

AMENDED IN SENATE JULY 9, 2001

AMENDED IN ASSEMBLY APRIL 17, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1235**

**Introduced by Assembly Member Pescetti**

February 23, 2001

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An act to add Section 329 to the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1235, as amended, Pescetti. Natural gas: 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 *procurement* 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.~~ *provide that the commission shall not be prohibited from placing*

*additional restrictions on the ability of noncore service customers to switch to core procurement service.* 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.

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

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

1 SECTION 1. Section 329 is added to the Public Utilities  
2 Code, to read:

3 329. (a) As used in this section, the following terms have the  
4 following meanings:

5 ~~(1) “Core bundled service” includes core gas transportation~~  
6 ~~and utility gas procurement. Core gas transportation service does~~  
7 ~~not include utility gas procurement.~~

8 ~~(2) “Core~~

9 (1) “Core procurement service” means that a customer is  
10 provided basic gas service as specified in Section 328. ~~This class~~  
11 ~~of customer includes all residential and small commercial~~  
12 ~~customers with average monthly gas use of less than 20,800~~  
13 ~~therms, and nonelectric generation commercial customers with~~  
14 ~~average monthly gas use equal to or greater than 20,800 therms~~  
15 ~~who require the highest level of service reliability and have not~~  
16 ~~elected noncore service. A core service customer has the option of~~  
17 ~~purchasing gas from the gas corporation under its basic gas service~~  
18 ~~obligations, or from a nonutility supplier., and meets the definition~~  
19 ~~for core service specified under the filed tariffs of the gas~~  
20 ~~corporation.~~

21 ~~(3)–~~

22 (2) “Noncore service” means that a customer meets the usage  
23 requirements specified under the filed tariffs of the gas corporation  
24 *and has elected to not be provided with core procurement.* Noncore



1 customers are restricted from purchasing gas from the gas  
2 corporation.

3 (b) A customer that receives noncore service may not switch to  
4 core *procurement* service unless the customer agrees, in writing,  
5 to remain on core service tariffs for a minimum period ~~of to be~~  
6 ~~determined by the commission, but which shall not be less than~~ five  
7 years. In addition, ~~a noncore service customer shall provide at least~~  
8 ~~6 months notice the commission shall require a noncore service~~  
9 ~~customer to provide sufficient notice to the gas corporation of its~~  
10 ~~intent to switch to core service. A customer that receives noncore~~  
11 ~~service may not switch from noncore service to core service during~~  
12 ~~the months of November through March, inclusive.~~

13 ~~(c) A customer that receives noncore or core gas transportation~~  
14 ~~service may not switch to core bundled service, including, but not~~  
15 ~~limited to, core gas procurement, unless the customer agrees, in~~  
16 ~~writing, to remain on core bundled service for a minimum period~~  
17 ~~of one year. procurement service so that the gas corporation has~~  
18 ~~a reasonable period of time to plan for the procurement of~~  
19 ~~incremental gas supplies. The notice period shall be not less than~~  
20 ~~6 months.~~

21 (c) *This section shall not be construed as prohibiting the*  
22 *commission from placing additional restrictions on the ability of*  
23 *noncore service customers to switch to core procurement service.*

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