manner while providing more information to the Commission. While the Joint Parties have carefully contemplated and presented a reasonable compromise proposal, PG&E has completely refused to alter its original proposal and continues to call for the utilities to replace entirely—at ratepayer expense—the gas and electric systems of potentially every MHP in the state, regardless of condition. The Commission should not support such a costly open-ended program with no apparent cap.

Pursuant to agreement of the Joint Parties, SCE is authorized to sign this brief on behalf of the Joint Parties.

Respectfully submitted,

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October 18, 2013