



**Liberty Utilities (CalPeco Electric) LLC (U 933E)
Mobile Home Park Conversion Program Fifth Annual Report
January 31, 2020**

1. Introduction

In D. 14-03-021, the Commission approved a three-year pilot program to incentivize voluntary conversion of master-metered/sub-metered Mobile Home Parks and Manufactured Housing Communities (MHP) from a private distribution and service system to direct utility distribution and service system (MHP Program). Under the MHP Program, Liberty Utilities (CalPeco Electric) LLC (“Liberty CalPeco”) (electric) in concert with Southwest Gas Corporation (gas) is authorized to convert approximately 10 percent of the master-metered/sub metered MHP spaces within its service territory over a three-year period.

On September 29, 2017 Resolution E-4878 extended the MHP Pilot Program to continue “until the earlier date of December 31, 2019 or the issuance of a Commission Decision for the continuation, expansion or modification of the program.”¹ Resolution E-4958 “authorizes all participating electric and gas utilities to continue their MHP Pilot until the earlier date of either December 31, 2020, or the issuance of a Commission Decision for the continuation, expansion or modification of the program beyond December 31, 2020.”

Pursuant to D.14-03-021, Ordering Paragraph 10, requires annual reports be prepared to confirm the utilities progress in implementing the pilot program. The Annual Report Template has been refined by the Commission’s Safety and Enforcement Division and Energy Division in conjunction with the Technical Working Group as ruled in the Assigned Commissioner’s Scoping Memo and Ruling dated August 31, 2018.²

Each utility is required to submit a status report due on or before February 1, 2020, that includes the following items:

- Progress along the Pilot implementation timeline and where the utility is on that timeline
- Initial number of applications received
- Information about each MHP selected including general location, number of spaces, and “To The Meter” (TTM) and “Beyond The Meter” (BTM) construction costs incurred per space broken out to identify:

¹ Resolution E-4878, OP 7, p.22.

² R.18-04-018 Assigned Commissioner’s Scoping Memo and Ruling, #5, p.20.



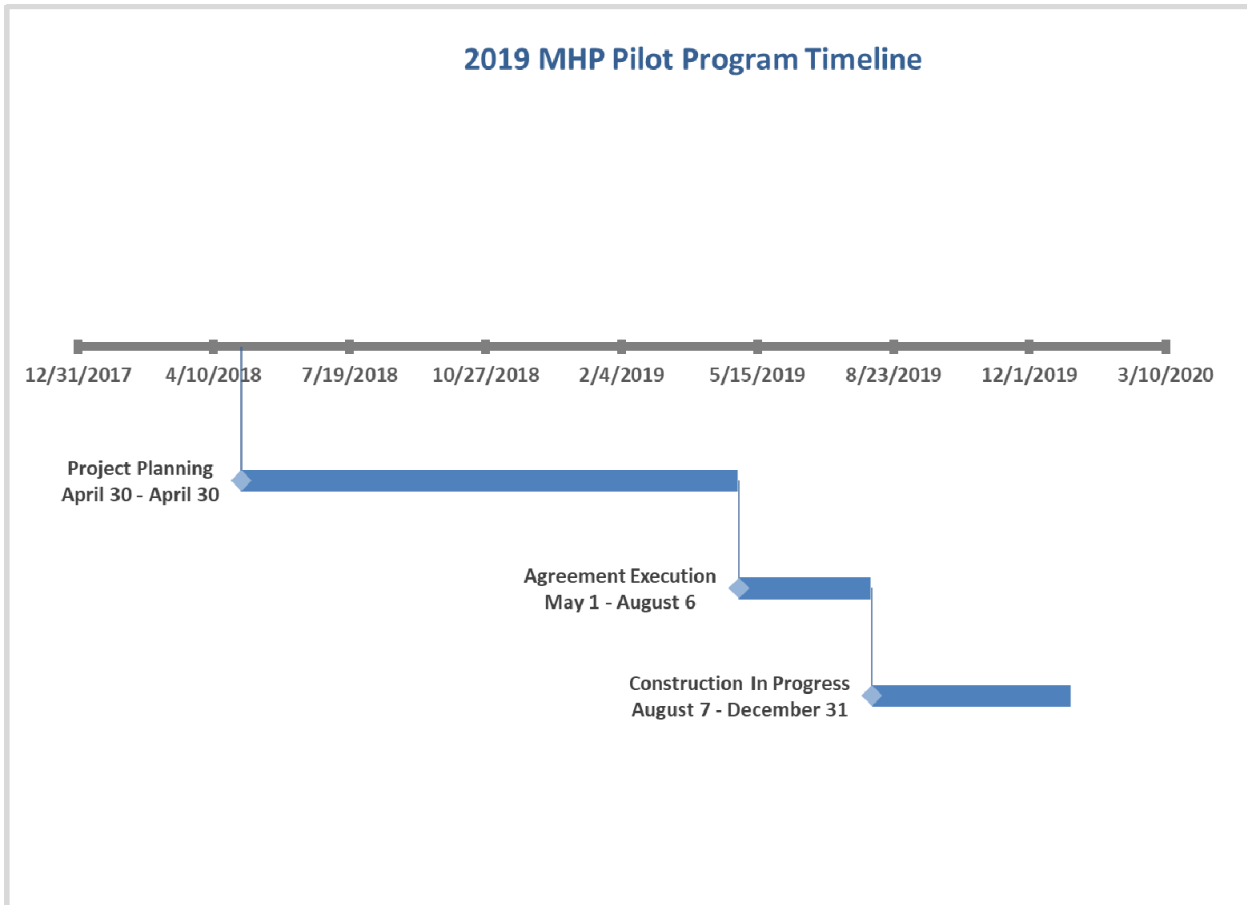
- Civil work/trenching
- Electric system construction costs
- Other costs (permits and easements)
- Identify problems, challenges, and obstacles involved with the MHP Pilot Program implementation

2. MHP Pilot Program Timeline

Liberty CalPeco has identified 5 different periods not including notification and completion in the MHP Program timeline:

- FOI Submission - completed
 - Form of Intent (FOI) Submission Period- Liberty Utilities identified 8 parks that filled out the FOI
- Park Prioritization Period - completed
 - The 2 parks (see below) were chosen by California Public Utilities Commission Safety Enforcement Division (SED), no other prioritization was necessary
- Application Period - completed
 - The 2 parks completed and turned in applications
- Agreement Period - completed April – August 2019
 - TTM design work submitted to MHP owners
 - BTM contractors selected by MHPs
 - BTM design work completed
 - Meetings with MHPs owners and residents
 - Agreements signed
- Construction Period – work in progress May of 2019 – December of 2019
 - Progress benchmarks for the two MHPs:
 - I – 61 spaces located in South Lake Tahoe
 - TTM substructure and cabling work completed
 - BTM work started, not yet completed
 - Conversion cutover expected in 2020
 - II – 265 spaces located in South Lake Tahoe
 - Project split into three phases
 - 106 spaces in phase one (phase two and three construction beginning in 2020)
 - TTM substructure excavation work completed
 - TTM cabling and transformer work (started 2020)
 - BTM work in progress
 - Conversion cutover of phase one expected in 2020

MHPs Selected for Conversion (In Progress)				
MHP	Location	Number of Spaces	Utility Services	Overlapping Utility
I	South Lake Tahoe, El Dorado County	61	Electric/Gas	Southwest Gas
II	South Lake Tahoe, El Dorado County	265	Electric/Gas	Southwest Gas



3. Challenges and Obstacles

- The building season in the Lake Tahoe Basin is limited. A moratorium on excavating exists from mid-October through mid-May. Inclement weather during the construction season can also cause work to be halted or delayed.



- The number of BTM contractors in the Lake Tahoe Basin is limited and the times the contractors are available for the BTM project do not necessarily coincide with the times they would be needed.
- Crew time committed to the project is limited because the company is small and Crews work on multiple projects concurrently.
- Other challenges include: locating of existing utilities, snow load and removal considerations for meter placement, large trees, and obstructions by homeowner’s property.

4. Supplemental Cost and Safety Information

The tables below provide data for the evaluation of the MHP Pilot Program pursuant to Rulemaking 18-04-018. All program participation data in 2019 reflects work in progress prior to conversion, is subject to change, and expected to be included in Liberty CalPeco’s 2021 annual MHP progress report for program year 2020. Per the Annual Report Template, “If a project incurs costs over multiple years, report all project costs and spaces converted in the year the project closes.” Cost information is included for illustrative purposes of the progress reported for 2019.

Annual Report Template	Descriptor	2019
Program Participation		
CARE/FERA enrollment	Number of individuals enrolled in CARE/FERA after the conversion	98
Medical Baseline	Number of individuals enrolled in Medical Baseline after the conversion	9
Disadvantaged Community	Number of converted spaces within geographic zones defined by SB 535 map.	0
Rural Community**	Number of converted spaces within rural community	0
Urban Community**	Number of converted spaces within urban community	326
Leak Survey (Optional)	Number of Leaks identified during preconstruction activity (if known)	NA



2019 Capital Costs

To The Meter	Beyond The Meter	Total TTM & BTM
\$1,265,631.65	\$167,206.00	\$1,432,837.65

Rate Impact and Revenue Requirement

Rate Impact

Electric	2018	2019	2020	2021
Average Rate w/o MMBA recovery - Total System	\$0.14122	\$0.15764	\$0.15843	\$0.17003
Average Rate w/ MMBA recovery - Total System	\$0.14123	\$0.15765	\$0.15848	\$0.17008
Rate Change - Total System	\$0.00001	\$0.00001	\$0.00004	\$0.00005
% Rate Change - Total System	0.005%	0.009%	0.027%	0.032%

Electric	2022	2023	2024	2025
Average Rate w/o MMBA recovery - Total System	\$0.17813	\$0.18644	\$0.19455	\$0.20253
Average Rate w/ MMBA recovery - Total System	\$0.17819	\$0.18650	\$0.19463	\$0.20261
Rate Change - Total System	\$0.00006	\$0.00007	\$0.00007	\$0.00008
% Rate Change - Total System	0.034%	0.036%	0.037%	0.039%



Revenue Requirement

Revenue Requirement	2018	2019	2020	2021
Gas Revenue Requirement-TTM	NA	NA	NA	NA
Electric Revenue Requirement-TTM	\$2,280	\$4,469	\$13,429	\$16,757
Gas Revenue Requirement-BTM	NA	NA	NA	NA
Electric Revenue Requirement-BTM	\$2,174	\$4,260	\$12,800	\$15,972

Revenue Requirement	2022	2023	2024	2025
Gas Revenue Requirement-TTM	NA	NA	NA	NA
Electric Revenue Requirement-TTM	\$18,933	\$21,109	\$23,285	\$25,461
Gas Revenue Requirement-BTM	NA	NA	NA	NA
Electric Revenue Requirement-BTM	\$18,046	\$20,120	\$22,194	\$24,268

Revenue Requirement	Present Value Revenue Requirement
Gas Revenue Requirement-TTM	NA
Electric Revenue Requirement-TTM	\$99,249
Gas Revenue Requirement-BTM	NA
Electric Revenue Requirement-BTM	\$94,596

5. Updated Program Assessment

Liberty CalPeco has completed two of the eight Mobile Home Parks (MHPs) prioritized for conversion to direct utility service. On April 18, 2017 Liberty CalPeco filed Advice Letter 76-E to continue its MHP Utility Upgrade Program and provide additional customers the positive benefits of direct utility service including safety, reliability, and greater accessibility to programs such as California Alternate Rates for Energy. The priority ranking was as follows:



MHP Conversions Priority Tiers		
Tier	Number of MHPs	Number of Spaces
1	2	67
2	2	91
3	4	346

Of the remaining MHPs, one was only master-metered for natural gas, and two are currently in progress for conversion. The completion of all eligible prioritized MHP conversions is estimated to occur in 2021 pending a decision by the Commission to continue the program.