

**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)

**PACIFIC GAS AND ELECTRIC COMPANY'S (U39) SECOND 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) 973-0516
E-Mail: CRL2@pge.com

Attorney for
PACIFIC GAS AND ELECTRIC COMPANY

Dated: February 1, 2017

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Pacific Gas and Electric Company (PG&E) submits its second annual report on the three-year pilot program for conversion of mobilehome parks and manufactured housing communities (collectively, MHPs) from master-meter/submeter service to direct utility services. PG&E's second annual report, attached as Appendix A hereto, provides data for the period January 1, 2016 to December 31, 2016. 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 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

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San Francisco, CA 94105
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APPENDIX A



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



Mobile Home Park Utility Upgrade Program 2016 CPUC Report

February 1, 2017

Special Projects Manager: *Justin Sadler*

Program Manager: *William Go*

PM Supervisor: *Roger Jackson*

PACIFIC GAS AND ELECTRIC COMPANY
MOBILE HOME PARK UTILITY UPGRADE PROGRAM
2016 CPUC REPORT

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PACIFIC GAS AND ELECTRIC COMPANY MOBILE HOME PARK UTILITY UPGRADE PROGRAM 2016 CPUC REPORT

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 (or Decision) approving a 3-year “living pilot” (pilot) program focusing on converting 10 percent of mobile home park (MHP) spaces in California from MHP-maintained 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.

As of December 31st, 2016, PG&E has spent approximately \$87 million for completed and in-progress MHP utility conversion work. Of the \$87 million, approximately \$22.8 million is for completed work (13 MHPs or 635 spaces) and \$64.3 million is for in-progress work (28 MHPs or 3,170 spaces). The in-progress costs are likely to increase until all work is completed and expenses have been received. PG&E’s total scope of work during this pilot program is projected to be up to 125 MHPs or 8,944 spaces depending on MHP participation.¹

2. CPUC Decision’s Pilot Program

- 3-year pilot program started January 2015.
- Construction targeted to complete by December 2017; however, utilities are allowed to complete work on qualified pilot program MHPs, which started construction in 2017.

¹ Current count of the active portfolio is 125 MHPs (8,944 spaces). The decrease is due to number of parks that have opted-out of the Program, all of which, have been presented to the CPUC for review and approval for removal.

- Initial applications received were prioritized by the CPUC Safety and Enforcement Division (SED) and the California Department of Housing and Community Development (HCD).
- PG&E must provide outreach to MHP owners and tenants and other utilities, and share trenches where possible.

3. Program Vision

Working with the CPUC’s SED and the California HCD, PG&E will provide enhanced service and reliability for MHP 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 second status report includes:

- Program timeline and the current progress towards that timeline.
- Preliminary quantification of construction costs incurred per space identified separately by “to the meter” (TTM) and “behind the meter” (BTM).
 - The Decision further requires that, on both TTM- and BTM-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.

5. Program Timeline and Current Progress

The Mobile Home Park Program (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 for PG&E’s service territory.² However, there have been a number of MHPs that have opted-out of the Program, which has resulted in a current space count of 8,944 across 125 MHPs in PG&E’s territory. To reach participating MHP spaces, PG&E developed the timeline shown in Figure 1 (Timeline for Implementation of 3-Year Pilot), noting that—where applicable—dual conversions (natural gas and electric) have been planned through joint efforts with the respective electric and gas service providers. Additionally, joint

² PG&E labels “Converted” MHPs as those where System Cutover has occurred, master meter has been removed, and all costs for all TTM, BTM, Project Management Office (PMO)/Construction Management (CM) costs are expected to have been received and allocated to each MHP. PG&E established and strives to meet a “Closing Period” of 180 days beyond master meter removal to allow for these activities to occur.

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 pilot program schedule assumptions include—but are not necessarily 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.

Based on its recent schedule, PG&E forecasts starting all 8,944 currently-participating MHP spaces by December 2017, and completing conversion of approximately 70 percent of the remaining qualified MHP spaces by December 31, 2017. Construction and close-out work is expected to continue past 2017 due to the following program risks: (1) availability of both TTM and BTM contractors; (2) significant weather impacts during 2017; and (3) a significant sourcing change—which eliminated a key contractor from the Program.

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



**TABLE 1
FINANCIAL COST PROGRAM
(THOUSANDS OF DOLLARS)**

Fiscal year	2014	2015	2016	Total
Total	645	9,125	77,364	87,133
Electric To the Meter		1,535	29,384	30,919
Electric Beyond the Meter			9,055	9,055
Electric Expense	322	2,946	1,440	4,709
Gas To the Meter		1,637	28,458	30,094
Gas Beyond the Meter			7,593	7,593
Gas Expense	322	3,006	1,434	4,763

6. Preliminary Cost Assessment

As of December 31, 2016, PG&E has spent \$87 million and completed conversion of 13 MHPs with a combined total of 635 spaces. The total conversion cost for the 13 MHPs is \$22.8 million. In addition, there are 28 MHPs in construction with a combined total of 3,170 spaces and current conversion costs to date of \$64.3 million. These costs will be adjusted as additional costs are incurred and charged to their respective MHPs.

In accordance with Ordering Paragraph (OP) 10 of the Decision, PG&E's preliminary quantification of construction costs incurred per space are shown in Table 2 (PG&E Preliminary Quantification of Construction Costs) below.

As stated above, these costs are subject to adjustment as additional costs are incurred or other changes are required and allocated to their respective MHPs.³

Table 2 details preliminary costs for each category of:

- 1) TTM Contractor Costs: Includes contractor and, in some instances, utility construction crews to perform TTM work.
- 2) Utility Crews and Material Costs: Includes the fully loaded costs of Company labor in support of the Program including, Company crews setting meters and gas service, as well as, the procurement and warehousing of materials.
- 3) BTM Contractor Costs: Costs reimbursed to the MHP owner/operator to perform the BTM construction work. BTM contractors are selected by the MHP owner/operator.
- 4) PMO: Includes overall Program Management (e.g., program strategy, risk management, change management, schedule management) and the Program's Budgeting and Accounting functions.
- 5) CM: 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.
- 6) Outreach Activities: Include primary customer contact and coordination before, during, and after construction, consistent with the Commission-reviewed statewide Outreach Plan.

PMO/CM are tracked separately from TTM costs and BTM Contractor costs and allocated to each MHP based on the number of spaces converted to equitably distribute costs.

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 PG&E's Closing Period.

**TABLE 2
PG&E PRELIMINARY QUANTIFICATION OF CONSTRUCTION COSTS**

PG&E				
1	To The Meter (TTM) Contractor Costs			
2	Civil/ Trenching		\$	8,803,001
3	Electric System			
4	Labor		\$	1,383,265
5	Material/ Structure		\$	649,274
6	Gas System			
7	Labor		\$	1,205,983
8	Material/ Structure		\$	423,348
10	Sub-Total TTM Contractor Costs		\$	12,464,871
11				
12	TTM Costs for Utility Crews supporting Program ⁴			
13	Labor		\$	182,818
14	Materials Purchasing, warehouse		\$	106,958
15	Sub-Total TTM Utility Crew Costs		\$	289,776
16				
17	Other TTM Non-Labor Costs			
18	Property Taxes		\$	-
19	AFUDC		\$	240,354
20	Sub-Total Other TTM Non-Labor Costs		\$	240,354
21	Sub-Total TTM Costs		\$	12,995,002
22				
23				
24	Beyond The Meter (BTM) Contractor Costs			
25	Civil/ Trenching			N/A
26	Electric System			
27	Labor		\$	1,673,185
28	Material/ Structure		\$	398,140
29	Gas System			
30	Labor		\$	2,148,304
31	Material/ Structure		\$	337,459
32	Other ⁵		\$	257,942
33	Sub-Total BTM Costs		\$	4,815,030
34				
35	Program Management Costs (PCM)			
37	Program Management Office (PMO)		\$	2,057,110
38	Outreach		\$	981,992
39	Construction Management (CM)		\$	1,980,334
40	Subtotal Program Management Costs		\$	5,019,436
41				
42	Total		\$	22,829,468
43				
44	Total Space Converted	TTM	BTM	
45	Gas	635	635	
46	Electric	525	525	
47				
48	Average Cost/ Space	TTM	BTM	PMC
50	Gas	\$ 9,105.61	\$ 4,136.16	\$ 3,732
51	Electric	\$ 13,738.93	\$ 4,168.70	\$ 5,047
52	Total Average Costs/ Space	\$ 22,845	\$ 8,305	\$ 8,779
				\$ 39,928

7. Conclusion


This concludes PG&E's second annual report on MHP utility conversion pilot program progress in accordance with OP 10 of D.14-03-021.

VERIFICATION

I, Barry Anderson, 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 31st day of January, 2017.



BARRY ANDERSON
Vice President, Electric Distribution