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

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
(Filed February 24, 2011)

SECOND UPDATED

**PACIFIC GAS AND ELECTRIC COMPANY'S (U-39) THIRD ANNUAL REPORT
ON THE THREE-YEAR PILOT PROGRAM TO CONVERT MOBILEHOME PARKS
AND MANUFACTURED HOUSING-COMMUNITIES TO DIRECT UTILITY SERVICE**

CHARLES R. LEWIS, IV

Pacific Gas and Electric Company
77 Beale Street, B30A
San Francisco, CA 94105
Telephone: (415) 973-6610
Facsimile: (415) 973-5520
E-Mail: charles.r.lewis@pge.com

Attorney for
PACIFIC GAS AND ELECTRIC COMPANY

Dated: April 13, 2018

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In accord with Ordering Paragraph 10 of California Public Utilities Commission (CPUC or Commission) Decision (D.) 14-03-021, Pacific Gas and Electric Company (PG&E) submits a second update to its third annual report on the three-year pilot program for conversion of mobilehome parks and manufactured housing communities (collectively, MHPs) from master-meter/submeter gas and electric services to direct utility services.

PG&E's original report was submitted on February 1, 2017. Later, following submittal, PG&E discovered a typographical error on page 3, under heading 6. Cost Assessment. On February 27, 2018, PG&E submitted an updated report correcting that error.

Following the February 27, 2018 submittal, PG&E conducted additional review of the program and the Commission decision. As a result, the updated version was withdrawn from the docket office and PG&E is updating the presentation of program costs in this second updated report to better align with D.14-03-021 and with PG&E's testimony and work papers in Rulemaking (R.)11-02-018. In particular, the testimony and work papers distinguished between two types of costs: (1) actual trenching and construction costs incurred both to-the-meter (TTM) by PG&E contractors and reasonable beyond-the-meter (BTM) costs incurred by the MHP owner and reimbursed by PG&E which were estimated on a per MHP space basis and (2) overall programmatic costs like customer information and outreach and program administration that were estimated on an annual or system-wide basis.

In the previous reports, PG&E had combined both types of costs into a single table,

comingling per space costs with programmatic costs. As detailed below, the current updated report (Appendix A), separates the two cost types:

Table 2 includes the per space construction costs for the MHP program as set forth in Appendix B of D.14-03-021 (Common Case Cost Estimates – All Utilities; San Luis Rey Homes), including:

1. TTM Costs includes costs incurred for Engineer, Procurement, and Construction (EPC) activities. These costs include all EPC labor in support of the MHP program including contractor estimating and design and all EPC construction for TTM scope work; and
2. BTM Costs including costs reimbursed to the MHP owner/operator or paid to the BTM Contractor to perform the BTM construction work.

Table 3 includes those programmatic cost categories not included in Appendix B of D.14-03-021, but which were included as part of PG&E's 2012 testimony and work papers in R.11-02-018 or were necessary incurred to implement the program in accordance with D.14-03-021.

PG&E's updated third annual report, attached as Appendix A hereto, provides data for the period January 1, 2017 to December 31, 2017^{1/}. As required by Decision (D.) 14-03-021, Ordering Paragraph 10, this annual report includes a timeline status and a preliminary quantification of construction costs incurred per space, on both "to the meter" and "beyond the meter" bases.

As required by D.14-03-021, Ordering Paragraph 11, this report is verified by an officer of PG&E, and is being submitted to the Commission's Executive Director, with copies to each Commissioner, the Chief Administrative Law Judge, the Director of the Energy Division, the

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^{1/} Costs shown in Appendix A are rounded to the nearest dollar.

Director of the Safety and Enforcement Division, and all parties listed on the service list for this proceeding.

Respectfully submitted,

CHARLES R. LEWIS, IV

By: /s/ Charles R. Lewis, IV
CHARLES R. LEWIS, IV

Pacific Gas and Electric Company
77 Beale Street, B30A
San Francisco, CA 94105
Telephone: (415) 973-6610
Facsimile: (415) 973-5520
E-Mail: charles.r.lewis@pge.com

Dated: April 13, 2018

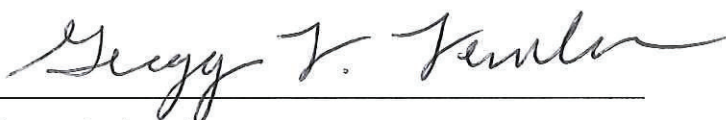
Attorney for
PACIFIC GAS AND ELECTRIC COMPANY

VERIFICATION

I, Gregg L. Lemler, say:

I am an officer of Pacific Gas and Electric Company (PG&E), a California corporation, and am authorized pursuant to Rule 2.1 and Rule 1.11 of the Rules of Practice and Procedure of the CPUC to make this Verification for and on behalf of PG&E. I have read the foregoing Report and I am informed and believe that the matters therein concerning Pacific Gas and Electric Company are true. Therefore, I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at San Francisco, California, this 12th day of April 2018.

A handwritten signature in black ink, reading "Gregg L. Lemler", written over a horizontal line.

Gregg L. Lemler
Vice President, Electric Transmission
Operations

R.11-02-018
Second Updated Third Annual Report
Reporting Period January 1, 2017 to December 31, 2017

PACIFIC GAS AND ELECTRIC COMPANY

APPENDIX A

SECOND UPDATED

**PACIFIC GAS AND ELECTRIC COMPANY'S (U-39) THIRD
ANNUAL REPORT ON THE THREE-YEAR PILOT PROGRAM TO
CONVERT MOBILEHOME PARKS AND MANUFACTURED
HOUSING-COMMUNITIES TO DIRECT UTILITY SERVICE**



***Pacific Gas and
Electric Company®***



Mobile Home Park Utility Upgrade Program 2017 CPUC Report

Filing Date: April 13, 2018
(Update to February 1, 2018 Report)

Special Projects Manager: *Roger Jackson*

Program Manager: *William Go*

PM Supervisor: *Roger Jackson*

PACIFIC GAS AND ELECTRIC COMPANY
MOBILE HOME PARK UTILITY UPGRADE PROGRAM
2017 CPUC REPORT

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A. Mobile Home Park Utility Program Overview

1. Executive Summary

On March 14, 2014, the California Public Utilities Commission (CPUC or Commission) issued their final Decision (D.) 14-03-021 to approve a 3-year “Living Pilot” (Pilot) Program focusing on converting 10 percent of mobile home park (MHP) spaces in California from master-meter service to direct utility service.

The primary purpose of the Pilot Program is to replace MHP operated utility systems with direct public utility gas and electric service for MHP residents. Eight utilities, including Pacific Gas and Electric Company (PG&E or the Company), were required to participate beginning January 1, 2015 to implement the CPUC Decision.

2. CPUC Pilot Program

- 3-year Pilot Program started January 2015.
- Construction targeted to complete by December 2017; however, per D.14-03-021, utilities were originally allowed to complete the 3-year Pilot Program in 2018 provided construction already began in 2017. The CPUC subsequently approved PG&E’s Advice Letters 3822-G/5033-E and 3822-G-A/5033-E-A in Resolution E-4878 that allows PG&E to continue its MHP Pilot until the earlier date of either December 31, 2019, or the issuance of a Commission Decision for the continuation, expansion or modification of the program beyond December 31, 2019. The number of spaces converted in years 2018 and 2019 may not exceed the levels specified in the utility’s respective advice letter filing.
- Initial applications were prioritized by the CPUC and the Department of Housing and Community Development (HCD).
- PG&E must provide outreach to customers and other utilities, and share trenches where possible.

3. Program Vision

Working with the CPUC’s Safety and Enforcement Division (SED) and the HCD, PG&E will provide enhanced service and reliability for the residents.

4. Report Objectives

This report complies with the directives stated in D.14-03-021. As specified in Section 4.3.4 of D.14-03-021, this third status report includes:

- Comprehensive cost accountings for both “to-the-meter” (TTM) and “beyond-the-meter” (BTM) construction based on project completion and cut over.

5. Program Timeline and Current Progress

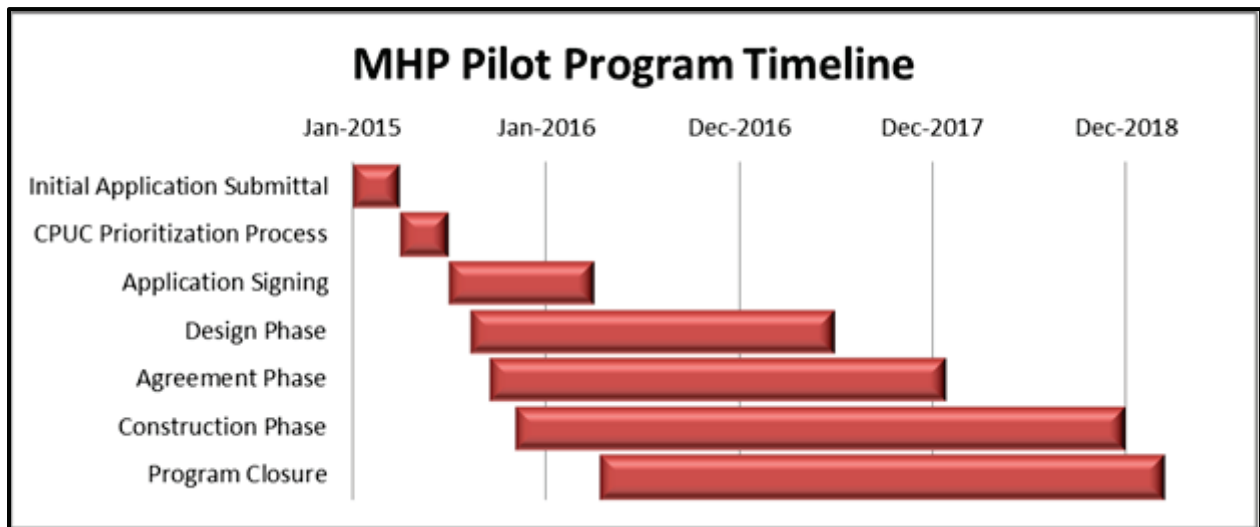
The MHP Program originally planned to achieve the conversion of 10 percent of MHP spaces in California from master-meter service to direct utility service; which represents approximately 10,500 spaces. However, there have been a number of MHPs that have opted out of the program which has resulted in a current space count of 8,897 across 123 MHPs or approximately 8.5 percent of all MHP master meter spaces in PG&E’s territory. To reach all participating MHP spaces, PG&E developed the timeline shown in Figure 1 (“Timeline for Implementation of 3-Year Pilot Program”) noting that, where applicable, 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 telecommunications 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, 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 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 HCD and/or other jurisdictional agencies having available trained resources to perform timely inspections on completed portions of the projects.

PG&E's 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, 2017, PG&E has completed 121 MHP designs and converted 59 MHPs, with 35 MHPs under construction.

**FIGURE 1
TIMELINE FOR IMPLEMENTATION OF THE 3-YEAR PILOT PROGRAM**



**TABLE 1
FINANCIAL COST PROGRAM TO DATE**

Fiscal year	2014	2015	2016	2017	Total
	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$
Total	645	9,125	77,364	155,898	243,032
Electric To the Meter		1,535	29,384	64,587	95,506
Gas To the Meter		1,637	28,458	66,174	96,269
Electric Beyond the Meter			9,055	9,347	18,402
Gas Beyond the Meter			7,593	13,299	20,892
Electric Expense	322	2,946	1,440	940	5,649
Gas Expense	322	3,006	1,434	1,551	6,313

6. Cost Assessment

As of December 31, 2017, PG&E has spent \$243 million and completed conversion of 59 MHPs (of 123 MHPs currently in scope)¹ with a combined

¹ The scope excludes MHPs that declined to participate in the Program and the corresponding space total was calculated from the MHP space counts in the PG&E prioritized list of eligible MHPs.

total of 3221 spaces (of 8897 spaces currently in scope). The total conversion cost for the 59 MHPs is \$119.4 million. In addition, there are 35 MHPs with a combined total of 4267 spaces in construction with a conversion cost of \$124 million to date. These costs will be adjusted as trailing and other costs are received and charged to their respective MHPs.²

Following submittal of PG&E's 2017 report on February 27, 2018,³ PG&E conducted additional review of the program and, as a result, is updating the presentation of program costs in this report to better align with D.14-03-021 and PG&E's testimony and workpapers in Rulemaking (R.) 11-02-018, as detailed below:

Table 2 includes construction costs for the program, as defined below:

- 1) TTM Costs includes costs incurred for Engineering, Procurement, and Construction (EPC) activities. These costs include all EPC labor in support of the program including contractor estimating and design and all EPC construction for TTM scope; and
- 2) BTM Costs are costs reimbursed to the MHP owner/operator or paid to the BTM Contractor to perform the BTM construction work.

Table 3 includes other cost categories not included in Appendix B of D.14-03-021, but which were included as part of PG&E's 2012 testimony and workpapers in R.11-02-018 or were necessarily incurred to implement the program in accordance with D.14-03-021.

² "Trailing charges" may include, but are not limited to, contractor invoices, internal labor charges, or other costs which may not have been received within PG&E's closing period.

³ PG&E originally submitted the 2017 annual report on February 1, 2018 and re-submitted the report on February 27, 2018 to correct a typographical error.

TABLE 2
PG&E QUANTIFICATION OF COSTS PER APP. B D.14-03-021
(COSTS THROUGH DEC. 31, 2017 – CONVERTED PARKS ONLY)

PG&E				
1	<u>To The Meter</u>			
2	Civil/ Trenching	\$	40,250,267	
3	<u>Electric System</u>			
4	Labor	\$	12,715,716	
5	Material/ Structure	\$	2,994,986	
6	<u>Gas System</u>			
7	Labor	\$	10,723,677	
8	Material/ Structure	\$	4,987,789	
9	Sub-Total To the Meter	\$	71,672,434	
10	<u>Beyond The Meter</u>			
11	Civil/ Trenching		N/A	
12	<u>Electric System</u>			
13	Labor	\$	8,616,369	
14	Material/ Structure	\$	1,583,622	
15	<u>Gas System</u>			
16	Labor	\$	7,498,886	
17	Material/ Structure	\$	1,650,715	
18	Other ⁴	\$	1,205,716	
19	Sub-Total Beyond the Meter	\$	20,555,308	
20				
21	Total (Line 9 + Line 19)	\$	92,227,742	
22				
23	Total Spaces Converted	To The Meter	Beyond the Meter	
24	Electric	2,904	2,904	
25	Gas	3,189	3,189	
26				
27	Average Cost/ Space	To the Meter	Beyond the Meter	Total
28	Electric	\$12,340	\$3,720	\$16,060
29	Gas	\$11,238	\$3,058	\$14,296
30	Total	\$23,578	\$6,778	\$30,356

⁴Includes city, Local Enforcement Agency (LEA) and/or HCD fees

**TABLE 3
OTHER PROGRAM EXPENDITURES**

PG&E		
1	Program Management ¹	\$ 8,959,746
2	Customer Outreach & Education	
3	Program Startup	\$ 1,773,459
4	Program Management, Outreach, and Education	\$ 1,207,552
5	Construction Management ²	\$ 8,521,211
6	Other Labor and Materials ³	\$ 3,811,128
7	Property Taxes	\$ -
8	AFUDC	\$ 2,857,472
9	Total	\$ 27,130,567

¹PMO Includes labor for all project management, program oversight and administration staff

²CM includes labor for construction oversight and cross-bore inspection

³Other Labor and Materials includes meters and installation, land rights, permitting, tie-in and design planning

B. Conclusion

This concludes the third annual filing in accordance with Ordering Paragraph 10 of D.14-03-021.