

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



October 11, 2017

**Advice Letter 1035**

Justin Lee Brown  
Vice President/Regulatory Affairs  
Southwest Gas Corporation  
P O Box 98510  
Las Vegas, NV 89193-8510

**Subject: Request for Authorization to Continue a Mobile-home Park  
Conversion Program**

Dear Mr. Brown:

Advice Letter 1035 is effective as of September 28, 2017 per Resolution E-4878.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph  
Director, Energy Division



## SOUTHWEST GAS CORPORATION

March 17, 2017

ATTN: Tariff Unit, Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, CA 94102

Subject: Southwest Gas Corporation (U 905 G)  
Advice Letter No. 1035

Enclosed herewith is one (1) copy of Southwest Gas Corporation's Advice Letter No. 1035, together with California Gas Tariff Sheet Nos. 279.15, 279.16 and 279.18.

Sincerely,

Valerie J. Ontiveroz  
Regulatory Manager/California

VJO  
Enclosures



# SOUTHWEST GAS CORPORATION

Advice Letter No. 1035

March 17, 2017

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Southwest Gas Corporation (Southwest Gas or Company) (U 905 G) tenders herewith for filing the following tariff sheets:

Cal. P.U.C. Sheet No.	California Gas Tariff Title of Sheet	Canceling Cal. P.U.C. Sheet No.
1st Revised Sheet No. 279.15	Rule No. 23 – Mobilehome Park Utility Upgrade Program	Original Sheet No. 279.15
1st Revised Sheet No. 279.16	Rule No. 23 – Mobilehome Park Utility Upgrade Program ( <i>Continued</i> )	Original Sheet No. 279.16
1st Revised Sheet No. 279.18	Rule No. 23 – Mobilehome Park Utility Upgrade Program ( <i>Continued</i> )	Original Sheet No. 279.18

### Purpose

The purpose of this filing is to request continuation of the Mobilehome Park Utility Upgrade Program (MHP Program).

### Background

On March 14, 2014, the Commission issued Decision (D.) 14-03-021, which adopted a voluntary three-year pilot mobilehome park master-metered submetered (MHP) conversion program.<sup>1</sup> The MHP Program’s goal is to convert approximately 10 percent of the total MHP spaces within each of the California gas and electric utilities’ service territories. The MHP Program runs from January 1, 2015 through December 31, 2017.

Interested MHPs submitted their initial applications (Forms of Intent) to participate in the MHP Program during the application period, which occurred from January 1, 2015 through March 31, 2015. The Commission vested its Safety and Enforcement Division (SED) with the authority to prioritize applications received for the MHP Program based

---

<sup>1</sup> On December 22, 2014, the Commission approved Southwest Gas’ Advice Letter No. 948-B, incorporating Rule No. 23 – Mobilehome Park Utility Upgrade Program, and associated MHP Program forms into its tariff. Advice Letter No. 948-B also incorporated the program name change to the Mobilehome Park Utility Upgrade Program.



on risk assessment and other established prioritization factors, focusing primarily on gas safety and secondarily on system reliability and/or capacity.<sup>2</sup> SED priority ranked each utility's MHP Program applicants into three Tiers, with Tier 1 consisting of the approximate 10% number of utility MHP spaces to be converted through the MHP Program. SED's priority ranking process occurred approximately ninety (90) days following the application period, or April 1, 2015 through June 30, 2015. As a result of this process, Southwest Gas' MHP Program applicants were prioritized for conversion as follows:

	# of MHPs	Total # of Spaces
Tier 1	7	412
Tier 2	7	588
Tier 3	26	2318

Southwest Gas expects to complete the conversion of its Tier 1 MHPs in 2017.

Pursuant to D.14-03-021:

Any utility may file a Tier 2 Advice Letter within 45 days of the second annual status report to request continuation of the conversion program if the actual experience to that point appears to warrant continuation of the program without major modification. Among other things, the advice letter filing should specify the application period and the application process and should include a target for converting an additional number of spaces, either as a whole number or a percentage of the remaining spaces in the utility service territory potentially eligible for conversion.<sup>3</sup>

### **Southwest Gas Proposal to Continue an MHP Program**

Southwest Gas does not propose any modifications to the existing MHP Program approved in D.14-03-021 and set forth in the Company's tariff, including program forms and cost recovery<sup>4</sup>. As such, the Company seeks continuation of an MHP Program as follows:

---

<sup>2</sup> D.14-03-021, Ordering Paragraph (OP) 3, pg. 75.

<sup>3</sup> D.14-03-021, OP 13, pg. 79.

<sup>4</sup> Pursuant to OP 8 in D.14-03-021, pg. 77, "...actual, prudently incurred program costs shall be entered in a balancing account for recovery in the first year following cut over of service; "to the meter" construction costs must be capitalized based on actual (not forecast) expenditures at the utility's then-current authorized return on rate base; "beyond the meter" construction costs must be capitalized based on actual (not forecast) expenditures and consistent with their status as a



- *Application Period and Process* – Southwest Gas proposes that a new application period and priority ranking process be conducted in 2018, consistent with the schedule followed for the pilot:
  - January 1 through March 31 – Application Period
  - April 1 through June 30 – SED priority ranking period

Southwest Gas MHPs who did not apply for the initial three-year pilot program will be invited to participate in the new application period. New applications will be priority ranked by SED consistent with its process utilized for the pilot program, and will be worked into the conversion period for Southwest Gas' Tier 3 MHPs as discussed further below.

- *MHP Conversions* – Southwest Gas proposes to convert all remaining Tier 2 and Tier 3 MHPs, along with any new MHP Program applicants received through the new application period, according to the following timelines:
  - All Tier 2 MHPs (7 parks with a total of approximately 588 spaces) will be converted in 2018.
  - Tier 3 MHPs and new applicant conversions will begin January 1, 2019. Assuming all of Southwest Gas' remaining MHPs apply during the new application period, the Company anticipates converting a total of approximately 2,808 spaces. With an average conversion rate of approximately 560 spaces per year, the Company expects to complete the Tier 3 and new applicant conversions over the course of the next five years through 2023. Although Southwest Gas' MHPs range in size from 4 to 366 spaces, the Company estimates that this number of spaces equates to approximately five to seven MHP conversions per year.

Southwest Gas will continue to coordinate dual conversion efforts with its overlapping electric utilities to achieve maximum cost and operational efficiencies whenever possible and looks forward to continuing an MHP Program according to the proposal set forth herein.

---

regulatory asset, these costs must be amortized over ten years at a rate equivalent to the utility's then-current authorized return on rate base. Review for reasonableness of "to the meter" costs will occur in the general rate case where those costs are put into rate base. Review for reasonableness of "beyond the meter" costs will occur in the first general rate case after service cut over."



Advice Letter No. 1035  
Page 4  
March 17, 2017

### **Proposed Tariff Revisions**

Southwest Gas is requesting modification to its Rule No. 23 to remove reference to the three-year pilot program and to revise the application period to be consistent with the Company's proposal set forth herein.

### **Effective Date**

Southwest Gas believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2, effective after Energy Division Approval, pursuant to OP 13 in D.14-03-021 and General Order (GO) 96-B. Southwest Gas respectfully requests this Advice Letter be approved April 16, 2017, which is thirty (30) calendar days after the date filed.

### **Protest**

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based with specificity. The protest must be sent no later than 20 days after the date of this Advice Letter filing and shall be sent by letter via U.S. Mail, facsimile, or electronically mailed. The address for mailing or delivering a protest to the Commission is:

ATTN: Tariff Unit  
Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, CA 94102  
E-mail: [edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)  
Facsimile: 415-703-2200

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004, at the same address as above and mailed or faxed to:

Mr. Justin Lee Brown  
Vice President/Regulation & Public Affairs  
Southwest Gas Corporation  
P.O. Box 98510  
Las Vegas, NV 89193-8510  
Facsimile: 702-364-3452



Advice Letter No. 1035  
Page 5  
March 17, 2017

**Notice**

Southwest Gas is exempt from the notice requirements set forth in General Rule 4.2 in GO 96-B since this Advice Letter is being filing in accordance with OP 13 in D.14-03-021.

**Service**

In accordance with GO 96-B, General Rule 7.2, Southwest Gas is serving this Advice Letter and related tariff sheets to the utilities and interested parties shown on the attached list and the established service list in R.11-02-018.

Communications regarding this filing should be directed to:

Valerie J. Ontiveroz  
Regulatory Manager/California  
Southwest Gas Corporation  
P.O. Box 98510  
Las Vegas, NV 89193-8510  
Telephone: 702-876-7323  
E-mail: [valerie.ontiveroz@swgas.com](mailto:valerie.ontiveroz@swgas.com)

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By: 

Justin Lee Brown

Attachments

**Distribution List**

Advice Letter No. 1035

In conformance with GO 96-B, General Rule 4.3

The following individual has been served by regular, first-class mail:

Elizabeth Echols, Director  
Office of Ratepayer Advocates  
California Public Utilities Commission  
505 Van Ness Avenue, 4th Floor  
San Francisco, CA 94105

The following individuals or entities have been served by electronic mail:

Pacific Gas & Electric Company  
[PGETariffs@pge.com](mailto:PGETariffs@pge.com)

Southern California Gas Company  
[SNewsom@semprautilities.com](mailto:SNewsom@semprautilities.com)

San Diego Gas & Electric Company  
[SDG&ETariffs@SempraUtilities.com](mailto:SDG&ETariffs@SempraUtilities.com)

Robert M. Pocta  
Office of Ratepayer Advocates  
California Public Utilities Commission  
[rmp@cpuc.ca.gov](mailto:rmp@cpuc.ca.gov)

Nathaniel Skinner  
Office of Ratepayer Advocates  
California Public Utilities Commission  
[nws@cpuc.ca.gov](mailto:nws@cpuc.ca.gov)

Pearlie Sabino  
Office of Ratepayer Advocates  
California Public Utilities Commission  
[pzs@cpuc.ca.gov](mailto:pzs@cpuc.ca.gov)



# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)	
Company name/CPUC Utility No. <b>Southwest Gas Corporation (U 905 G)</b>	
Utility type: <input type="checkbox"/> ELC <input checked="" type="checkbox"/> GAS <input type="checkbox"/> PLC <input type="checkbox"/> HEAT <input type="checkbox"/> WATER	Contact Person: <b>Valerie J. Ontiveroz</b> Phone #: <b>(702) 876-7323</b> E-mail: <b>valerie.ontiveroz@swgas.com</b>
EXPLANATION OF UTILITY TYPE ELC = Electric    GAS = Gas PLC = Pipeline    HEAT = Heat    WATER = Water	(Date Filed/ Received Stamp by CPUC)
Advice Letter (AL) #: <b>1035</b>	
Subject of AL: <b>Request for authorization to continue a mobilehome park conversion program.</b>	
Keywords (choose from CPUC listing): <b>mobilehome park</b>	
AL filing type: <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Annual <input type="checkbox"/> One-Time <input checked="" type="checkbox"/> Other	
If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: <b>D.14-03-021</b>	
Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: <b>Not applicable</b>	
Summarize differences between the AL and the prior withdrawn or rejected AL <sup>1</sup> : <b>Not applicable</b>	
Resolution Required? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Requested effective date: <b>April 16, 2017</b>	No. of tariff sheets: <b>None</b>
Estimated system annual revenue effect (%): <b>Not applicable</b>	
Estimated system average rate effect (%): <b>Not applicable</b>	
When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).	
Tariff schedules affected: <b>None</b>	
Service affected and changes proposed <sup>5</sup> : <b>Not applicable</b>	
Pending advice letters that revise the same tariff sheets: <b>Not applicable</b>	
Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:	
<b>CPUC, Energy Division Attention: Tariff Unit 505 Van Ness Ave. San Francisco, CA 94102 E-mail: edtariffunit@cpuc.ca.gov</b>	<b>Mr. Justin Lee Brown Vice-President/Regulation &amp; Public Affairs Southwest Gas Corporation P. O. Box 98510 Las Vegas, NV 89193-8510 E-mail: justin.brown@swgas.com Facsimile: 702-364-3452</b>

<sup>5</sup> Discuss in AL if more space is needed.

RULE NO. 23

MOBILEHOME PARK UTILITY UPGRADE PROGRAM

PURPOSE

This Rule sets forth the general terms and conditions applicable to the Mobilehome Park Utility Upgrade Program (MHP Program). The MHP Program is a voluntary program offered to eligible master-metered submetered Mobilehome Parks or Manufactured Housing Communities (collectively referred to as MHP) to convert their submetered spaces and common use services from master-metered submetered gas distribution to direct Company gas distribution service, subject to the requirements and limitations set forth in this Rule and the applicable MHP Program documents.

D/T  
T  
D/T  
D/T  
T  
T

APPLICABILITY

The MHP Program is available to all eligible master-metered submetered MHPs within the Company's service territory as defined in the Preliminary Statement of this California Gas Tariff. Within the eligible MHPs, the only eligible MHP spaces are those permitted by the California Department of Housing and Community Development (HCD). Recreational vehicle parks and spaces are not eligible for the MHP Program.

A. DEFINITIONS

Specific terms used in this Rule are defined below. Additional definitions are also found in Rule No. 1, Definitions of this California Gas Tariff.

Beyond the meter: "Beyond the meter" facilities include - the infrastructure and substructures necessary to extend facilities from the Service Delivery Point to the Mobilehome exterior line stub (i.e., the point of connection on the Mobilehome). The Company will not be responsible for any part of the point of connection material, including labor, or any work that would require an alteration permit. "Beyond the meter" facilities are the responsibility of the MHP Owner/Operator. The Mobilehome exterior line stub outlet will continue to be part of the Mobilehome and be the responsibility of the MHP Resident.

Common Use Area: All designated buildings, areas, or facilities within an MHP that are intended to be used by all MHP Residents and/or the MHP Owner/Operator. Energy costs for serving the common area are paid by the MHP Owner/Operator.

L  
L

RULE NO. 23

MOBILEHOME PARK UTILITY UPGRADE PROGRAM  
(Continued)

A. DEFINITIONS (Continued)

- Legacy System: The existing MHP master-metered submetered system.
- Manufactured Housing Community: Any area or tract of land where two or more manufactured home lots are rented or leased, held out for rent or lease, or were formerly held out for rent or lease and later converted to subdivision, cooperative, condominium, or other form of resident ownership, only to accommodate the use of manufactured homes constructed pursuant to the National Manufactured Housing Construction and Safety Standards Act of 1974.
- Meter Shed: A structure used to help protect the meter set assembly from potential damage due to the accumulation of snow and ice.
- MHP Resident: A person who has tenancy in an MHP under a rental agreement, or who lawfully occupies a Mobilehome.
- Mobilehome: Refer to Rule No. 1, Definitions, of this California Gas Tariff.
- Mobilehome Park (MHP): Refer to Rule No. 1, Definitions, of this California Gas Tariff.
- Mobilehome Space: Designated area within an MHP that is owned, rented, or held out for rent, to accommodate a Mobilehome used for human habitation.
- MHP Owner/Operator: The party that has legal obligation for the MHP.
- Service Delivery Point: The point where the Company's facilities (pipe, valves, meter set assemblies and associated equipment) are connected to the pipe (house line) owned by either the MHP Owner/Operator or the MHP Resident, normally adjacent to the location of the meter.

RULE NO. 23

MOBILEHOME PARK UTILITY UPGRADE PROGRAM

(Continued)

B. PROGRAM ELIGIBILITY (Continued)

2. An MHP Owner/Operator who elects to participate in the MHP Program must comply with all general rules, rights and obligations set forth in this Rule. In addition, MHP Program participants must complete and/or execute and comply with the following MHP Program documents:
  - a. CPUC's *Application for Conversion of Master Meter Service at Mobilehome Park or Manufactured Housing Community to Direct Service from Electric or Gas Corporation* (Form of Intent);
  - b. *Mobilehome Park Utility Upgrade Program Application* (MHP Application) (Form 913.1, 07/2014); and
  - c. *Mobilehome Park Utility Upgrade Program Agreement* (MHP Agreement) (Form 931.2, 07/2014).

C. MHP PROGRAM COMPONENTS

1. Form of Intent

The Form of Intent (Appendix C to D.14-03-021) will be accepted January 1, 2018, through March 31, 2018 (90-day period). The MHP Owner/Operator must complete and submit the Form of Intent concurrently to both the Commission's Safety Enforcement Division (SED) and the Company. Any Form of Intent received after the 90-day period will be placed on a waiting list for the MHP Program.

- a. Prioritization of MHPs in the MHP Program
  - (i) All Forms of Intent received for the MHP Program will be reviewed and prioritized as follows: (1) SED will prioritize MHPs that are gas only or dual system (gas and electric service), and (2) the California Department of Housing and Community Development (HCD) will prioritize MHPs that are electric only.