



SOUTHWEST GAS CORPORATION

January 29, 2016

Mr. Timothy Sullivan, Executive Director
California Public Utilities Commission
505 Van Ness Avenue, 5th Floor
San Francisco, California 94102

Subject: Mobilehome Park Utility Upgrade Program Annual Status Report 1

Dear Mr. Sullivan:

Pursuant to California Public Utilities Commission (Commission) Decision (D.) 14-03-021, Southwest Gas Corporation (Southwest Gas) herewith submits its Annual Status Report 1 (Report) on the Mobilehome Park Utility Upgrade Program. Southwest Gas submits its report in accordance with the reporting requirements set forth in Ordering Paragraph (OP) 10 in D.14-03-021. Additionally, per OP 11, the enclosed report has been verified by an officer of Southwest Gas.

Southwest Gas appreciates the opportunity to submit this Report.

Should you have any questions or require any additional information, please do not hesitate to contact me directly at (702) 876-7323 or valerie.ontiveroz@swgas.com.

Sincerely,


Valerie J. Ontiveroz
Regulatory Manager/California

c: California Public Utilities Commission -
President Michael Picker
Commissioner Michel Peter Florio
Commissioner Catherine J.K. Sandoval
Commissioner Carla J. Peterman
Commissioner Liane Randolph

Karen J. Clopton
Chief Administrative Law Judge

Edward Randolph, Director
Energy Division

Elizaveta Maleshenko, Director
Safety and Enforcement Division

Service List – R.11-02-018

Southwest Gas Corporation **(U 905 G)**

Mobilehome Park Utility Upgrade Program Annual Status Report 1

In compliance with:
Decision 14-03-021

Reporting Period:
January 1, 2015 through December 31, 2015

January 29, 2016



SOUTHWEST GAS CORPORATION

INTRODUCTION

In accordance with Decision (D.) 14-03-021 of the California Public Utilities Commission (Commission), Southwest Gas Corporation (Southwest Gas or Company) submits its first Annual Status Report on the Mobilehome Park Utility Upgrade Program (MHP Program).

In February 2011, the Commission issued an Order Instituting Rulemaking to examine what should be done to encourage the replacement of MHP master-metered submetered systems with direct utility service.¹ The proceeding culminated with the March 14, 2014 issuance of D.14-03-021, which established a statewide, voluntary three-year “living pilot” program with the goal of converting approximately 10 percent of the total MHP spaces within each of the Commission-regulated gas and electric utilities’ service territories. Interested MHP Owners/Operators submitted their initial applications (Forms of Intent (FOI)) to participate in the MHP Program during the application period, which occurred from January 1, 2015 through March 31, 2015.

The Commission vested the Safety and Enforcement Division (SED) with the authority and responsibility for prioritizing the FOIs. The Commission concluded that the first priority of the pilot is to maximize conversion of higher risk MHP master-metered submetered natural gas systems.² As such, the pilot’s focus is primarily on gas safety and secondarily on system reliability and/or capacity. Additionally, the Commission encouraged joint trenching wherever possible to permit dual conversions of both natural gas and electric systems to maximize efficiency and reduce overall MHP Program costs.³ SED prioritized all FOIs received based on various risk assessment and other established prioritization factors (for natural gas and natural gas/electric systems) and in consultation with the California Department of Housing and Community Development (HCD) (for electric only systems).⁴

Although the Commission adopted the overall components and phases of the MHP Program, the utilities were directed to work collaboratively with SED and HCD to develop and implement the MHP Program, the associated utility tariffs⁵, and Outreach and Education Plans. As detailed further below, Southwest Gas worked with other utilities and stakeholders in the development of consistent tariffs, program forms, and conducted joint outreach and education wherever possible, up to and after MHP Program commencement.

Finally, the Commission deemed periodic reporting vital to the MHP Program in order to “fine-tune” and evaluate the program as necessary.⁶ Reports are due by February 1 in the year following each of the three, pilot program calendar years. Pursuant to OP 10 in D.14-03-021, the first MHP Program status report is to include:

- 1) A timeline for implementation of the three-year pilot and identifies where the utility is on that timeline;
- 2) The number of initial applications (FOIs) received;
- 3) Problems experienced with the prioritization process and potential, future solutions;

¹ Rulemaking 11-02-018.

² D.14-03-021, at pg. 43 and Ordering Paragraph (OP) 3, at pg. 75.

³ Id. at pg. 43.

⁴ D.14-03-021, at pg. 45 and OP 3, at pg. 75.

⁵ Southwest Gas’ Advice Letter No. 948-B, incorporating Rule No. 23 - Mobilehome Park Utility Upgrade Program into its Gas Tariff, was approved by the Energy Division on December 22, 2014, effective August 29, 2014.

⁶ D.14-03-021, at pg. 51.

- 4) Information about each MHP selected for conversion, including general location (city and county), number of spaces, whether natural gas or electricity or both will be converted and whether the conversion involves another electric or gas corporation utility or other municipal or public utility provider.

COMPANY OVERVIEW

Southwest Gas is a multi-jurisdictional natural gas local distribution company operating in California, Arizona and Nevada. Southwest Gas has two distinct and separate California service territories in the northern and southern parts of the state.⁷ Areas served in the northern California include North Lake Tahoe, South Lake Tahoe and Truckee. In southern California, the Company serves Big Bear, Needles, Victorville, Barstow and surrounding cities in the high desert area. The Company serves 44 master-metered submetered mobilehome parks (MHP) in its southern California service territory and 13 MHPs in its northern California service territory totaling approximately 3,300 MHP spaces. As discussed more fully in the accompanying Annual Status Report 1, Southwest Gas received 40 FOIs, resulting in SED's prioritization of 7 of the Company's MHPs.

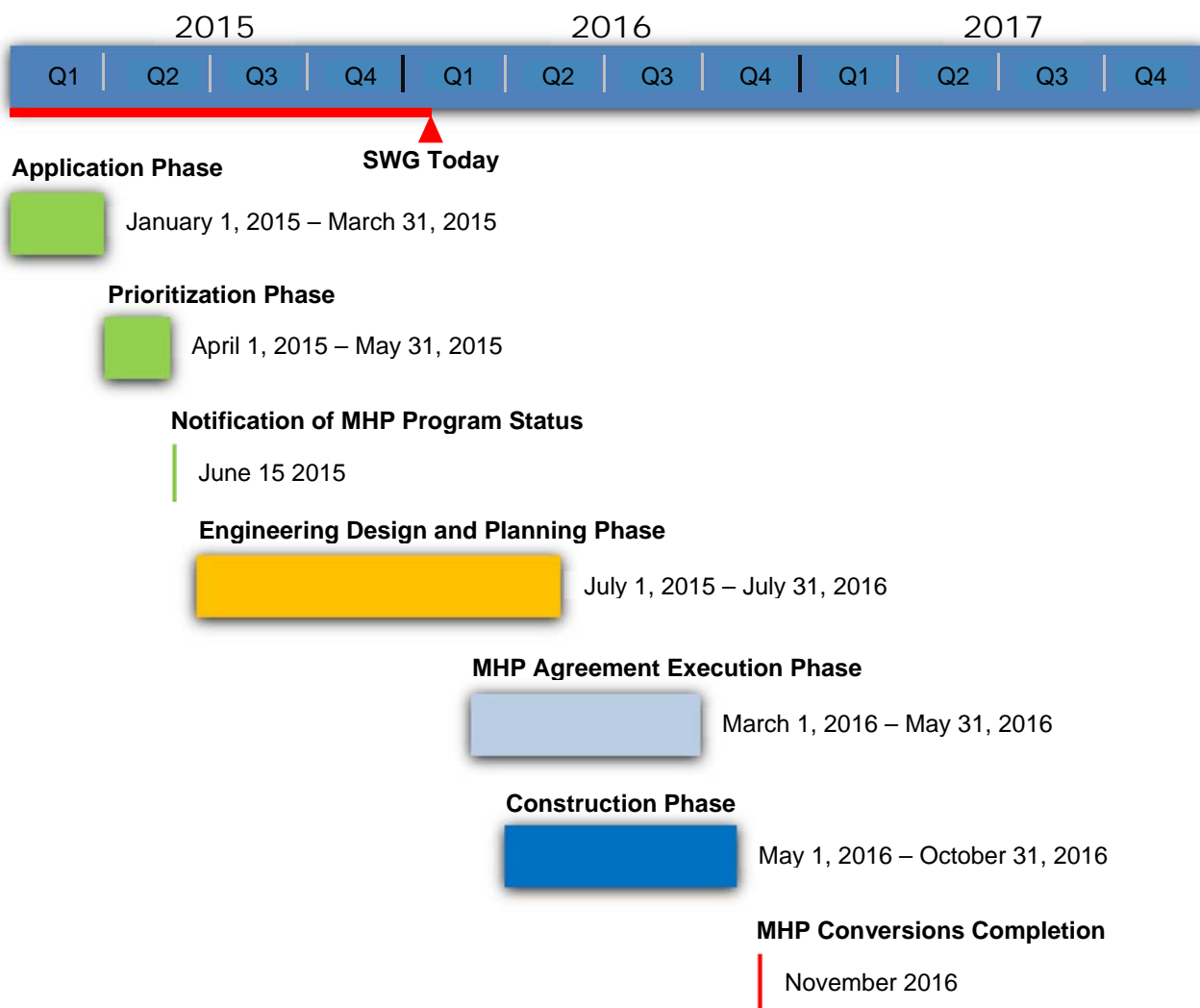
Southwest Gas has prepared and submits its Annual Status Report 1 in accordance with the above-listed requirements for the period January 1, 2015 through December 31, 2015.

⁷ For ratemaking purposes, the northern California service territory consists of two ratemaking jurisdictions, Northern California and South Lake Tahoe.

REPORT

- (1) *A timeline for implementation of the three-year pilot and identifies where the utility is on that timeline.*

SED prioritized seven MHPs in Southwest Gas' service territories for conversion - two MHPs located in northern California and the remaining five in southern California, amounting to approximately 414 spaces. Specific information regarding each MHP is provided in response to item 4 below. The following timeline reflects Southwest Gas conversion of these parks.



Program Status

Southwest Gas is currently in the Engineering Design and Planning phase, which began in July 2015. During this time, Southwest Gas' has completed, or expects to complete, the following:

- Conduct initial meetings with MHP Owners/Operators to discuss, provide guidance and assist with the MHP Detailed Application process.

- Perform walk-throughs of each MHP with the overlapping electric utility, to determine meter point locations and field questions from MHP Owners/Operators regarding the locations.
- Provide the final metering point locations to the MHP Owners/Operators. The metering point locations will be used to obtain “beyond the meter” contractor bids. During this time, Southwest Gas will also begin discussions with the MHP Owners/Operators regarding the MHP Agreement.

Southwest Gas plans to begin construction in the two MHPs in northern California (Kings Beach and South Lake Tahoe) on or around May 1, 2016. The five remaining parks in southern California will have staggered construction start dates beginning on June 1, 2016 (projected start dates are provided in response to (4) below). Southwest Gas endeavors to complete the conversion of its seven parks in October 2016.

Outreach and Education

Prior to the commencement of the MHP Program, Southwest Gas engaged in various outreach and education activities aimed at informing MHP Owners/Operators and local and county governmental agencies about the MHP Program, as well as assisting MHP Owner/Operators in the FOI process. As reflected in the summary below, Southwest Gas partnered with the Commission and other utilities in many of these outreach and education efforts:

Date	Audience	Event/Meeting/Outreach	Method
10/7/14	MHP Owners/Operators	CPUC Hosted Small Operator Seminar, Sacramento, CA	Attendance/Q&A Session
10/14/14	MHP Owners/Operators	WMA National Convention and Expo, Las Vegas, NV	In-Person/Exhibitors Booth with Other CA Utilities
11/11/14	MHP Owners/Operators	Town Hall Meeting - SoCalGas, SCE and SWG	Joint Presentation /Q&A Session
12/1/14	MHP Owners/Operators	Town Hall Meeting - SWG, Liberty Utilities and SED	Joint Presentation by utilities/Q&A Session
12/1/14	Government Entity	Tahoe Regional Planning Agency	Inform of MHP Program
12/1/14	MHP Owners/Operators	General Outreach Packet	Informational Letter/Brochure/FOI
12/16/14	Government Entity	NCA City/County Agencies Joint Notification - SWG and Liberty Utilities	Informational Letter
2/17/15	Government Entity	SCA City/County Agencies Joint Notification - SWG and BVES	Informational Letter
2/17/15	Government Entity	SCA City/County Agencies Notification - SWG	Informational Letter
2/25/15	MHP Owners/Operators	Reminder to those MHPs that did not return an FOI	Postcard
3/18/15	MHP Owners/Operators	Reminder to those MHPs that did not return an FOI	Phone call
6/15/15	MHP Owners/Operators	Prioritization Selection Status	Informational Letter

Additionally, Commission-regulated utilities were required to consult with municipalities who provide gas or electric service, as well as water, cable and telecommunication providers to achieve additional joint trenching efficiencies. MHPs in Southwest Gas service territories overlap only with Commission-regulated electric utilities – Liberty Utilities, Bear Valley Electric Service (BVES) and Southern California Edison Company (SCE). Southwest Gas outreached to cable providers in its service territories, while on behalf of the utilities, SED distributed an email notification to Commission-regulated telecommunication providers in February 2015 regarding the MHP Program. Southwest Gas did not receive inquiries from any cable or telecommunication providers within its service territories regarding the MHP Program.

(2) The number of initial applications (FOIs) received.

Southwest Gas received 40 FOIs, six from MHPs located within its northern California service territory and 34 from MHPs located within its southern California service territory.

(3) Problems experienced with the prioritization process and potential, future solutions.

Southwest Gas did not experience any problems with the prioritization process.

(4) Information about each MHP selected for conversion, including general location (city and county), number of spaces, whether natural gas or electricity or both will be converted and whether the conversion involves another electric or gas corporation utility or other municipal or public utility provider.

Seven MHPs in Southwest Gas’ service territories were prioritized for conversion by SED, two MHPs located in northern California and the remaining 5 in southern California. Specific information regarding each MHP is provided below.

MHP	Location	# of Spaces	Utility Services to be Converted	Overlapping Electric Utility	Projected Construction Start Date
1	Kings Beach, El Dorado County	43	Gas/Electric	Liberty Utilities	5/1/2016
2	South Lake Tahoe, El Dorado County	24	Gas/Electric	Liberty Utilities	5/1/2016
3	Big Bear Lake, San Bernardino County	82	Gas/Electric	BVES	6/1/16
4	Victorville, San Bernardino County	48	Gas/Electric	SCE	7/1/16
5	Hesperia, San Bernardino County	31	Gas/Electric	SCE	7/15/16
6	Victorville, San Bernardino County	50	Gas/Electric	SCE	8/1/16
7	Victorville, San Bernardino County	136	Gas/Electric	SCE	8/15/16

Conclusion

Southwest Gas is committed to the success of the Commission’s MHP Program and appreciates the opportunity to provide this status report. Southwest Gas looks forward to providing additional updates regarding the conversion of its MHPs within its service territories.

VERIFICATION

Justin Lee Brown, being first duly sworn, deposes and says: I am the Vice President/Regulation and Public Affairs of Southwest Gas Corporation, and I am authorized to make this verification on its behalf. I have read the foregoing Mobilehome Park Utility Upgrade Program Annual Status Report 1 and I believe the statements contained herein to be true, based upon either my own personal knowledge or upon information and belief. I declare under penalty of perjury that the foregoing is true and correct.

Dated this 29th day of January, 2016.



Justin Lee Brown
Vice President/Regulation and Public Affairs