Decision 26-06-011 June 11, 2026

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Caravilla MHP HOA and Douglas Fraser, Carol Simpson, William Latchaw, Luis A. Garcia, Alfredo Carrera, Mynor Mejia, Ismad Guzman, and Ranferi Galan, Complainants, vs. Newport Pacific and Caravilla Mobile Home Park, Defendants.	Case 25-04-009

PRESIDNG OFFICER'S DECISION DENYING COMPLAINT

Summary

This decision denies the Complaint filed by Caravilla MHP HOA and Douglas Fraser, Carol Simpson, William Latchaw, Luis A. Garcia, Alfredo Carrera, Mynor Mejia, Ismad Guzman, and Ranferi Galan against Defendants Newport Pacific and Caravilla Mobile Home Park (MHP). In the course of the proceeding, it was clarified that there is only one Defendant with the correct designation being Newport Pacific Capital Company.

Complainants are residents of the Caravilla Mobile Home Park (MHP) that is operated and maintained by Defendant. Electric and gas services are billed to Defendant by Southern California Edison (SCE) and Southern California Gas Company (SoCalGas) respectively, through a master meter account. The MHP residents are in turn billed by Defendant via submetering accounts.

We find that Complainants are not entitled to any refund of basic and customer charges included in their monthly electric and gas bills. Public Utilities Code § 739.5(a) requires the master meter owner to charge the same rates for electricity and gas that would be applicable if Complainants were charged by SCE and SoCalGas directly. Complainants are not being charged more than what they would have been charged, if they were direct customers of SCE and SoCalGas, inclusive of the basic and customer charges.

We also find that Complainants are also not entitled to any refund of master meter credits received by Defendant from SCE and SoCalGas. The credits and discounts are granted to Defendant by the two utilities to cover Defendant's costs for operating and maintaining the submeter system in the MHP and performing functions such as meter reading, billing, collecting payments from residents, and related administrative functions.

Case 25-04-009 is closed.

1. Procedural Background

On April 15, 2025, Complainants Caravilla MHP HOA and Douglas Fraser, Carol Simpson, William Latchaw, Luis A. Garcia, Alfredo Carrera, Mynor Mejia, Ismad Guzman, and Ranferi Galan filed Case (C.) 25-04-009 against Defendants Newport Pacific and Caravilla Mobile Home Park alleging that Complainants are

entitled to refunds of monthly basic customer fees charged by Defendants and master meter credits received by Defendants from Southern California Gas Company (SoCalGas) and Southern California Edison (SCE).

On June 20, 2025, Defendants filed their Answer[1] to the Complaint.

On July 2, 2025, Defendants filed a miscellaneous filing clarifying that there is only one defendant and that the correct designation of defendant is Newport Pacific Capital Company (Newport or alternatively, Defendant).

A prehearing conference (PHC) was held on July 14, 2025. At the PHC, the issues, need for hearings, procedural schedule, and others matters relating to the proceeding were discussed.

On July 23, 2025, the assigned Commissioner issued a Scoping Memorandum and Ruling setting forth the scope of issues, procedural schedule, and addressed other procedural matters relating to the complaint. In the Scoping Memo, it was determined the single factual disagreement can be resolved through discovery exchange and that hearings were therefore not needed.

On August 11, 2025, Defendant filed a Supplement (Part 1) to its Answer. Part 2 of the Supplement was later filed on August 15, 2025.

On August 26,2025, the assigned Administrative Law Judge (ALJ) issued a ruling requiring additional information from Defendant.

Defendant filed a Response to the ruling on September 9, 2025. Defendant filed a Supplement to the Response on September 17, 2025.

[1] Defendants were granted leave to late-file their Answer.

On October 14, 2025, Defendant filed its Opening Brief. Complainants did not file an Opening or Reply Brief.[2]

The case is deemed submitted on October 14, 2025 upon the filing of Defendant's Opening Brief.[3]

2. Positions of the Parties

Complainants are residents of the Caravilla Mobile Home Park (MHP) that is operated and maintained by Defendant. There are 84 residential spaces in the MHP. The residents are not billed directly for electric services by SCE and for gas services by SoCalGas.[4] Instead, electric and gas services are billed to Defendant through a master meter account and the MHP residents are in turn billed by Defendant via submetering accounts. Defendant is responsible for reading the submeters, billing the residents, and collecting payments from the MHP residents.

As stated in the Procedural Background section of the decision, Defendant filed a miscellaneous filing clarifying that there is only one defendant and that the correct designation of defendant is Newport Pacific Capital Company. This decision will therefore reference Newport as the sole defendant in the Complaint although the heading shall remain unchanged in order to recognize the filing made by Complainants.

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[2] Complainants attempted to file an Opening Brief but the filing was rejected by the Docket Office for lack of service and other filing defects.

[3] The deadline for filing Reply Briefs was November 14, 2025 but no Reply Briefs were filed.

[4] The MHP is in the process of a conversion program where the residents will be billed directly by SCE and SoCalGas. As of August 2025, residents are already being billed directly by SoCalGas. The conversion process for SCE is still in progress.

2.1. Complainant

Complainants state that their electric bills include a basic customer fee of around $0.72 per month and their gas bills include a customer fee of around $4.80 per month. Complainants argue that the amounts charged for these fees over the past 20 years should be refunded to the residents.

Complainants also state that Defendant receives master meter discounts and credits[5] from SCE and SoCalGas monthly and that these discounts and credits over the past 20 years should also be refunded to the residents of the MHP. Complainants estimate that Defendant receives a total of approximately $60 per month from SCE and approximately $400 per month from SoCalGas from the 84 residential spaces in the MHP.

2.2. Defendant

Defendant states that the basic charge that appears in each customer's monthly is a charge imposed by SCE to all its customers. Similarly, the customer charge is a monthly charge imposed by SoCalGas to all its customers. Defendant argues that under Public Utilities Code § 739.5(a), they are required to charge what SCE and SoCalGas would have charged to the submetered accounts if they were being served directly by the utilities.

Regarding master meter credits, Defendant states that the rates charged to the MHP residents for electric and gas are in accordance with the rates SCE and SoCalGas charges to its residential customers. The master meter that Defendant

[5] Master meter credits and discounts may be referred to interchangeably in this decision but both terms are meant to represent the credits and/or discounts received by Defendant from SCE and SoCalGas for operating as a master meter for the Caravilla MHP.

maintains has a submetering discount billed into the rate. According to Defendant, this master meter discount is designed to maintain the upkeep of the submetering system and the amounts are not meant to be passed on to the residents.

3. Scope of Issues

The Scoping Memo set forth the following as the issues in this Complaint:

1. Whether or not Complainants are entitled to any refund of basic customer fees collected by Defendants; and
2. Whether or not Complainants are entitled to any refund of master meter credits received by Defendants.

4. Discussion of Issues

4.1. Request for Refund of Basic and Customer Charges

As stated in Section 2.1 of this decision, Complainants state that their electric and gas bills from Defendant include a basic and customer charge. Complainants argue that these should be refunded to them.

In its Supplemental Information filed on September 17, 2025 (Defendant's Answers to the assigned ALJ Questions), Defendant explains that it imposes basic and customer charges as authorized by state law.[6] Defendant further states that it is not remitting the charges to SCE and SoCalGas but is instead keeping the payments and using it to defray some its costs in providing electric and gas service to the MHP.[7]

[6] September 17, 2025 Supplement Information at 2.

[7] *Id* at 5.

In Decision (D.) 04-04-043, the Commission noted how MHP owners receive electricity and natural gas from utilities and then distributes and bills tenants in an MHP.

> "A large number of MHP owners provide electricity and/or natural gas to their tenants through a master meter. In such cases, the MHP owner receives electricity and/or natural gas from the utility at a master meter. The electricity and/or natural gas are then distributed to tenants through the MHP owner's distribution system, and a sub-meter located at each tenant's mobile home. Each tenant is billed by the MHP owner for the usage recorded by the sub-meter. As a result, the tenant is not a customer of the utility."[8]

Similarly, in the present case, the Caravilla MHP tenants are not direct customers of SCE and SoCalGas. Thus, SCE and SoCalGas are not able to bill the MHP tenants directly for usage. Instead, the utilities bill the MHP owner who in turn bills the MHP tenants.

Defendant explains that SCE charges its direct customers a basic charge and SoCalGas charges its direct customers a customer charge. This fact is not disputed. However, because the MHP tenants are not direct customers of SCE and SoCalGas, they cannot be charged by these two utilities the basic and customer charges that they would otherwise bill their regular gas and electric customers.

Defendant argues that Section 739.5(a) authorizes it to bill Complainants the same amount that SCE and SoCalGas would have billed if Complainants were being billed directly by SCE and SoCalGas. And because the utilities charge

[8] D.04-04-043 at 2.

basic and customer charges to their customers, Defendant adds these to the usage charges billed to Complainants. Defendant says the charges pay for expenses for billing and meter reading and for maintaining the submeter system in the MHP.

Public Utilities Code § 739.5 requires sub-metered MHP owners to charge the same rates for electricity and natural gas that would be applicable if the utility served the tenant directly.

> "Section 739.5(a) The commission shall require that, whenever gas or electrical service, or both, is provided by a master-meter customer to users who are tenants of a mobile home park, apartment building, or similar residential complex, the master-meter customer shall charge each user of the service at the same rate that would be applicable if the user were receiving gas or electricity, or both, directly from the gas corporation or load-serving entity, as defined in Section 380…"

From the evidence in this proceeding, we find that Complainants are not being billed by Defendant more than what they would have been charged had Complainants been direct customers of SCE and SoCalGas. This includes charges for usage and for the basic and customer charges.

Usage charges are based on rate schedules by SCE and SoCalGas.[9] Defendant also explained that the basic and customer charges imposed on Complainants are based rates set by SCE and SoCalGas and mirrors what SCE and SoCalGas would have charged its direct customers.[10] Different amounts are

[9] Defendant's Brief at 5.

[10] *Id* at 6 to 7.

being charged monthly to the different MHP residential spaces based on customer submeter readings.

Based on the evidence presented and as explained above, we find that Defendant did not violate Public Utilities Code § 739.5(a) and Complainants are not entitled to any refund of basic and customer charges included in their bills.

Complainants should not base their monthly electric and gas bills on what the MHP owner is being charged by SCE and SoCalGas, which is subject to a master meter discount as will be explained in the next section of this decision. Instead, Complainants should compare their monthly bills to what they would have been charged had they been direct customers of SCE and SoCalGas. And as stated above, the evidence shows that Complainants were not charged more than what they would have been charged had they been direct customers of SCE and SoCalGas.

Defendant also adds that it participated in the Commission's utility conversion program and that as of August, 2025, the MHP tenants are now being billed directly by SoCalGas.[11] Direct billing from SCE is expected to occur in near future.

4.2. Request for Refund of Master Meter Credits

Complainants submitted evidence showing that Defendant receives master meter credits from both SCE and SoCalGas. Defendant does not deny and in fact admits receiving said credits. Defendant also did not contest the amount of the

[11] Defendant's Brief at 2.

discounts indicated by Complainants which is approximately $60 per month from SCE and approximately $400 per month from SoCalGas.

However, Complainants do not explain why the discounts granted to Defendant for operating as a master meter should be passed on to the residents or cite a provision of law or rule that requires Defendant to do so.

As discussed in the preceding section, Public Utilities Code § 739.5 requires Defendant to charge each user for gas and electric service at the same rate that would be applicable if the user were receiving gas and electricity directly from SoCalGas and SCE respectively. § 739.5(a) further requires SCE and SoCalGas to establish rates for master meter service at a level that will provide sufficient differential to cover the reasonable average costs of providing master meter services with the differential not exceeding what the utilities would have spent in providing services directly to the submetered customers.

> "Section 739.5(a)…The Commission shall require a gas or electrical corporation furnishing service to the master-meter customer to establish uniform rates for master-meter service at a level that will provide a sufficient differential to cover the reasonable average costs to master-meter customers of providing submeter service, except that these costs shall not exceed the average cost that the gas or electrical corporation would have incurred in providing comparable services directly to the users of the service."

The master meter credits and discounts granted to Defendant by SCE and SoCalGas represent the differential stated above to cover Defendant's costs for operating and maintaining the submeter system in the MHP and for performing functions such as meter reading, billing, collecting payments from residents, and related administrative functions. The master meter credits and discounts are

based on avoided costs by SCE and SoCalGas and are granted to Defendant for reduced costs in having to bill only one customer as opposed to having to bill each customer separately.

Public Utilities Code § 739.5(b) does require Defendant to pass on to the MHP residents rebates that it receives from SCE and SoCalGas. However, the credits and discounts granted to Defendant by SCE and SoCalGas as a master meter operator are not the rebates contemplated in this section.

The rebates in § 739.5(b) refer to refunds, discounts or credits meant for customers for having paid more than they should have for gas or electric service. Examples of rebates to customers are rebates for billing errors or for reduced electricity and gas costs afforded to low income Californians that are part of the California Alternate Rates for Energy (CARE) program. And as explained by Defendant, all rebates under § 739.5(b) have been credited to the MHP residents including reduced costs for those who are part of the CARE program, which includes several of the Complainants.

Based on the evidence in this proceeding, we find that Defendant did not violate any provision of law with respect to the master meter credits received from SCE and SoCalGas.

5. Conclusion

Defendant receives electricity from SCE and natural gas from SoCalGas, which it distributes to the tenants through Defendant's distribution system. The tenants are not customers of SCE and SoCalGas and are not billed by these two utilities directly. Instead, each tenant is billed by Defendant through sub-meter readings and based on rate schedules by SCE and SoCalGas. They are also

assessed basic and customer charges based on rates set by SCE and SoCalGas and mirrors what SCE and SoCalGas would have charged its direct customers.

Public Utilities Code § 739.5 requires sub-metered MHP owners to charge the same rates for electricity and natural gas that would be applicable if the utility served the tenants directly.

The evidence in the proceeding shows that Complainants are not being charged more than what direct customers would have been charged, inclusive of the basic and customer charges.

Defendant did not violate § 739.5(a) and Complainants are not entitled to refunds of basic and customer charges.

Complainants are also not entitled to any refunds from the master meter discounts granted to Defendant by SCE and SoCalGas. The master meter discounts are authorized by § 739.5(a) based on avoided costs by the utilities and are meant to help defray Defendant's costs for billing, meter reading, and maintenance of the sub-meter system in the MHP.

6. Category of Proceeding and Need for Hearing

This decision confirms the Category for C.25-04-009 as adjudicatory. The decision also affirms that hearings were not needed. There was a factual dispute whether basic customer fees were actually being charged to Complainants but the issue was resolved through the submission of additional evidence. Complainants were able to adequately establish that basic customer fees were being charged.

7. Appeal or Review of Presiding Officer's Decision

The presiding officer's decision in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code. Pursuant to Rule 14.4 of the Commission's Rules of Practice and Procedure, any party may file an appeal of the presiding officer's decision within 30 days of the date the decision is served. In addition, any Commissioner may request review of the presiding officer's decision by filing a request for review within 30 days of the date the decision is served.

Complainants filed an appeal on May 8, 2026.[12] Complainants once again argue that § 739.5 of the Public Utilities Code does not authorize Defendant to assess basic and customer charges and that § 739.5(b) entitles them to a share of the master meter discounts that Defendant receives from SCE and SoCalGas.

Upon review, we find that the appeal does not raise any new facts or legal arguments that have not been considered previously and already discussed in the presiding officer's decision.

To reiterate, Public Utilities Code § 739.5 requires sub-metered MHP owners to charge the same rates for electricity and natural gas that would be applicable if the utility served Complainants directly. Complainants are not being charged more than what direct customers would have been charged, inclusive of basic and customer charges. And, as previously explained, the rebates in § 739.5(b) refer to refunds, discounts, or credits for customers that paid

[12] Complainants were granted an extension to file their appeal.

more than they should have for gas or electric service. These rebates do not refer to the master meter discounts that Defendant receives from the utility.

8. Assignment of Proceeding

Commissioner John Reynolds is the assigned Commissioner and Rafael Lirag is the Administrative Law Judge and Presiding Officer in this proceeding.

Findings of Fact

1. Complainants' electric and gas bills from Defendant include a basic and customer charge.
2. SCE charges its regular customers a basic charge and SoCalGas charges its regular customers a customer charge.
3. Because the MHP tenants are not direct customers of SCE and SoCalGas, they cannot be charged by the two utilities the basic and customer charges that they would otherwise bill their direct gas and electric customers.
4. Public Utilities Code § 739.5 requires sub-metered MHP owners to charge the same rates for electricity and natural gas that would be applicable if the utility served the tenant directly.
5. The basic and customer charges imposed on Complainants are based on rates set by SCE and SoCalGas and mirrors what SCE and SoCalGas would have charged its direct customers.
6. Complainants are not being billed by Defendant more than what they would have been charged had Complainants been direct customers of SCE and SoCalGas, inclusive of the basic and customer charges.

7. Defendant receives master meter credits from both SCE and SoCalGas of approximately $60 per month from SCE and approximately $400 per month from SoCalGas.

8. Public Utilities Code § 739.5(a) requires SCE and SoCalGas to establish rates for master meter service at a level that will provide sufficient differential to cover the reasonable average costs of providing master meter services with the differential not exceeding what the utilities would have spent in providing services directly to the submetered customers.

Conclusions of Law

1. Defendant did not violate Public Utilities Code § 739.5(a) with respect to charging basic and customer charges.

2. Complainants are not entitled to any refund of basic and customer charges included in their bills.

3. The master meter credits and discounts granted to Defendant by SCE and SoCalGas represent the differential stated in § 739.5(a) to cover Defendant's costs for operating and maintaining the submeter system in the MHP and for performing functions such as meter reading, billing, collecting payments from residents, and related administrative functions.

4. The master meter credits and discounts granted to Defendant by SCE and SoCalGas are not rebates as defined in § 739.5(b) that must be credited to customers.

5. Complainants are not entitled to any refunds from the master meter discounts granted to Defendant by SCE and SoCalGas and Defendant did not

violate any provision of law with respect to the master meter credits received from SCE and SoCalGas.

6. The Complaint should be denied.

O R D E R

IT IS ORDERED that:

1. The Complaint filed Caravilla MHP HOA and Douglas Fraser, Carol Simpson, William Latchaw, Luis A. Garcia, Alfredo Carrera, Mynor Mejia, Ismad Guzman, and Ranferi Galan, against Newport Pacific and Caravilla Mobile Home Park is denied.
2. Case 25-04-009 is closed.

This order is effective today.

Dated June 11, 2026, at Sacramento, California.

JOHN REYNOLDS
President
DARCIE L. HOUCK
KAREN DOUGLAS
MATTHEW BAKER
CHRISTINE HARADA
Commissioners