

AMENDED IN ASSEMBLY MAY 8, 2003

AMENDED IN ASSEMBLY MAY 5, 2003

AMENDED IN ASSEMBLY APRIL 24, 2003

AMENDED IN ASSEMBLY APRIL 10, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1284

Introduced by Assembly Member Leslie

February 21, 2003

An act to add and repeal Section 80110.2 of the Water Code, relating to energy resources.

LEGISLATIVE COUNSEL'S DIGEST

AB 1284, as amended, Leslie. Direct transactions: cost responsibility surcharges.

Under existing law, the Public Utilities Commission regulates electrical corporations. The Public Utilities Act requires the commission to authorize direct transactions between electricity suppliers and retail end-use customers. However, other existing law suspends the right of retail end-use customers to acquire service from certain electricity suppliers after a period of time to be determined by the commission until the Department of Water Resources no longer supplies electricity under that law. Under existing law, the commission has imposed a cost recovery surcharge on retail end-use customers that continue to receive service in a direct transaction.

This bill, until January 1, 2009, would exempt a qualifying exempt direct transaction customer, as defined, from certain components of the



direct access cost recovery surcharge *and would subject the remaining charges to a cap of \$0.01 per kilowatthour.*

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

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

1 SECTION 1. Section 80110.2 is added to the Water Code, to
2 read:

3 80110.2. (a) (1) Notwithstanding Section 80110, a
4 qualifying exempt direct transaction customer shall be exempt
5 from paying a direct access cost recovery surcharge, except for the
6 following surcharge components, *subject to paragraph (2)*:

7 ~~(1)~~
8 (A) Any charge imposed to enable the department to recover its
9 bond-related costs under this division.

10 ~~(2) A tail competition transition charge, not to exceed \$0.01 per~~

11 ~~(B) A tail competition transition charge.~~

12 (2) *Notwithstanding paragraph (1), the charges paid by a*
13 *qualifying exempt direct transaction customer may not exceed*
14 *\$0.01 per kilowatthour on the actual kilowatthours used.*

15 (b) For purposes of this section, a “qualifying exempt direct
16 transaction customer” means any corporation that meets each of
17 the following requirements:

18 (1) The corporation entered into a direct transaction with an
19 electric service provider for electric service for a plant or facility
20 in California, by executing a contract prior to January 1, 2000, that
21 extended service through at least February 1, 2001.

22 (2) The plant or facility was, after February 1, 2001,
23 involuntarily returned to the electrical corporation for electrical
24 service, as a result of the electric service provider terminating
25 electrical service under the direct transaction contract.

26 (3) The plant or facility returned to receiving electric service
27 from an electric service provider pursuant to a direct transaction
28 within 90 days.

29 (4) The plant or facility continuously participated in an
30 interruptible or curtailable service program.

31 (5) The corporation had an average total cost for all aspects of
32 electric service, as a percentage of sales, in excess of 8 percent, for



1 the five years beginning January 1, 1996, and continuing to
2 December 31, 2000.

3 (6) The corporation had an average net profit margin as a
4 percentage of sales of greater than 2 percent, for the five years
5 beginning January 1, 1996, and continuing to December 31, 2000.

6 (7) The average total electric service cost as a percentage of
7 sales, exceeded the average net profit margin for the corporation,
8 for the five years beginning January 1, 1996, and continuing to
9 December 31, 2000.

10 (8) The corporation submits a declaration from an officer,
11 director, or owner stating that unless relieved of the expense of the
12 direct access cost recovery surcharge, the plant or facility of the
13 corporation that purchases electric service under the direct
14 transaction contract, faces certain and imminent closure.

15 (c) It is the intent of the Legislature that bundled customer
16 indifference be achieved and that no costs be shifted between
17 customer classes as a result of this section.

18 (d) This section shall remain in effect only until January 1,
19 2009, and as of that date is repealed, unless a later enacted statute,
20 that is enacted before January 1, 2009, deletes or extends that date.

