

AMENDED IN ASSEMBLY MAY 2, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 67**

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**Introduced by Assembly Member ~~Chavez~~ *Levine***

December 21, 2004

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An act to add Section ~~2891.5~~ 747 to the Public Utilities Code, relating to ~~telecommunications~~ *electricity*.

LEGISLATIVE COUNSEL'S DIGEST

AB 67, as amended, ~~Chavez~~ *Levine*. ~~Telecommunications: customer proprietary network information~~ *Electricity: rates: report to Legislature.*

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including ~~telephone~~ *electrical* corporations. ~~Existing law prescribes the circumstances under which telephone and telegraph corporations may release information regarding residential subscribers without their written consent.~~ *Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable.*

*Existing law authorized the Department of Water Resources, until January 1, 2003, to enter into contracts for the purchase of electricity, and to sell electricity to retail end-use customers and, with specified exceptions, local publicly owned electric utilities, at not more than the department's acquisition costs and to recover those costs through the issuance of bonds, to be repaid by ratepayers.*

*This bill would require the commission to report to the Legislature, by June 1, 2006, and by June 1 of each year thereafter, a 10-year forecast for the different aspects and elements of electricity rates for each class of ratepayers, meeting specified requirements, for each*

*electrical corporation. The bill would require the commission to use the forecasts to develop policies that reduce, and eventually eliminate, fixed costs for bond debt incurred by the Department of Water Resources for power purchase contracts and stranded costs inherent in electricity rates for all classes. The bill would require the commission to ensure that reductions created by retiring debt or expiring costs are not replaced by other utility costs, new public goods programs, or increased costs of existing public goods programs.*

~~Under the federal Communications Act of 1934, as amended, a telecommunications carrier has a duty to protect the confidentiality of proprietary information of customers. The act limits the use, disclosure, or access to customer proprietary network information, as defined. Pursuant to the act, the Federal Communications Commission has adopted regulations that, among other things, require specified notice to customers and establish procedures for telecommunications carriers and affiliates to follow in obtaining opt-in approval and opt-out approval for the use, disclosure, or access to customer proprietary network information.~~

~~This bill would prohibit a telephone corporation or an affiliate, as defined, of a telephone corporation from discriminating between customers based upon a customer's consent, or refusal to consent, to provide opt-in or opt-out approval to the use or disclosure of, or access to, customer proprietary network information pursuant to the above-described federal law and regulations. The bill would prohibit a telephone corporation or an affiliate from offering any financial inducement to obtain a customer's consent to the use or disclosure of, or access to, a customer's proprietary network information pursuant to the above-described federal law and regulations.~~

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

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

- 1     ~~SECTION 1. Section 2891.5 is added to the Public Utilities~~
- 2     ~~Code, to read:~~
- 3     ~~SECTION 1. Section 747 is added to the Public Utilities~~
- 4     ~~Code, to read:~~
- 5     ~~747. (a) Notwithstanding Section 7550.5 of the Government~~
- 6     ~~Code, the commission shall report to the Legislature, by June 1,~~
- 7     ~~2006, and by June 1 of each year thereafter, a 10-year forecast~~

1 *for the different aspects and elements of electricity rates for each*  
2 *class of ratepayers, for each electrical corporation. To perform*  
3 *these forecasts, the commission may require submission of*  
4 *pro-forma analyses, debt retirement schedules, amortization*  
5 *schedules, wholesale energy cost projections, resource plans,*  
6 *market assessments, and related outlooks from electrical*  
7 *corporations, gas corporations, and energy market participants.*  
8 *The yearly reports beginning June 1, 2007, shall include a*  
9 *detailed description of any changes in projections or*  
10 *assumptions that may be different from the previous year's*  
11 *forecast. For purposes of this subdivision, "energy market*  
12 *participants" includes any entity that is a "market participant"*  
13 *as defined in the Master Definitions Supplement of the California*  
14 *Independent System Operator Corporation tariff approved by the*  
15 *Federal Energy Regulatory Commission or its successor, and the*  
16 *Independent System Operator incorporated pursuant to Section*  
17 *340.*

18 *(b) In developing the forecasts prepared pursuant to*  
19 *subdivision (a), the commission shall do all of the following:*

20 *(1) Provide detailed quantitative and descriptive information*  
21 *about the elements of electricity rates, including timelines.*

22 *(2) Develop and maintain the analytical capability sufficient to*  
23 *answer inquiries about electricity rates from government, market*  
24 *participants, and the public.*

25 *(3) Analyze and develop ratemaking policies.*

26 *(4) Provide an analytical foundation for regulatory and policy*  
27 *decisionmaking.*

28 *(5) Facilitate efficient and reliable electricity markets.*

29 *(c) The commission shall use the 10-year forecasts to develop*  
30 *policies that reduce, and eventually eliminate, fixed costs for*  
31 *bond debt incurred pursuant to Division 27 (commencing with*  
32 *Section 80000) of the Water Code and stranded costs inherent in*  
33 *electricity rates for all classes. The commission shall ensure that*  
34 *reductions created by retiring debt or expiring costs are not*  
35 *replaced by other utility costs, new public goods programs, or*  
36 *increased costs of existing public goods programs.*

37 ~~2891.5. (a) No telephone corporation or an affiliate of a~~  
38 ~~telephone corporation, shall not discriminate between customers~~  
39 ~~based upon the customer's consent, or refusal to consent, to~~  
40 ~~provide opt-in approval or opt-out approval of the use or~~

1 disclosure of, or access to, customer proprietary network  
2 information pursuant to Section 222 of Title 47 of the United  
3 States Code and Part 64 of Title 47 of the Code of Federal  
4 Regulations.

5 (b) A telephone corporation or an affiliate of a telephone  
6 corporation shall not offer any financial inducement to obtain a  
7 customer's consent to the use or disclosure of, or access to,  
8 customer proprietary network information pursuant to Section  
9 222 of Title 47 of the United States Code and Part 64 of Title 47  
10 of the Code of Federal Regulations.

11 (e) For purposes of this section, the following terms have the  
12 following meanings:

13 (1) "Affiliate" has the same meaning given the term in  
14 paragraph (1) of Section 153 of Title 47 of the United States  
15 Code.

16 (2) "Customer proprietary network information" has the same  
17 meaning as given the term in Section 222 of Title 47 of the  
18 United States Code.

19 (3) "Discriminate" means a difference in treatment or favor as  
20 a result of the customer's decision.