

Energy Division Central Files Document Coversheet

A. Document Name

Today's Date (Date of Submittal) 2/1/2017

Name:

1. Utility Name: Southern California Gas Company (SoCalGas)
2. Document Submission Frequency: Yearly
3. Report Name: SoCalGas' Mobilehome Park Utility Upgrade Program
4. Reporting Interval (the date(s) covered by the data): 2017 Y2
5. Name Suffix: Cov
6. Document File Name (format as 1+2 + 3 + 4 + 5): SOCALGAS Yearly SoCalGas' Mobilehome Park Utility Upgrade Program 2017 Y2 Cov
7. Identify whether this filing is original or revision to a previous filing.
 - a. If revision, identify date of the original filing: N/A

B. Documents Related to a Proceeding

All submittals should reference both a proceeding and a decision, if applicable. If not applicable, leave blank and fill out Section C.

1. Proceeding Number (starts with R, I, C, A, or P plus 7 numbers): R.11-02-018
2. Decision Number (starts with D plus 7 numbers): D.14-03-021
3. Ordering Paragraph (OP) Number from the decision: Ordering Paragraph 10 of D.14-03-021

C. Documents Submitted as Requested by Other Requirements

If the document submitted is in compliance with something other than a proceeding, (e.g. Resolution, Ruling, Staff Letter, Public Utilities Code, or sender's own motion), please explain: N/A

D. Document Summary

Provide a Document Summary that explains why this report is being filed with the Energy Division. This information is often contained in the cover letter, introduction, or executive summary, so you may want copy if from there and paste it here.

SoCalGas (and each electric and/or gas corporation) is ordered to submit a report by February 1, 2017 that identifies timeline status and a preliminary quantification of construction costs incurred per space, broken out on both "to the meter" and "beyond the meter" bases. Per D.14-03-021: "We will require reporting, as specified, at the end of each of the three years so that we can fine-tune the conversion program as warranted, assess whether the program should be made permanent before the three-year term concludes, or should unforeseen problems arise, bring the program to an early end."

E. Sender Contact Information

1. Sender Name: Grisel Juarez Velazquez
2. Sender Organization: Southern California Gas Company
3. Sender Phone: (213) 244-2822
4. Sender Email: GJuarezVelazquez@semprautilities.com

F. Confidentiality

1. Is this document confidential? No Yes
 - a. If Yes, provide an explanation of why confidentiality is claimed and identify the expiration of the confidentiality designation (e.g. Confidential until December 31, 2020.) N/A

Energy Division Central Files Document Coversheet

G. CPUC Routing

Energy Division's Director, Edward Randolph, requests that you not copy him on filings sent to Energy Division Central Files. Identify below any Commission staff that were copied on the submittal of this document.

1. Names of Commission staff that sender copied on the submittal of this Document:
 - Commission President Michael Picker
 - Commissioner Mike Florio
 - Commissioner Catherine J.K. Sandoval
 - Commissioner Carla J. Peterman
 - Commissioner Liane M. Randolph
 - Chief Administrative Law Judge Karen V. Clopton
 - Safety and Enforcement Division Director Elizaveta Malashenko



A  Sempra Energy utility

Mobilehome Park Utility Upgrade Program

FEBRUARY 1, 2017 Report

SOCALGAS MOBILEHOME PARK UTILITY UPGRADE PROGRAM

FEBRUARY 1, 2017 REPORT

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Mobilehome Park Utility Upgrade Program

FEBRUARY 1, 2017 Report

1. Executive Summary

On March 13, 2014, the California Public Utilities Commission (“Commission”) approved and authorized Southern California Gas Company (“SoCalGas”) to execute the *Mobilehome Park Utility Upgrade Program* (“Program”) through D.14-03-021 (“Decision”). The Program is a three-year pilot (2015-2017) to convert master-metered/sub-metered natural gas and/or electric services to direct utility services for qualified mobile home parks and manufactured housing communities (collectively “MHPs”).

The Decision directs each electric and/or gas utility to annually prepare a status report for the Program on February 1 of each year. Pursuant to Ordering Paragraph (“OP”) 10 of the Decision, each electric and/or gas utility filed their first status report on February 1, 2016; and must file a second and third report on February 1 of 2017 and 2018, respectively. In SoCalGas’ February 1, 2016 Report, SoCalGas provided a timeline for implementation of the three-year pilot, its current 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.

In accordance with OP 10 of the Decision, this report provides information on the following: (1) a Program timeline and the current progress towards that timeline, and (2) a preliminary quantification of construction costs incurred per space identified separated by “to the meter” and “beyond the meter.” The Decision further requires that on both “to the meter” and “beyond the meter” 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.

As of December 31, 2016, SoCalGas has completed conversion of 32 MHPs (of 199 MHPs currently in scope) with a combined total of 1,665 spaces (of 11,619 spaces currently in scope). An additional 59 MHPs are in various stages of construction. The total conversion cost for the 32 MHPs is \$15,843,099. These costs may be adjusted as trailing and other costs are received and charged to their respective MHPs.

2. Program Timeline and Where SoCalGas is on the Timeline

The Program has been planned to achieve the conversion, on a combined To-The-Meter (“TTM”) and Beyond-The-Meter (“BTM”) basis of 10% of the estimated spaces in SoCalGas’ service territory, which currently represents approximately 12,800 spaces. However, there have been a number of MHPs that have elected not to move forward which has resulted in a current space count of 11,619 across 199 MHPs or approximately 9% of all MHP master meter spaces in SoCalGas’ territory. To reach all participating MHP spaces, SoCalGas developed the timeline shown in Figure 1 (“Timeline for Implementation of Three-Year Pilot”) noting that, where possible, 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 telecommunications¹ provider(s).

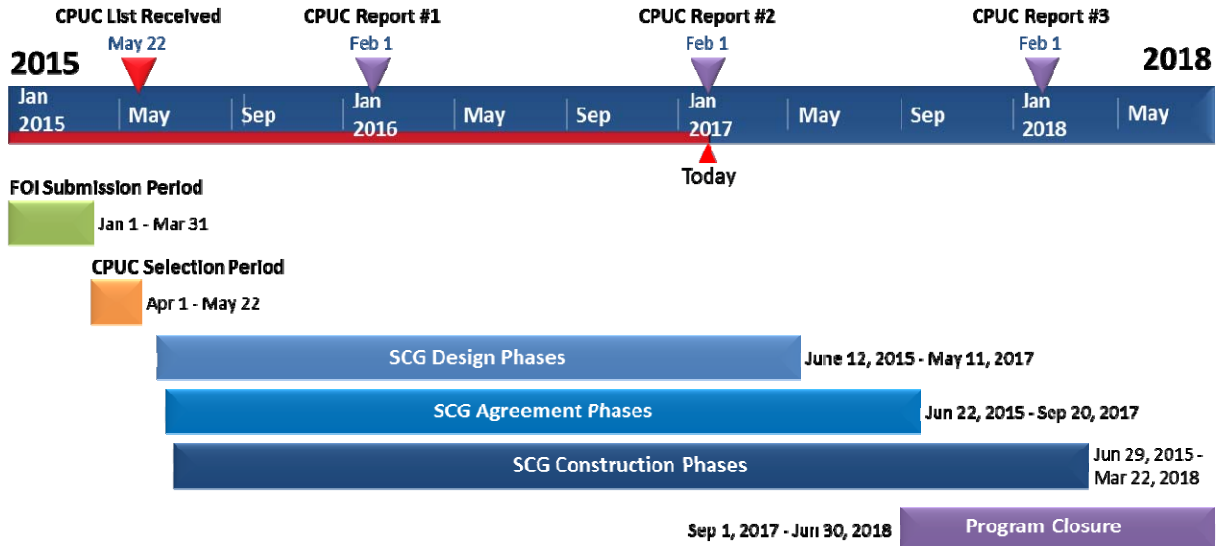
A number of assumptions are inherent in the Schedule, specifically; it assumes that there are no constraints which may prevent the MHP’s participation in the Program, such as the MHP owner’s ability and willingness to complete and move forward with a detailed application, execute the Program Agreement, grant the required easements, secure a qualified BTM contractor, successfully address any environmental issues, 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 (“FOI”) 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 Department of Housing and Community Development (“HCD”) and/or other jurisdictional agencies having available trained resources to perform timely inspections on completed portions of the projects. SoCalGas’ 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, 2016, SoCalGas has 167 MHP designs completed and has 91 MHPs currently in the construction stage or where construction has completed.

Based on its current schedule, SoCalGas forecasts starting all 11,619 currently participating MHP spaces by August 30, 2017, and completing conversion of approximately 80% of the goal by December 31, 2017, whereby major construction activities would be substantially underway.

¹ As of December 31st, 2016, one telecommunications provider has participated in one MHP conversion.

FIGURE 1. TIMELINE FOR IMPLEMENTATION OF THREE-YEAR PILOT AND CURRENT STATUS



3. Preliminary Cost Assessment

As of December 31, 2016, SoCalGas has converted² 32 MHPs (of 199 MHPs currently in scope) with a combined total of 1,665 spaces (of 11,619 spaces currently in scope). In accordance with OP 10 of the Decision, SoCalGas' preliminary quantification of construction costs incurred per space are shown in Table 1 ("SoCalGas Preliminary Quantification of Construction Costs") below. These costs may be adjusted as trailing costs or other changes are required and allocated to their respective MHPs³.

Table 1 details preliminary costs for each category of:

- (1) TTM Contractor Costs, which include contractor costs for gas-only MHPs as well as the portion paid by SoCalGas for TTM activities which are shared with other participating utilities where service territories overlap⁴. These are comprised but not limited to including trenching and paving;
- (2) Utility Crews and Material Cost: This includes the loaded costs of company labor in support of the program including to-the-meter work for selected MHPs, setting meters and tuning on gas service, purging the legacy system, removal of the master meter, as well as the procurement and warehousing of materials.
- (3) BTM Contractor Costs, which are costs reimbursed to the MHP owner/operator to perform the BTM construction work. BTM contractors are selected by the MHP owner/operator; and
- (4) Program Management Costs ("PMC"), which are comprised of:
 - (a) Project Management Office ("PMO") which includes overall Program Management (e.g. program strategy, risk management, change management, schedule management) and the program's Budgeting and Accounting functions;
 - (b) Construction Management ("CM"), which 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; and

² SoCalGas labels "Converted" MHPs as those where System Cutover has occurred, Master Meter has been removed, and all costs for all TTM, BTM, PMC costs are expected to have been received and allocated to each MHP. SoCalGas established and strives to meet a "Closing Period" of 180-days beyond Master Meter removal to allow for these activities to occur. This report includes MHPs which have completed or are in the Closing Period.

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 SoCalGas' Closing Period.

⁴ Pacific Gas & Electric Company, Southern California Edison Company, and San Diego Gas and Electric Company.

- (c) Outreach activities which include primary customer contact and coordination before, during and after construction consistent with the Commission-reviewed statewide Outreach Plan.

PMC are tracked separately from TTM costs and BTM Contractor costs and allocated to each MHP based on the number of spaces converted. PMC are allocated as part of SoCalGas' project close activities. To most efficiently utilize PMO resources, selected PMO staff provides management and services to both SoCalGas and SDG&E and costs for such staff are allocated at a rate of 50% to each utility.

TABLE 1. SOCALGAS PRELIMINARY QUANTIFICATION OF CONSTRUCTION COSTS

SoCalGas		
1	To The Meter (TTM) Contractor Costs	
2	Civil / Trenching	\$4,294,587
3	Electric System	N/A
4	Labor	
5	Materials/Structures	
6	Gas System	
7	Labor	\$1,259,160
8	Materials/Structures	\$641,722
9	Sub-Total TTM Contractor Costs	\$6,195,469
10		
11	Other TTM Non-Labor Costs	
12	Property Taxes	\$8,954
13	AFUDC	\$60,817
14	Sub-Total Other TTM Non-Labor Costs	\$69,770
15	Sub-Total TTM Costs	\$6,265,239
16		
17	Beyond The Meter (BTM) Contractor Costs	
18	Civil / Trenching	-
19	Electric System	N/A
20	Labor	
21	Materials/Structures	
22	Gas System	\$2,956,463
23	Labor	\$2,117,036
24	Materials/Structures	\$839,427
25	Other ⁵	\$784,411
26	Sub-Total BTM Costs	\$3,740,874
27		
28	Costs for Utility Crews (UC) supporting Program⁶	
29	Labor	\$2,253,922
30	Materials purchasing, warehouse	\$214,629
31	Sub-Total TTM Utility Crew Costs	\$2,468,551
32		

⁵ Includes city, Local Enforcement Agency (LEA) and/or HCD fees.

⁶ Includes meter installation and turn-on, legacy system purging, master meter removal, company crews performing civil, trenching, construction, and installation for selected MHPs.

33	Program Management Costs (PMC)	
34	Program Management Office (PMO)	\$652,264
35	Outreach	\$249,222
36	Construction Management (CM)	\$2,466,950
37	Subtotal Program Management Costs	\$3,368,435
38		
39	TOTAL	\$15,843,099

41	Total Spaces Converted	TTM	BTM
42	Gas	1,665	1,459
43	Electric	N/A	N/A

45	Average Cost / Space	TTM	BTM	UC	PMC	TOTAL
46	Gas	\$3,763	\$2,564	\$1,483	\$2,023	\$9,833
47	Electric	N/A	N/A	N/A	N/A	\$0
48	Total Average Cost / Space	\$3,763	\$2,564	\$1,483	\$2,023	\$9,833

4. Conclusion

This concludes the second annual filing in accordance with OP 10 of D.14-03-021.

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



Mobilehome Park Utility Upgrade Program
Management Certification

A  Sempra Energy utility

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 the 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: January 1, 2016 to December 31, 2016
Start Date End Date

 Executed on: 1/30/2017
Signature of Officer Month, Day, Year

Gina Orozco-Mejia Vice President – Gas Operations
Print Name Title