



Liberty Utilities (CalPeco Electric) LLC
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February 1, 2021

VIA EMAIL ONLY

Leslie.Palmer@cpuc.ca.gov

Lee Palmer
Director, Safety and Enforcement Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

Re: Liberty Utilities (CalPeco Electric) LLC (U 933-E) Mobile Home Park Utility
Conversion Program Annual Report

Mr. Palmer,

In accordance with California Public Utilities Commission Decision 20-04-004, Ordering Paragraph 10, Liberty Utilities (CalPeco Electric) LLC (U 933 E) (“Liberty”) submits its annual report on the program to convert master-metered mobile home parks to direct utility service.

Please address all formal and informal correspondence and staff requests regarding this filing to Daniel W. Marsh, at the address above.

Respectfully submitted,

/s/ Daniel W. Marsh

Daniel W. Marsh
Manager, Rates and Regulatory Affairs
Email (preferred): Dan.Marsh@libertyutilities.com
Direct: (530) 721-2435

Via Email Only

cc: R.18-04-018 Service List



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Officer Verification

Pursuant to Decision 20-04-004, Ordering Paragraph 12 and Rule 1.11 of the California Public Utilities Commission's Rules of Practice and Procedure, I provide the following verification.

I, **Greg Sorensen**, hereby declare that I am the President of Liberty Utilities (CalPeco Electric) LLC, I have read the accompanying document, and the information set forth therein is true and correct to the best of my knowledge, information and belief.

I declare under penalty of perjury that the foregoing is true and correct.

Executed February 1, 2021 at Downey, California.

/s/Greg Sorensen

Greg Sorensen
President, Western Region
Liberty Utilities (CalPeco Electric) LLC



**Liberty Utilities (CalPeco Electric) LLC (U 933E)
Mobile Home Park Utility Conversion Program Annual Report
February 1, 2021**

1. Introduction

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

D.20-04-004 established a 10-year program to convert MHPs from master-metered to direct utility service. The program commenced in 2021 and is to be ongoing until 100% (for small utilities) of the MHPs volunteering for the program are converted, or for 10 years.

Pursuant to D.14-03-021, and modified in D.20-04-004, Ordering Paragraph 10, utilities are required to submit annual reports to confirm progress in implementing the MHP Program. A template for the annual report 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, 2021, that includes the following items:

- Progress along the Pilot implementation timeline and where the utility is on that timeline
- Initial number of applications received

¹ Resolution E-4878, OP 7, p.22.

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

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

2. MHP Pilot Program Timeline

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

- Form of Intent (“FOI”) Submission - completed
 - FOI Submission Period- Liberty Utilities identified eight MHPs that submitted a FOI
- Park Prioritization Period - completed
 - The two MHPs (see below) were chosen by the Safety Enforcement Division (“SED”). No other prioritizations were necessary
- Application Period - completed
 - The two MHPs submitted applications
- Agreement Period - completed April – August 2019
 - TTM design work were submitted to MHP owners
 - BTM contractors were selected by MHPs
 - BTM design work was completed
 - Meetings with MHPs owners and residents were held
 - Agreements were signed
- Construction Period – work in progress May of 2019 – December of 2020
 - Progress benchmarks for the two MHPs:
 - I – 61 spaces located in South Lake Tahoe
 - TTM substructure and cabling work completed
 - BTM work completed
 - Conversion cutover completed 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 expected in 2021

Please see Appendix A. for a graphic representation of the progress along the implementation timeline.

MHPs Selected for Conversion				
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 concurrently work on multiple projects.
- Other challenges include locating of existing utilities, snow load and removal considerations for meter placement, large trees, and obstructions on 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 and D.20-04-004. All program participation data in 2020 reflects work completed in 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.”

Annual Report Template*		
	Descriptor	2020
Program Participation		
CARE/FERA enrollment	Number of individuals enrolled in CARE/FERA after the conversion	27
Medical Baseline	Number of individuals enrolled in Medical Baseline after the conversion	1

Annual Report Template*		
	Descriptor	2020
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	61
Leak Survey (Optional)	Number of Leaks identified during preconstruction activity (if known)	n/a
Completed Spaces		
Number of TTM MH and Covered Common Area Locations Converted (Gas)		n/a
Number of TTM MH and Covered Common Area Locations Converted (Electric)		61
Number of BTM MH Converted Register Spaces (Gas)		n/a
Number of BTM MH Converted Register Spaces (Electric)		61
Cost Information		
To The Meter - Capital Costs		
Construction Direct Costs		
Civil/Trenching	To the Meter Construction costs for civil related activities	
Electric		\$ 478,862.62
Gas		n/a
Electric System		
Labor	Cost for installation of distribution Electric assets, pre-inspection testing, decommissioning of legacy system (Electric Design cost was previously incorporated here)	\$ 68,020.00
Material / Structures	Cables, conduits, poles, transformers and other necessary materials for electrical construction	\$ 32,866.61

Annual Report Template*		
	Descriptor	2020
Design/Construction Management	Cost for engineering, design and construction inspection cost	\$ 35,015.00
Other		
Labor (Internal)	Meter installation, gas relights, easements, environmental desktop reviews and other support organizations	n/a
Other Labor (Internal)***		
Non-Labor	Permits	\$ 6,326.00
Materials	meters, modules and regulators	
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)	n/a
Outreach		
Property Tax	Property tax on capital spending not yet put into service	n/a
AFUDC	AFUDC is a mechanism in which the utility is allowed to recover the financing cost of its 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.	\$ 14,155.05

Annual Report Template*		
	Descriptor	2020
Other		
Labor (Internal)***		n/a
Non-Labor	Utility specific overhead driven by corporate cost model	\$ 101,082.89
Sub-Total Capital Cost		\$ 736,328.17
To The Meter - Expense Costs		
Project Management Costs		
Project Management Office (PMO)	Program startup cost	\$ -
Outreach	Outreach efforts to educate MHP Owners, residents, government and local agencies about the program	\$ -
Other		
Labor (Internal)	Program startup cost for supporting organizations	\$ -
Other Labor (Internal)***		\$ -
Non-Labor	Cancelled Project Costs from MHPs that have failed to complete the MHP agreement or have cancelled the project	\$ -
Sub-Total To The Meter		\$ 736,328.17
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		NA
Electric System		
Labor	Labor and material for installing BTM Electric infrastructure (e.g. Pedestal, foundation, meter protection, grounding rods, conduit)	\$ 2,292.11
Material / Structures		\$ 325,086.45
Gas System		
Labor	Labor and material for installing	n/a

Annual Report Template*		
	Descriptor	2020
Material / Structures	BTM Gas infrastructure (e.g. houselines, meter protection, foundation)	n/a
Other	BTM Permits, including HCD fees	n/a
Other Labor (Internal)***		n/a
Sub-Total Beyond The Meter		\$ 327,378.56
Total TTM & BTM		\$1,063,706.73

*An appendix can be provided to define each category if needed.

**The Census Bureau identifies two types of urban areas:

- Urbanized Areas (UAs) of 50,000 or more people;
- Urban Clusters (UCs) of at least 2,500 and less than 50,000 people.

“Rural” encompasses all population, housing, and territory not included within an urban area.

The Census Bureau website is: <https://www.census.gov/geo/reference/urban-rural.html>.

***Provide as many labor cost lines with descriptions as needed to clarify types of labor included in project.

Rate Impact and Revenue Requirement

Rate Impact	2022	2023	2024	2025
Average Rate w/o MMBA recovery - Total System	\$0.15814	\$0.16266	\$0.16722	\$0.17157
Average Rate w/ MMBA recovery - Total System	\$0.15837	\$0.16289	\$0.16745	\$0.17179
Rate Change - Total System	\$0.00024	\$0.00023	\$0.00023	\$0.00022
% Rate Change - Total System	0.15%	0.14%	0.14%	0.13%

Revenue Requirement	2022	2023	2024	2025	Present Value Revenue Requirement
Electric Revenue Requirement-TTM	\$96,222	\$94,546	\$92,870	\$91,194	\$333,034
Electric Revenue Requirement-BTM	\$42,781	\$42,036	\$41,291	\$40,546	\$148,070

5. Updated Program Assessment

Liberty has completed three of the eight MHPs prioritized for conversion to direct utility service. On April 18, 2017 Liberty 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 master-metered only for natural gas, and one is currently in progress for conversion. Completion of the remaining eligible prioritized MHP conversions is estimated to occur in the ongoing MHP Program, beginning in 2021, and continuing through 2030.