

STATE OF CALIFORNIA

Public Utilities Commission  
San Francisco

**M e m o r a n d u m**

**Date:** June 10, 2015

**To:** The Commission  
(Meeting of June 11, 2015)

**From:** Lynn Sadler, Director  
Office of Governmental Affairs (OGA) – Sacramento

**Subject:** **AB 682 (Williams) – Mobilehome park: electric and gas service:  
master-meter customers.  
As amended: May 13, 2015**

**RECOMMENDED POSITION:** SUPPORT

**SUMMARY OF BILL**

This bill would allow a utility to upgrade the electric and gas systems of mobilehome park tenants who may or may not have up-to-date paperwork. Mobilehome tenants would be able to participate in the pilot program without a current title or appropriate paperwork. Specifically, this bill:

- Would modify existing law by adding a section authorizing alterations or conversions being made to manufactured homes or mobilehomes, solely for the purpose of enabling these homes to be directly connected to the providing utility's natural gas and/or electric system, per California Public Utilities Commission (CPUC) Decision (D.) 14-03-021 (March 12, 2104), without filing an application for such work with the Department of Housing and Community Development (HCD).
- Would require HCD to inspect alterations or conversions to ensure that health and safety standards are met, and would authorize HCD to establish and impose a fee to cover the costs of any inspections.
- Would support and enable timely implementation of the CPUC's Decision (D.) 14-03-021, which adopts a 3-year pilot program under which certain CPUC-regulated gas and electric utilities will transfer approximately 10% of such homes within the utility's service territory from park-owned, master meter/submeter gas and electric systems to direct utility service.

## **CURRENT LAW**

- Manufactured Housing Act of 1980 (Health & Safety Code Section 18000 et seq.)
- Transfer of Facilities in Master-Metered Mobilehome Parks and Manufactured Communities to Gas or Electric Corporations (Public Utilities Code Section 2791 et seq.); see in particular Sec. 2791(c), which requires all parks built after January 1, 1997 to be served directly (and individually metered) by CPUC-regulated gas and electric utilities, thereby prohibiting any new master-meter/submeter systems – this is relevant to D.14-03-021 but not the AB 682, per se.

## **AUTHOR’S PURPOSE**

The CPUC’s Safety and Enforcement Division (SED) has learned that HCD lack of resources and current HCD permit application requirements related to mobilehomes and manufactured homes would hinder the application of certain safe and efficient construction methods for use in timely implementing utility transfers per D.14-03-021. The bill would appear to remove this impediment to implementation of the 3-year pilot program adopted by D.14-03-021.

## **EXPLANATION OF BILL’S IMPACT ON CPUC PROGRAMS, PRACTICE & POLICY**

SED is the CPUC Division involved in implementation of the pilot program adopted by D.14-03-021 and is the CPUC interface with HCD, the utilities, park owners and park residents. Enactment of the bill would appear to enable the continued implementation of the pilot program under the 3-year timeline adopted.

Public outreach to date has sought to educate all pilot program participants about the timeline and delay could confuse the public, potentially resulting in calls, emails and letters to SED and the Commission’s Public Advisor.

## **SAFETY IMPACT**

The bill would permit the timely implementation of the pilot adopted by D.14-03-021. That decision’s Finding of Fact 4 states: “No party argues that MHP [manufactured housing/mobilehome park] master-meter/submeter systems, as a group, are so unsafe or unreliable that they pose imminent danger. All parties recognize that various kinds of problems are not uncommon, given the aging infrastructure at most MHPs.”

As required by D.14-03-021, parks which have the highest risk profile under SED metrics (and which meet other mandatory requirements), will be selected for inclusion within the pilot program’s targeted 10% participation limit.

## **RELIABILITY IMPACT**

See comments on Safety Impact. Safety improvements generally improve reliability.

## **RATEPAYER IMPACT**

To the extent that current HCD regulations would hinder the application of certain safe and efficient construction methods for use in timely implementing utility transfers per D.14-03-021, alternate construction methods would be costlier. As a result, costs to ratepayers are likely to be higher if the modifications proposed by the bill are not enacted and/or HCD is otherwise unable to address its resource issues.

## **FISCAL IMPACT**

Absent passage of the bill, a petition for modification of D.14-03-021 may be filed to request changes in the pilot timeline, and if filed, may require SED resources. As such, the bill could potentially obviate future CPUC workload.

## **ECONOMIC IMPACT**

Implementation of the pilot program adopted by D.14-03-021 will require retrofit of gas and electric systems, throughout California, and the corresponding employment of construction workers, electricians, natural gas system technicians, and plumbers. The Coalition of California Utility Employees (CUE) was a party to the underlying Commission proceeding (R.11-02-018) and supported the proposed decision adopted as D.14.03-021. Delays in implementation could affect these jobs.

## **LEGAL IMPACT**

Unknown.

## **LEGISLATIVE HISTORY**

Unknown.

## **BACKGROUND INFORMATION ON IMPACTED PROGRAMS, PRACTICE OR POLICY**

See above: Impact on CPUC Programs; Safety Impact.

## **OTHER STATES' INFORMATION**

Unknown.

## **SUMMARY OF SUPPORTING ARGUMENTS FOR RECOMMENDATION**

This bill should be **supported** for the following reason(s):

- (1) AB 682 would support and enable timely implementation of D.14-03-021.

## **SUMMARY OF SUGGESTED AMENDMENTS**

None.

## **SUPPORT/OPPOSITION**

### **Support**

Western Manufactured Housing Communities Association (sponsor)

### **Opposition**

None on file

## **VOTES**

Assembly Floor: 75-0 (5/22/15)

Assembly Appropriations Committee: 15-0 (5/20/15)

Assembly Housing and Community Development Committee: 5-1 (4/29/15)

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**BILL LANGUAGE****SECTION 1.**

*Section 18029.1 is added to the Health and Safety Code, to read:*

**18029.1.**

*(a) Notwithstanding Section 18029, a person may, without filing an application for an alteration or conversion required by this chapter, alter or convert, or cause to be altered or converted, the structural, fire safety, plumbing, heat-producing, or electrical systems and installations or equipment of a manufactured home or mobilehome in order to extend a gas line or electrical feeder line, or both, from a utility-owned service line to the electrical subpanel or gas inlet of the manufactured home or mobilehome only for the purpose of a natural gas or electric service utility upgrade, or both, within a mobilehome park that is subject to or consistent with the requirements of Public Utilities Commission Decision 14-03-021 (March 13, 2014).*

*(b) Notwithstanding Section 18029, if, at the time that natural gas or electric service is connected to a manufactured home or mobilehome as part of a natural gas or electric service utility upgrade, or both, within a mobilehome park that is subject to or consistent with the requirements of Public Utilities Commission Decision 14-03-021 (March 13, 2014), a defect in the manufactured home or mobilehome relating to the heat-producing or electrical systems or installations or equipment is found, the heat-producing or electrical systems or installations or equipment may be repaired or replaced without filing an application for an alteration or conversion required by this chapter if the repair or replacement is necessary to correct the defect, is made promptly, and is approved by the department.*

*(c) The department shall inspect any alteration or conversion described in subdivision (a) or (b) to ensure that any health and safety standards set forth in this part or Part 2.1 (commencing with Section 18200), or any rules and regulations adopted pursuant to those parts, that are consistent with the mission set out in Public Utilities Commission Decision 14-03-021 (March 13, 2014) are met. The department may establish, by rules and regulation, and charge an hourly technical service fee in an amount that is no more than necessary to cover the reasonable costs of the department to inspect that alteration or conversion of the manufactured home or mobilehome. The fees collected shall be deposited in the Mobilehome-Manufactured Home Revolving Fund.*