

AMENDED IN ASSEMBLY APRIL 17, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 1235

Introduced by Assembly Member Pescetti

February 23, 2001

An act to ~~amend Section 891 of~~ *add Section 329 to* the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1235, as amended, Pescetti. Natural gas ~~surcharge: interstate pipelines: gas corporations: service.~~

(1) The Public Utilities Act requires the Public Utilities Commission to require each gas corporation to provide bundled basic gas service to all core customers in its service territory unless the customer chooses or contracts to have natural gas purchased and supplied by another entity.

This bill would amend the act to prohibit a customer that receives noncore service, as defined, from switching to core service, as defined, unless the customer meets certain requirements. The bill would prohibit a customer that receives noncore service from switching to core service during the months of November through March, inclusive. The bill would prohibit a customer that receives noncore or core gas transportation service from switching to core bundled service, as defined, unless the customer agrees, in writing, to remain on core bundled service for a minimum period of one year. Because a violation of the act is a crime, this bill, by prescribing new requirements for gas corporations, would impose a state-mandated local program by changing the definition of a crime.

(2) *The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

This bill would provide that no reimbursement is required by this act for a specified reason.

~~The Public Utilities Act requires the Public Utilities Commission to establish a surcharge on all natural gas consumed in this state to fund certain low income assistance programs, cost effective energy efficiency and conservation activities, and public interest research and development, as prescribed. The act requires that, except as specified, all persons consuming natural gas in this state that has been transported by an interstate pipeline be liable for that surcharge. The term “interstate pipeline” is defined to mean any entity that owns or operates a natural gas pipeline delivering natural gas to consumers in the state and is subject to rate regulation by the Federal Energy Regulatory Commission (FERC).~~

~~This bill would modify the definition of the term “interstate pipeline” to mean any entity that owns or operates a natural gas pipeline delivering natural gas to consumers in the state and is subject to regulation by FERC.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes. State-mandated local program: ~~no~~ yes.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. — Section 891 of the Public Utilities Code is~~
- 2 ~~SECTION 1. Section 329 is added to the Public Utilities Code,~~
- 3 ~~to read:~~
- 4 329. (a) *As used in this section, the following terms have the*
- 5 ~~following meanings:~~
- 6 (1) *“Core bundled service” includes core gas transportation*
- 7 ~~and utility gas procurement. Core gas transportation service does~~
- 8 ~~not include utility gas procurement.~~
- 9 (2) *“Core service” means that a customer is provided basic gas*
- 10 ~~service as specified in Section 328. This class of customer includes~~
- 11 ~~all residential and small commercial customers with average~~
- 12 ~~monthly gas use of less than 20,800 therms, and nonelectric~~
- 13 ~~generation commercial customers with average monthly gas use~~
- 14 ~~equal to or greater than 20,800 therms who require the highest~~

level of service reliability and have not elected noncore service. A core service customer has the option of purchasing gas from the gas corporation under its basic gas service obligations, or from a nonutility supplier.

(3) “Noncore service” means that a customer meets the usage requirements specified under the filed tariffs of the gas corporation. Noncore customers are restricted from purchasing gas from the gas corporation.

(b) A customer that receives noncore service may not switch to core service unless the customer agrees, in writing, to remain on core service tariffs for a minimum period of five years. In addition, a noncore service customer shall provide at least 6 months notice to the gas corporation of its intent to switch to core service. A customer that receives noncore service may not switch from noncore service to core service during the months of November through March, inclusive.

(c) A customer that receives noncore or core gas transportation service may not switch to core bundled service, including, but not limited to, core gas procurement, unless the customer agrees, in writing, to remain on core bundled service for a minimum period of one year.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

~~amended to read:~~

~~891. (a) “Gas utility” means any public utility gas corporation or interstate pipeline as defined in this section.~~

~~(b) “Public utility gas corporation” means a public utility gas corporation as defined in Section 216.~~

~~(c) “Interstate pipeline” means any entity that owns or operates a natural gas pipeline delivering natural gas to consumers in the state and is subject to regulation by the Federal Energy Regulatory Commission.~~

1 ~~(d) Each gas utility shall notify the State Board of Equalization~~
2 ~~of its status under this section. Each person who consumes natural~~
3 ~~gas delivered by an interstate pipeline shall annually register with~~
4 ~~the State Board of Equalization. The State Board of Equalization~~
5 ~~may require any documentation that it determines to be necessary~~
6 ~~to implement this article.~~

