

SENATE BILL

No. 9

Introduced by Senator Morrow

January 22, 2001

An act to amend Section 739.5 of the Public Utilities Code, relating to utilities, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 9, as introduced, Morrow. Electric bill: master-meter customers: rate ceiling.

(1) The Public Utilities Act requires every master-meter customer to provide an itemized billing of charges for electricity or gas, or both, to each individual user generally in accordance with the form and content of bills of the corporation to its residential customers.

The act requires the Public Utilities Commission to establish a ceiling of 6.5¢ per kilowatt hour on the energy component of electric bills for residential, small commercial, and lighting customers of the San Diego Gas and Electric Company, through December 31, 2002, retroactive to June 1, 2000, as prescribed.

This bill would require the billing to show any undercollection in the current billing cycle due to the ceiling, the total accumulated undercollection to that date, and accumulated interest on the accumulated undercollection, as prescribed, and to be consistent with specified accounting procedures. The bill would require a specified notice. Because a violation of the act is a crime, this bill would impose a state-mandated local program by creating a new crime.

The bill would allow submeter customers to elect to make inapplicable that electricity rate ceiling and to pay the full cost of

electricity used plus an amount that equals the simple interest on any unpaid amounts, as specified, if the related master-meter customer and all other submeter customers elect to make inapplicable that electricity rate ceiling.

(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.

(3) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. 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 739.5 of the Public Utilities Code is
2 amended to read:

3 739.5. (a) The commission shall require that, whenever gas
4 or electric service, or both, is provided by a master-meter customer
5 to users who are tenants of a mobilehome park, apartment
6 building, or similar residential complex, the master-meter
7 customer shall charge each user of the service at the same rate
8 which would be applicable if the user were receiving gas or
9 electricity, or both, directly from the gas or electrical corporation.
10 The commission shall require the corporation furnishing service
11 to the master-meter customer to establish uniform rates for
12 master-meter service at a level which will provide a sufficient
13 differential to cover the reasonable average costs to master-meter
14 customers of providing submeter service, except that these costs
15 shall not exceed the average cost that the corporation would have
16 incurred in providing comparable services directly to the users of
17 the service.

18 (b) Every master-meter customer of a gas or electrical
19 corporation subject to subdivision (a) who, on or after January 1,
20 1978, receives any rebate from the corporation shall distribute to,
21 or credit to the account of, each current user served by the
22 master-meter customer that portion of the rebate which the amount
23 of gas or electricity, or both, consumed by the user during the last



1 billing period bears to the total amount furnished by the
2 corporation to the master-meter customer during that period.

3 (c) An electrical or gas corporation furnishing service to a
4 master-meter customer shall furnish to each user of the service
5 within a submetered system every public safety customer service
6 which it provides beyond the meter to its other residential
7 customers. The corporation shall furnish a list of those services to
8 the master-meter customer who shall post the list in a conspicuous
9 place accessible to all users. Every corporation shall provide these
10 public safety customer services to each user of electrical or gas
11 service under a submetered system without additional charge
12 unless the corporation has included the average cost of these
13 services in the rate differential provided to the master-meter
14 customer on January 1, 1984, in which case the commission shall
15 deduct the average cost of providing these public safety customer
16 services when approving rate differentials for master-meter
17 customers.

18 (d) Every master-meter customer is responsible for
19 maintenance and repair of its submeter facilities beyond the master
20 meter, and nothing in this section requires an electrical or gas
21 corporation to make repairs to or perform maintenance on the
22 submeter system.

23 (e) (1) Every master-meter customer shall provide an itemized
24 billing of charges for electricity or gas, or both, to each individual
25 user generally in accordance with the form and content of bills of
26 the corporation to its residential customers, including, but not
27 limited to, the opening and closing readings for the meter, and the
28 identification of all rates and quantities attributable to each block
29 in the applicable rate structure. The master-meter customer shall
30 also post, in a conspicuous place, the applicable prevailing
31 residential gas or electrical rate schedule, as published by the
32 corporation.

33 (2) *Each bill shall separately show any undercollection of*
34 *reasonable and prudent costs of providing electric energy to the*
35 *customer unrecovered in the current billing cycle due to the*
36 *application of the ceiling provided for in subdivision (b) of Section*
37 *332.1, the total accumulated undercollection for the period from*
38 *the date of the imposition of the ceiling to the date of the bill, and*
39 *accumulated interest on the accumulated undercollection, which*
40 *shall accrue as simple, fixed interest at a rate not to exceed the*



1 *average interest rate paid by the San Diego Gas and Electric*
2 *Company for loans to finance its purchase of wholesale electricity*
3 *in the previous billing cycle. The billing shall be consistent with*
4 *subdivision (c) of Section 332.1.*

5 (3) *Each bill showing any undercollection pursuant to*
6 *paragraph (2) shall contain a notice as follows:*

7 “NOTICE: *Payment of this bill, in part or in full, does not affect*
8 *the legal standing of the ratepayer with regard to any future refund,*
9 *credit, or other adjustment ordered by a local, state, or federal*
10 *agency, including, but not limited to, any court order issued*
11 *pursuant to litigation.”*

12 (f) *The commission shall require that every electrical and gas*
13 *corporation shall notify each master-meter customer of its*
14 *responsibilities to its users under this section.*

15 (g) *Notwithstanding subdivision (b) of Section 332.1, submeter*
16 *customers subject to that subdivision may elect, in writing, at least*
17 *30 days in advance of the affected billing period, to make*
18 *inapplicable the electricity rate ceiling established pursuant to*
19 *that section and to pay the full cost of electricity used plus an*
20 *amount that equals the simple interest on any unpaid amounts at*
21 *the rate described in subdivision (e), if the related master-meter*
22 *customer and all other submeter customers elect to make*
23 *inapplicable that electricity rate ceiling.*

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.*

33 SEC. 3. *This act is an urgency statute necessary for the*
34 *immediate preservation of the public peace, health, or safety*
35 *within the meaning of Article IV of the Constitution and shall go*
36 *into immediate effect. The facts constituting the necessity are:*

37 *In order to modify utility billing practices to provide adequate*
38 *disclosure to ratepayers of the San Diego Gas and Electric*
39 *Company of undercollections by that company due to the rate*
40 *ceiling imposed by Chapter 328 of the Statutes of 2000, and to*



- 1 allow certain ratepayers to elect to make the ceiling inapplicable,
- 2 as soon as possible, it is necessary that this act take effect
- 3 immediately.

O

