



**Mobilehome Park Utility Conversion Program
Annual Report**

PUBLIC VERSION

February 1, 2022

SOCALGAS MOBILEHOME PARK UTILITY CONVERSION PROGRAM

FEBRUARY 1, 2022 ANNUAL REPORT

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1. Executive Summary

As detailed in this Report, Southern California Gas Company (“SoCalGas”) continues to successfully implement the Mobilehome Park (“MHP”) Conversion Program (“Program”). As of December 31, 2021, SoCalGas has converted 287 mobilehome parks (20,014 permitted spaces), which is approximately 15% of eligible mobilehome spaces in SoCalGas’ service territory.

2. Procedural History

On March 13, 2014, the California Public Utilities Commission (“Commission”) approved and authorized SoCalGas to execute the Program through Decision (D.) 14-03-021. The Program was initiated as a three-year pilot (2015-2017) (“Pilot Program”) to convert master-metered/sub-metered natural gas and/or electric services to direct utility services for qualified mobilehome parks and manufactured housing communities (collectively “MHPs”). On September 28, 2017, Resolution E-4878 authorized the investor-owned utilities (“IOUs”) to continue their MHP Pilot Programs through December 31, 2019 (“Pilot Program Extension”).¹ SoCalGas was authorized to complete the initial 10% scope of eligible spaces and convert up to an additional 5% of eligible spaces, bringing the total scope of the three-year Pilot Program and Pilot Program Extension to 15% of eligible MHP spaces.

On March 18, 2019, the Commission issued Resolution E-4958, authorizing SoCalGas to continue its Program for eligible MHPs until the earlier of either December 31, 2021 or the issuance of a Commission Decision for the continuation, expansion or modification of the program beyond December 31, 2021 in Rulemaking (R.) 18-04-018.² Eligible MHPs were defined as those where SoCalGas and/or MHP owners had incurred “financial obligations” on or before November 1, 2018. Resolution E-4958 further determined the number of spaces converted in each of years 2020 and 2021 may not exceed 3.33% of the total master-metered spaces in a utility’s service territory, excluding MHPs that are already under conversion or scheduled for conversion. It further clarified that if a single MHP

¹ Resolution E-4878, ordering paragraph (OP) 7.

² Resolution E-4958, OP 1.

upgrade would result in the utility exceeding the 3.33% maximum requirement, the utility is authorized to proceed with that upgrade.

On April 16, 2020, the Commission issued D.20-04-004, approving a ten-year Mobilehome Park Utility Conversion Program from 2021 through 2030. Following a new application period established by the Commission during the 1st quarter of 2020, SED is to provide SoCalGas, on an annual basis, with a list of MHPs comprising approximately 3.33% of eligible master-metered spaces within its service territory for a target 50% conversion by the end of 2030. This Decision also recommends a second evaluation of the MHP utility conversion program in 2025 following the first four-year application cycle (2021-2024) to decide whether to continue or modify the program.

On December 23, 2020, the Commission issued a Phase 2 Scoping Memo to further examine ways to protect residents of participating MHPs from unreasonable rent increase or eviction based on program participation, and determine whether the development of an electrification-ready service standard for participating MHPs was appropriate or feasible. On August 20, 2021, the Commission issued D.21-08-025, which adopted consumer protection requirements to keep residents of MHPs that participate in the Commission's MHP Program from experiencing unreasonable rent increases or evictions based on infrastructure improvements funded through the Program. Pursuant to D.21-08-025, SoCalGas submitted Advice Letter (AL) 5877 on October 4, 2021, to : 1) update its Sample Forms - Contracts, Mobilehome Park (MHP) Utility Conversion Program (MHP Program or Program) Agreement (Form 8210) to include consumer protection measures for residents of MHPs participating in the Program: and 2) provide a description of the specific information that participating MHP owners are to provide to residents, as well as a discussion of methods the MHP owners may use to communicate these protections to their residents. AL 5877 was approved by the Commission as of October 25, 2021.

This report is submitted in the format requested by the Commission's Safety and Enforcement Division ("SED").³ Previous reports were submitted in accordance with D.14-03-021 Ordering Paragraph (OP) 10, which directs each electric and/or gas utility to prepare a status report for the Program on February 1 of each year. SoCalGas filed status reports on February 1 of 2016, 2017, 2018, 2019,

³ The request was made in a December 21, 2018 e-mail from Fred Hanes of the CPUC's SED to the official service list for R. 18-04-018.

2020, and 2021. In SoCalGas' February 1, 2016 report, SoCalGas provided a timeline for implementation of the three-year Pilot Program, its status on the timeline, the number of initial applications received, information on the MHPs that would be converted, and the number of spaces to be converted. SoCalGas also provided an update on progress made against the timeline for implementation, as well as a preliminary cost assessment and/or cost accounting of to-the-meter ("TTM") and beyond-the-meter ("BTM") construction costs in its February 1, 2017, February 1, 2018, February 1, 2019, February 1, 2020, and February 1, 2021 reports. This report includes information on the following: (1) a cost accounting for both TTM and BTM construction, and (2) an optional narrative assessment of the Program.

3. Cost Accounting

Table 1 below ("Annual Report Template") reflects the space counts, costs, revenue requirements, and rate impacts of projects through December 31, 2021 for which final costs have been recorded.⁴ Classification of costs within each category are defined within the table, which was provided by SED to the IOUs. These costs should be considered final, with the notation that there may be additional trailing costs.⁵ Table 2 below shows the associated revenue requirements and rate impacts.

⁴ Per SED's email, as well as the instructions applicable to the Supplemental Cost Data template sent on November 13, 2018, the template captures projects for which final costs have been recorded. Trailing costs may follow, but they are not expected to exceed approximately 5% of a project's total cost.

⁵ "Trailing costs" may include, but are not limited to, final contractor invoices or internal cost allocations that have not been recorded; such costs are not expected to be more than approximately 5% of the total project cost.

TABLE 1: ANNUAL REPORT TEMPLATE

- Bolded words in "Descriptor" column were added by SoCalGas to clarify the reported data.
- All dollar amounts in Table 1 are rounded to the nearest dollar.
- Per the SED instructions accompanying the template, Table 1 costs have been grouped by project and included in the year in which financial closure for each project was completed, with financial closure defined as when all costs have been recorded for a project. Using this methodology has resulted in a shift in reporting year for certain projects where there have been unforeseen issues requiring remediation or trailing costs within the allowable threshold in a year different than previously reported as the year of financial closure.

| Annual Report Template | | Per-year costs; (not cumulative) | | | | | | |
|------------------------------|--|----------------------------------|------|-------|-------|------|-------|-------|
| | Descriptor | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Program Participation | | | | | | | | |
| CARE/FERA enrollment | Number of individuals enrolled in CARE/FERA after the conversion; the data provided is not final as a process for capturing all CARE enrollments is still in development | - | 16 | 689 | 1,384 | 881 | 4,019 | 1,079 |
| Medical Baseline | Number of individuals enrolled in Medical Baseline after the conversion; the data provided is not final as a process for capturing all MB enrollments is still in development | - | 1 | 5 | 6 | 15 | 25 | 16 |
| Disadvantaged Community | Number of converted spaces (i.e., PTO count, not directly corresponding with the costs below) within geographic zones defined by SB 535 map. | - | - | 2,116 | 2,528 | 842 | 2,318 | 1,039 |
| Rural Community | Number of converted spaces (i.e., PTO count, not directly corresponding with the costs below) within rural community | - | - | - | - | - | - | - |

| | | | | | | | | |
|---|--|-----|-----|-------|-------|-------|-------|-------|
| Urban Community | Number of converted spaces (i.e., PTO count, not directly corresponding with the costs below) within urban community | - | 47 | 3,092 | 5,390 | 3,852 | 2,719 | 2,227 |
| Leak Survey (Optional) | Number of Leaks identified during preconstruction activity (if known) | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Completed Spaces | Spaces converted that correspond to the project costs reported below (TTM includes common areas). If a project incurs costs over multiple years, report all project costs and spaces converted in the year the project closes. | | | | | | | |
| Number of TTM MH and Covered Common Area Locations Converted (Gas) | | - | 150 | 3,608 | 4,373 | 3,166 | 5,847 | 2,011 |
| Number of TTM MH and Covered Common Area Locations Converted (Electric) | | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Number of BTM MH Converted Register Spaces (Gas) | | - | 98 | 3,108 | 3,891 | 2,724 | 5,543 | 1,560 |
| Number of BTM MH Converted Register Spaces (Electric) | | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Cost Information | | | | | | | | |
| To The Meter - Capital Costs | | | | | | | | |
| Construction Direct Costs | | | | | | | | |
| Civil/Trenching | | - | - | - | - | - | - | - |

| | | | | | | | | |
|--------------------------------|--|-----|---------|------------|------------|-----------|------------|-----------|
| Electric | To the Meter Construction costs for civil related activities (e.g., trench/cut excavation & backfill [joint trench], paving [temp & final], and distribution system installation - including contractor labor and materials) | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Gas | | - | 350,249 | 11,210,079 | 14,405,555 | 9,217,795 | 14,909,743 | 7,796,608 |
| Gas System | | | | | | | | |
| Labor | Cost for installation of distribution Gas assets, pre-inspection testing, decommissioning of legacy system (Gas Design cost was previously incorporated here) (Specific to SoCalGas, no gas design costs were previously incorporated in this line item) | - | 164,658 | 3,716,594 | 5,708,741 | 3,419,966 | 6,079,093 | 2,762,874 |
| Material / Structures | Pipes, fittings and other necessary materials required for gas construction | - | 96,068 | 1,584,385 | 1,735,566 | 916,404 | 1,317,904 | 584,252 |
| Electric System | | | | | | | | |
| Labor | Cost for installation of distribution Electric assets, pre-inspection testing, decommissioning of legacy system (Electric Design cost was previously incorporated here) | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Material / Structures | Cables, conduits, poles, transformers and other necessary materials for electrical construction | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Design/Construction Management | Cost for engineering, design and construction inspection cost | - | 218,095 | 4,907,245 | 6,722,304 | 4,518,304 | 10,360,793 | 2,077,567 |
| Other | | | | | | | | |
| Labor (Internal) | Meter installation, gas relights, easements, environmental desktop reviews and other support organizations, including legacy system decommissioning internal labor | - | 24,036 | 332,177 | 370,549 | 214,815 | 300,219 | 95,499 |

| | | | | | | | | |
|---------------------------------|---|-----|--------|-----------|-----------|-----------|-----------|---------|
| Other Labor (Internal) | | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Non-Labor | Permits, vehicle utilization, payment discounts, consultant support (e.g., environmental monitoring) | - | 545 | 139,423 | 54,405 | 112,757 | -55,194 | -5,439 |
| Materials | meters, modules and regulators | - | 16,243 | 391,443 | 477,366 | 344,025 | 381,616 | 91,332 |
| Program - Capital Costs | Costs that are inconsistent among the other IOUs, driven by utility specific business models or cost accounting practices. These costs should be separated out so that others do not compare costs that are not comparable with others. | | | | | | | |
| Project Management Costs | | | | | | | | |
| Project Management Office (PMO) | Program management office costs (Project Management, Program Management, schedulers, cost analysts and field engineers) | - | 54,703 | 1,208,032 | 1,646,568 | 1,013,592 | 1,876,296 | 539,233 |
| Outreach | | - | - | - | - | - | - | - |
| Other | | | | | | | | |
| Property Tax | Property tax on capital spending not yet put into service | - | 367 | 18,931 | 22,548 | 19,229 | 36,749 | 17,896 |
| AFUDC | AFUDC is a mechanism in which the utility is allowed to recover the financing cost of it's construction activities. AFUDC starts when the first dollar is recorded on the project and ends when HCD complete the first inspection so that the new assets are in use by the residents. | - | 4,077 | 161,826 | 164,821 | 146,327 | 247,576 | 79,570 |
| Labor (Internal) | | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Non-Labor | Utility specific overhead driven by corporate cost model | - | 36,066 | 744,016 | 999,597 | 695,863 | 1,314,360 | 775,562 |

| | | | | | | | | |
|-------------------------------------|---|-----|---------|------------|------------|------------|------------|------------|
| Sub-Total Capital Cost | | - | 965,105 | 24,414,151 | 32,308,019 | 20,619,078 | 36,769,155 | 14,814,953 |
| To The Meter - Expense Costs | | | | | | | | |
| Project Management Costs | | | | | | | | |
| Project Management Office (PMO) | Program startup cost, program management activities associated with Outreach or other non-capital activities | - | 5,837 | 130,971 | 196,991 | 113,982 | 224,209 | 94,252 |
| Outreach | Outreach efforts to educate MHP Owners, residents, government and local agencies about the program | - | 5,696 | 194,432 | 111,575 | 76,807 | 143,119 | 41,633 |
| Other | | | | | | | | |
| Labor (Internal) | Program startup cost for supporting organizations, meter removal | - | 668.33 | 5,566 | 20,496 | 8,259 | 12,699 | 3,991 |
| Other Labor (Internal) | Construction management expenses costs (e.g., training, supplies) | - | 21,601 | 422,840 | 783,547 | 483,052 | 1,233,532 | 349,708 |
| Non-Labor | Cancelled Project Costs from MHPs that have failed to complete the MHP agreement or have cancelled the project, vehicle utilization, and overheads associated with meter removal | - | 581 | 16,486 | 21,882 | -146,874 | 13,242 | 4,117 |
| Sub-Total To The Meter | | - | 34,383 | 770,296 | 1,134,492 | 535,226 | 1,626,802 | 493,701 |
| Beyond The Meter - Capital | Pass through cost where the MHP Owner is responsible for overseeing the vendor's work and IOU to reimburse per D.14-02-021 | | | | | | | |
| Civil/Trenching | All civil labor for BTM construction, such as landscaping (does not include trenching work) | - | - | - | - | - | - | - |
| Electric System | | | | | | | | |
| Labor | | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

| | | | | | | | | |
|-----------------------------------|--|-----|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Material / Structures | Labor and material for installing BTM Electric infrastructure (e.g. Pedestal, foundation, meter protection, grounding rods, conduit) | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Gas System | | | | | | | | |
| Labor | Labor and material for installing BTM | - | 245,029 | 6,568,798 | 10,046,960 | 4,984,380 | 8,275,266 | 3,124,313 |
| Material / Structures | Gas infrastructure (e.g. houselines, meter protection, foundation) | - | 156,236 | 2,508,515 | 2,733,968 | 1,630,093 | 3,931,158 | 1,281,215 |
| Other | | | | | | | | |
| Other Labor (Internal) | | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Other Non Labor | BTM Permits, including HCD fees | - | 33,863 | 689,198 | 1,349,867 | 909,186 | 1,551,788 | 465,955 |
| Sub-Total Beyond The Meter | | - | 435,128 | 9,766,511 | 14,130,794 | 7,523,659 | 13,758,212 | 4,871,484 |
| Total TTM & BTM | | - | 1,434,616 | 34,950,958 | 47,573,305 | 28,677,962 | 52,154,169 | 20,180,138 |

TABLE 2: RATE IMPACT AND REVENUE REQUIREMENT

- Rate impact and revenue requirements are reported based on actual revenue requirement filings for 2015-2021 (i.e., not based on year of financial closure); 2022-2026 revenue requirements and rate impacts are forecasted based on actual filings (i.e., not forecasted program costs).
- Regulatory interest is applicable to the entire Master Meter Balancing Account (MMBA) balance which includes both TTM and BTM costs. Since the MMBA does not include subaccounts to separate the TTM and BTM balances, regulatory interest for these components of the MMBA is not available. For purposes of this response, regulatory interest is included in the “Gas Revenue Requirement – TTM” line in this table.
- The Present Value Revenue Requirement was calculated as the sum of 1) actual revenue requirements from 2015-2020 and 2) the Present Value of revenue requirements for 2021-2026 discounted to 2020 nominal dollars using SoCalGas' rate of return (7.3%). SoCalGas does not typically calculate present value of total revenue requirements for ratemaking purposes. Although amortization amounts will be collected in rates over a 12-month period, this exercise assumed simplified collection at year end.
- Revenue requirements are in thousands of dollars.
- Gas rate impact dollar amounts are rounded to the nearest hundred thousandths of a dollar to illustrate a visible rate change.

| Rate Impact and Revenue Requirement | | | | | | | | | | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--|
| Rate Impact | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | |
| Gas | | | | | | | | | | | | | | |
| Average Rate w/o MMBA recovery - Core | N/A | \$0.65217 | \$0.57379 | \$0.59324 | \$0.60503 | \$0.82348 | \$0.88074 | \$0.91464 | \$0.91464 | \$0.91464 | \$0.91464 | \$0.91464 | \$0.91464 | |
| Average Rate w/ MMBA recovery - Core | N/A | \$0.65241 | \$0.57395 | \$0.59465 | \$0.60890 | \$0.82735 | \$0.88541 | \$0.91920 | \$0.92270 | \$0.92395 | \$0.92516 | \$0.92582 | \$0.92582 | |
| Rate Change - Core | N/A | \$0.00024 | \$0.00016 | \$0.00140 | \$0.00386 | \$0.00387 | \$0.00467 | \$0.00456 | \$0.00806 | \$0.00931 | \$0.01052 | \$0.01118 | \$0.01119 | |
| % Rate Change - Core | N/A | 0.04% | 0.03% | 0.24% | 0.64% | 0.47% | 0.50% | 0.50% | 0.88% | 1.02% | 1.15% | 1.22% | 1.22% | |
| Average Rate w/o MMBA recovery - Non-Core | N/A | \$0.02330 | \$0.02549 | \$0.02956 | \$0.03113 | \$0.04658 | \$0.06259 | \$0.06337 | \$0.06337 | \$0.06337 | \$0.06337 | \$0.06337 | \$0.06337 | |
| Average Rate w/ MMBA recovery - Non-Core | N/A | \$0.02331 | \$0.02550 | \$0.02961 | \$0.03129 | \$0.04674 | \$0.06283 | \$0.06362 | \$0.06379 | \$0.06386 | \$0.06393 | \$0.06397 | \$0.06397 | |
| Rate Change - Non-Core | N/A | \$0.00001 | \$0.00001 | \$0.00005 | \$0.00016 | \$0.00016 | \$0.00024 | \$0.00024 | \$0.00042 | \$0.00049 | \$0.00055 | \$0.00059 | \$0.00060 | |
| % Rate Change - Non-Core | N/A | 0.04% | 0.03% | 0.18% | 0.52% | 0.33% | 0.40% | 0.38% | 0.66% | 0.77% | 0.88% | 0.94% | 0.95% | |
| Electric | | | | | | | | | | | | | | |
| Average Rate w/o MMBA recovery - Total System | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | |
| Average Rate w/ MMBA recovery - Total System | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | |
| Rate Change - Total System | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | |
| % Rate Change - Total System | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | |
| Revenue Requirement (In Millions) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Present Value Revenue Requirement |
| Gas Revenue Requirement-TTM | \$0.000 | \$0.850 | \$0.617 | \$3.602 | \$9.505 | \$9.200 | \$10.961 | \$14.094 | \$14.315 | \$13.954 | \$13.545 | \$13.545 | \$13.545 | \$71.441 |
| Electric Revenue Requirement-TTM | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Gas Revenue Requirement-BTM | \$0.000 | \$0.000 | \$0.000 | \$1.740 | \$5.232 | \$5.517 | \$8.277 | \$8.576 | \$8.190 | \$7.757 | \$7.304 | \$7.304 | \$7.304 | \$41.860 |
| Electric Revenue Requirement-BTM | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

4. Program Timeline

Pursuant to Resolution E-4878, SoCalGas achieved its initial Pilot Program target of 10% in 2018 and continued conversions of up to an additional 5% of MHP spaces by December 31, 2020. As of December 31, 2021, SoCalGas has converted 287 MHPs (20,014 permitted spaces), which is approximately 15% of eligible mobilehome spaces in SoCalGas' service territory.⁶

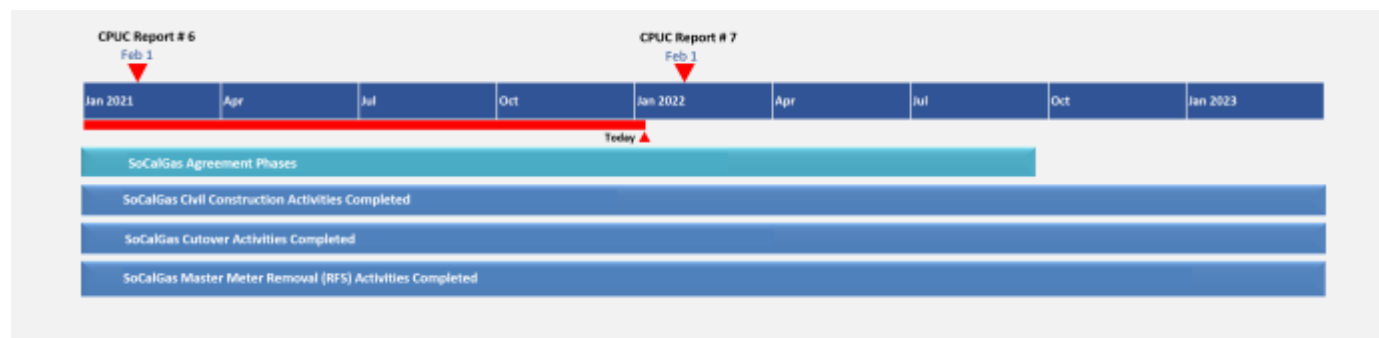
SoCalGas has measured its progress against the timeline shown in Figure 1 ("SoCalGas' Tentative Timeline for Implementation of the MHP Program and Current Status") below. In developing the timeline, SoCalGas has assumed certain conditions, including, but not limited to, the following: 1) there are no constraints that may delay MHP participation, such as TTM contractor availability or a MHP Owner/Operator's ability to move forward with a project, secure a BTM contractor, or resolve environmental issues; 2) MHP data provided by the MHP Owner/Operator in the Form of Intent ("FOI") and at the beginning of a project is accurate; 3) there are no joint construction schedule constraints for any of the IOUs involved; and 4) the California Department of Housing and Community Development ("HCD") or other Local Enforcement Agencies will have sufficient resources to perform timely inspections on projects.

Pursuant to Resolution E-4958 and the extension limitations set forth therein, SoCalGas has substantially completed all eligible MHP upgrades in the fourth quarter of 2020. With the issuance of a Commission Decision for the continuation of the program and the new Form of Intent (FOI) application period between January 1 – March 30, 2021, a new list of eligible parks was required from SED within the second quarter of 2021.

On August 20, 2021, in accordance with the Decision, SED provided a new priority list of eligible parks. The list comprised Category 1 projects, comprised of parks estimated to be contacted by the utilities before the application period in 2025, and Category 2 projects that may be contacted before the new period but may be re-prioritized for the 2025 list. SoCalGas is currently in the process of developing a comprehensive schedule with the outlined Category 1 projects to support the overall objective of converting 50 percent of its master meters by 2030. Currently, SoCalGas has secured Applications for projects through 2023. It will continue developing its schedule through 2025 to incorporate all Category 1 MHPs moving forward, re-prioritizations requested by SED, and replacements for MHPs declining to move forward.

⁶ The scope excludes MHPs that declined to participate in the Program and the corresponding space total was calculated from the MHP permits-to-operate, rather than the SED-prioritized list of eligible MHPs. A confidential list of completed and in-progress projects has been provided to the CPUC's Energy Division and Safety and Enforcement Division.

FIGURE 1: SoCalGas’ Tentative Timeline for Implementation of the MHP Program and Current Status



5. Program Challenges

Per the CPUC Decision D.20-04-004, SoCalGas has begun developing a schedule outlined with Category 1 projects to achieve the Commission’s annual 3.33% conversion target that would result in the goal of converting 50% of the master metered mobilehome parks by the end of the 10-year program. In the process of doing so, SoCalGas has identified three obstacles in meeting the 3.33% annual conversion goal: 1) electric IOU interdependence; 2) a soft cap goal; and 3), a high owner decline rate.

1. In shared-service territories, SoCalGas depends on the support of electric utilities to obtain a goal of 4303 spaces annually. This space goal is the highest of all the IOUs, and it exceeds the other utilities' annual space cap. Electric IOUs have separate goals and drivers to generate their conversion lists, and it is possible for them to meet their goals without working with SoCalGas for the following reasons:
 - Southern California Edison has Southwest Gas as a partner in certain regions;
 - PG&E, as a gas and electric utility, has dual conversions in regions where it provides both services; and
 - SDG&E also has dual conversion in regions where it provides both services.

Municipal electric providers frequently decline to participate, leaving SoCalGas with Gas-only conversions. However, there are insufficient gas-only parks to capture the remaining space deficit. Since SoCalGas often partners with its respective electric counterparts to maximize cost efficiencies for the ratepayer, this means that SoCalGas’ ability to meet its conversion targets could be limited by the MHP’s electric utility provider. If SoCalGas’ electric counterparts do not agree to convert the same MHPs, SoCalGas could have a gap in its annual 3.33% target. But more importantly, the MHPs and residents that were not or

would not be upgraded that would otherwise be within SoCalGas 3.33% target would be deprived of the significant safety benefits afforded by the program.

2. A soft target for single-source utilities may not garner enough partnership from its counterpart utilities for the single-source utility to meet its goal. The 3.33% annual target serves as a soft cap that allows other utility partners to adjust annual goals downward, but IOUs are hesitant to adjust upward without stronger direction from the SED as reasonableness for upward adjustment has not been outlined or reviewed. While the soft target's intent is to allow the utility to have its work ebb and flow annually while ultimately meeting its 10 year target, the soft cap mechanism hinders SoCalGas' annual 3.33% efforts.
3. SoCalGas' current outreach efforts to Category 1 projects for 2022 and 2023 has resulted in 2017 spaces removed from the program due to MHP owners declining to participate and the CPUC SED prioritization list also included spaces that are already converted or otherwise miscategorized; that factor resulted in the removal of 328 spaces. In 2021 SoCalGas adjusted its Category 1 list to accommodate the removal of 328 spaces for already converted and miscategorized MHPs. SoCalGas has learned through its current outreach efforts to Category 1 projects for 2023 that certain MHP owner operators have declined to participate, resulting in another 2017 spaces being removed. When viewed in terms of these reasons for removing spaces significantly impact SoCalGas' ability to reach its 3.3% annual target -- 2017 spaces amount to half of the annual target. The MHP Utility Conversion Program is voluntary, and as the rate of MHPs declining to participate increases, in turn, SoCalGas' annual deficit towards its 3.33% goal also increases.

Utility Space Comparison Among Utilities (2015 Baseline)

| Utility Space Comparison | | | | |
|---------------------------------|-------------------------|-------------------------------|----------------------------|---|
| Utility | Total MHP Spaces | Annual Conversion Rate | Annual Space Target | Total MHP Spaces in Territory, 2015 Baseline |
| SDG&E | 694 | 3.33% | 1,152 | 34,597 |
| SoCalGas | 1425 | 3.33% | 4,303 | 129,231 |
| SCE | 1308 | 3.33% | 3,555 | 106,768 |
| PG&E | 1383 | 2.50% | 2,633 | 105,318 |
| Southwest Gas | 57 | 450 Spaces | 450 Spaces | 2350 |
| PacifiCorp | 14 | 100 Spaces | 100 Spaces | 507 |
| Liberty | 17 | 100 Spaces | 100 Spaces | 633 |
| Bear Valley | 7 | 100 Spaces | 100 Spaces | 608 |

Based on D.14-03-021 and MHP Annual Reports.

Recommendations

SoCalGas seeks to fulfill our responsibilities as a natural gas provider in California to enhance our customers' safety and reliability of mobilehome park infrastructure by meeting its conversion goals while maintaining affordability for its customers. However, given the three factors identified above, there are challenges.

Two of the three factors can be addressed to minimize SoCalGas' conversion deficit: electric utility interdependence and a soft cap goal. To support SoCalGas meeting its targets, SoCalGas recommends incorporating additional electric municipality and gas-only projects to support meeting annual conversion rates and address the electric utility interdependence by pulling category 2 projects forward. This would help avoid a situation where SoCalGas exhausts all available projects before meeting its annual target.

SoCalGas also recommends adjustments to expand annual conversion rates and cost targets for other utility partners to address the soft cap goal shortfall and support SoCalGas' achievement of its annual 3.33% target. SoCalGas continues to work together with electric utilities to perform concurrent upgrades at MHPs where target mutual goals allow. However, electric utilities frequently can

achieve their annual targets through their own projects, i.e., without collaborating on projects with SoCalGas. Increasing the annual targets for some of the electric utilities would allow them to collaborate with SoCalGas, such that SoCalGas can also achieve its annual target. SoCalGas further recommends that SED allow certain upgrades to proceed separately when differences in the utilities' deployment goals do not allow the utilities to convert the MHPs at the same time. Addressing these barriers to SoCalGas' ability to meet its 3.33% annual target enhances the opportunity to provide safety and reliability enhancements through the Program to mobilehome customers.

6. Program Assessment

In March of 2020, the World Health Organization (WHO) declared COVID-19 a pandemic. In response, SoCalGas instituted various hygiene measures, social distancing protocols, and alternate outreach and education methods in support of the Program goals and objectives. With the COVID-19 restrictions and regulations, the Program has experienced a variety of impacts including but not limited to:

- a decrease in inspection resources with longer-than-average permit and inspection turn-around times;
- additional need for outreach collateral and mailers as we shifted away from in-person townhalls, meetings, and events;
- lengthened construction durations due to the quarantining of various crew members; and
- mobile home access challenges faced by beyond-the-meter contractors.

Despite the issues faced in 2020 and 2021, the SoCalGas MHP Conversion Program continues to be successful, as noted in D.20-04-004, and as demonstrated by the following performance indicators:

Program Penetration

SoCalGas has successfully partnered with MHP Owners/Operators and, as of December 31, 2021, completed approximately 15% of the eligible mobilehome spaces in SoCalGas' service territory.

Safety Performance

From 2014 through 2020, SoCalGas maintained a high safety standard with four reportable incidents over approximately 1,710,460 hours of labor logged between contractors and MHP program employees combined. In 2021, SoCalGas continued

to maintain a high safety standard with zero reportable incidents over approximately 180,083 hours. Additionally, 287 MHPs with systems older than 40 years have received – or are in the process of receiving – new utility-owned and maintained distribution systems that meet current SoCalGas standards.

Customer Satisfaction

In response to customer satisfaction surveys in 2021, SoCalGas achieved a satisfaction rate of 86% with MHP residents and 100% with MHP owners/operators.

7. Conclusion

This concludes the seventh annual filing in accordance with SED's instructions.

Additional Program information can be found online on SoCalGas' website at: <https://www.socalgas.com/stay-safe/pipeline-and-storage-safety/pipeline-safety/mobilehome-park-utility-conversion-program>.

This annual report may be accessed at: <https://www.socalgas.com/regulatory/A17-05-007>.⁷

⁷ D.20-04-004, OP 10 requires the utilities to post copies of their Annual Report on their respective websites.



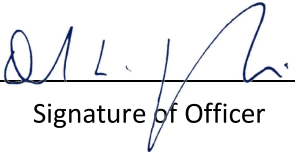
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**Mobilehome Park Utility Upgrade Program
Management Certification**

California Public Utilities Commission (CPUC) Decision (D.) 14-03-021 Ordering Paragraph 11 requires that all reports be verified by an officer of the utility.

As an officer of Southern California Gas Company (SoCalGas), I hereby certify that the Mobilehome Park Utility Upgrade Program Annual Report generated in compliance with D.14-03-021 is accurate.

Reporting Period: 1/1/2021 to 12/31/2021
Start Date End Date

 Executed on: 1/31/2022
Signature of Officer Month, Day, Year

David Buczkowski
Print Name

Vice President of Gas Distribution
Title

SoCalGas 2022 Annual Report List of Active Parks

*Financial Completion: project costs have been recorded and any remaining costs not recorded are estimated to fall within 5% of total project costs

**Construction Completion: cutover completed and master meter removed; final costs have not been recorded

***PTO (Permit to Operate) counts may not represent actual spaces in scope for conversion

| HCD ID | NAME | STATUS | CITY | COUNTY | PTO COUNT*** | GAS IOU | ELECTRIC IOU |
|------------|------------|-----------------------|------------|-----------------|--------------|----------|--------------|
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | ORANGE | [REDACTED] | SoCalGas | N/A |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | SAN LUIS OBISPO | [REDACTED] | SoCalGas | PG&E |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | LOS ANGELES | [REDACTED] | SoCalGas | N/A |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | LOS ANGELES | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | LOS ANGELES | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | LOS ANGELES | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | RIVERSIDE | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | LOS ANGELES | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | LOS ANGELES | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | LOS ANGELES | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | LOS ANGELES | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | LOS ANGELES | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | LOS ANGELES | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | LOS ANGELES | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | LOS ANGELES | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | LOS ANGELES | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | LOS ANGELES | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | LOS ANGELES | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | SAN BERNARDINO | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | SAN BERNARDINO | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | RIVERSIDE | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | LOS ANGELES | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | RIVERSIDE | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | LOS ANGELES | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | LOS ANGELES | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | RIVERSIDE | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | SAN BERNARDINO | [REDACTED] | SoCalGas | N/A |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | RIVERSIDE | [REDACTED] | SoCalGas | N/A |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | SAN BERNARDINO | [REDACTED] | SoCalGas | N/A |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | LOS ANGELES | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | LOS ANGELES | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | RIVERSIDE | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | RIVERSIDE | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | ORANGE | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | ORANGE | [REDACTED] | SoCalGas | SCE |
| [REDACTED] | [REDACTED] | Financially complete* | [REDACTED] | LOS ANGELES | [REDACTED] | SoCalGas | SCE |

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

**DECLARATION OF MIGUEL CALDERON
REGARDING CONFIDENTIALITY OF CERTAIN DATA
PURSUANT TO D.17-09-023**

I, Miguel Calderon, do declare as follows:

1. I am the Distribution Special Projects Project & Execution Manager for Southern California Gas Company (“SoCalGas”). I have been delegated authority to sign this declaration by David Buczkowski, Vice President of Gas Distribution. I have reviewed the document titled “SCG 2021 Annual Rpt – List of Active Parks.xlsx” (the “SCG Active Park List”). I am personally familiar with the facts and representations in this Declaration and, if called upon to testify, I could and would testify to the following based upon my personal knowledge and/or information and belief.

2. I hereby provide this Declaration in accordance with Decision (“D.”) 17-09-023 to demonstrate that the yellow-highlighted confidential information (“Protected Information”) provided in the SCG Active Park List is within the scope of data protected as confidential under applicable law, and pursuant to Public Utilities (“PUC”) Code § 583 and General Order (“GO”) 66-D, as described in the Attachment A below.

3. In accordance with the legal authority described herein, the Protected Information should be protected from public disclosure.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this 31st day of January 2022 at Los Angeles, California.



Miguel Calderon
Manager
Special Portfolio Projects

ATTACHMENT A

**SoCalGas Request for Confidentiality on the following information contained in
SCG Active Park List**

| Type and Location of Protected Information | Legal Authority | Narrative Justification |
|---|---|---|
| <p>Yellow-highlighted cells in the SCG Active Park List</p> | <p>California Public Records Act (CPRA) Exemption, Gov't Code § 6254(k) ("Records, the disclosure of which is exempted or prohibited pursuant to federal or state law")</p> <ul style="list-style-type: none"> • Cal. Civil Code § 1798.21 (requiring agencies to "ensure the security and confidentiality of" personal data) • Cal. Civil Code § 1798.24 (limiting disclosure of personal information) • Cal. Civil Code §§ 1798.80 <i>et seq.</i> (process for protecting customer records) <p>CPRA Exemption, Gov't Code § 6254(c) ("disclosure of which would constitute an unwarranted invasion of personal privacy")</p> | <p>The yellow-highlighted cells contain MHP names. This is market-sensitive information that, if revealed, could put the MHP at an unfair business disadvantage because it provides nonpublic information regarding MHP program participation.</p> <p>Disclosure may also constitute an "unwarranted invasion of personal privacy."</p> |