

AMENDED IN ASSEMBLY SEPTEMBER 6, 2013

AMENDED IN ASSEMBLY SEPTEMBER 3, 2013

AMENDED IN ASSEMBLY AUGUST 6, 2013

AMENDED IN ASSEMBLY JUNE 26, 2013

AMENDED IN ASSEMBLY JUNE 13, 2013

AMENDED IN SENATE APRIL 22, 2013

**SENATE BILL**

**No. 656**

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**Introduced by Senator Wright**

February 22, 2013

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An act to amend Sections 392.1, 394.3, and 394.5 of, and to add Chapter 4.7 (commencing with Section 980) to Part 1 of Division 1 of, the Public Utilities Code, relating to ~~electricity~~ *energy*.

LEGISLATIVE COUNSEL'S DIGEST

SB 656, as amended, Wright. Electrical restructuring: *natural gas restructuring*: information practices.

(1) Under existing law, the Public Utilities Commission has broad regulatory authority over public utilities, including electrical corporations *and gas corporations*, as defined. Existing law restructuring the electrical industry requires the commission to authorize and facilitate direct transactions between electricity suppliers and end-use customers subject to the implementation of a nonbypassable charge, as specified. Electrical restructuring requires electric service providers, which are entities that offer electrical service to customers within the service territory of an electrical corporation but which are not electrical corporations, to register with the commission and to disclose specified

information, among other things and authorizes the commission to enforce specific statutes with respect to electric service providers, but does not grant the commission jurisdiction to regulate electric service providers other than as specified.

Existing law restructuring the electrical industry requires the commission to compile and regularly update information regarding registered electric service providers, including the names and contact numbers of providers, information to assist consumers in making service choices, the number of customer complaints against specific providers in relation to the number of customers served by those providers, and the disposition of those complaints. In this regard, existing law requires the commission to direct the Division of Ratepayer Advocates to collect and analyze this information for purposes of preparing easily understandable informational guides or other tools to help residential and small commercial customers understand how to evaluate competing electric service options.

This bill would, except for the compilation and updating of the names and contact numbers of providers, make inoperative the above provisions, except for those times in which providers are authorized to offer service to residential customers and enrollment increases at a specified level, and would make conforming changes in related provisions. The bill would repeal the requirement related to the informational guides.

(2) *Existing law relative to the restructuring of the natural gas industry requires the commission to require each gas corporation to provide bundled basic gas service, as defined, to all core customers in its service territory unless the customer chooses or contracts to have natural gas purchased and supplied by another entity. The Public Utilities Act establishes various consumer protection provisions relative to electrical restructuring, including the requirement that each entity, other than an electrical corporation, offering electrical service to residential and small commercial customers within the service territory of an electrical corporation register with the commission and provide specified information to the commission. A violation of the act is a crime.*

This bill would extend ~~those~~ *certain* consumer protection provisions *that are applicable to electrical restructuring to aspects of natural gas restructuring*, including the requirement to register with, and provide specified information to the commission, to a core transport agent, as defined, offering gas service to customers within the service territory

of a gas corporation. Because a violation of ~~the above~~ *these* provisions ~~is~~ *would be* a crime, this bill would impose a state-mandated local program.

(3) 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 392.1 of the Public Utilities Code is  
2 amended to read:

3 392.1. (a) The commission shall compile and regularly update  
4 the names and contact numbers of registered providers.

5 (b) (1) The commission shall also compile and regularly update  
6 information to assist consumers in making service choices and the  
7 number of customer complaints against specific providers in  
8 relation to the number of customers served by those providers and  
9 the disposition of those complaints. To facilitate this function,  
10 registered entities shall file with the commission information  
11 describing the terms and conditions of any standard service plan  
12 made available to residential and small commercial customers.  
13 The commission shall adopt a standard format for this filing. The  
14 commission shall maintain and make generally available a list of  
15 entities offering electrical services operating in California. This  
16 list shall include all registered providers and those providers not  
17 required to be registered who request the commission to be  
18 included in the list. The commission shall, upon request, make this  
19 information available at no charge. Notwithstanding any other  
20 provision of law, public agencies that are registered entities shall  
21 be required to disclose their terms and conditions of service  
22 contracts only to the same extent that other registered entities  
23 would be required to disclose the same or similar service contracts.

24 (2) The commission shall issue public alerts about companies  
25 attempting to provide electric service in the state in an unauthorized  
26 or fraudulent manner as defined in subdivision (b) of Section  
27 394.25.

1 (3) (A) This subdivision is inoperative except for time periods  
 2 in which providers are authorized to offer service to residential  
 3 customers and the combined enrollments in competitive retail  
 4 electric service in the service territories of the Pacific Gas and  
 5 Electric Company, Southern California Edison Company, and San  
 6 Diego Gas and Electric Company increase at a rate of more than  
 7 5 percent per month.

8 (B) The commission shall notify, in writing, the Secretary of  
 9 State at the beginning and end of any time period described in  
 10 subparagraph (A).

11 SEC. 2. Section 394.3 of the Public Utilities Code is amended  
 12 to read:

13 394.3. To carry out essential elements of a sustainable and  
 14 effective consumer protection program in connection with electric  
 15 service providers offering electrical service to residential and small  
 16 commercial customers as intended by the Legislature in this article,  
 17 the following shall apply:

18 (a) The commission shall collect a registration fee of one  
 19 hundred dollars (\$100) from electric service providers required to  
 20 register under this article, and deposit the fee proceeds in the Public  
 21 Utilities Reimbursement Account established under Section 402.

22 (b) The commission shall annually determine the costs of  
 23 administering the registration program and other facets of consumer  
 24 protection directly related to the direct access transactions of  
 25 electric service providers. The commission shall collect only those  
 26 costs not already being collected elsewhere. A registrant who fails  
 27 to submit to the commission a required fee or a piece of information  
 28 upon which fees are calculated within 30 days of billing shall be  
 29 subject to a 15-percent penalty.

30 SEC. 3. Section 394.5 of the Public Utilities Code is amended  
 31 to read:

32 394.5. (a) Except for an electrical corporation as defined in  
 33 Section 218, or a local publicly owned electric utility offering  
 34 electrical service to residential and small commercial customers  
 35 within its service territory, each electric service provider offering  
 36 electrical service to residential and small commercial customers  
 37 shall, prior to the commencement of service, provide the potential  
 38 customer with a written notice of the service describing the price,  
 39 terms, and conditions of the service. A notice shall include all of  
 40 the following:

1 (1) A clear description of the price, terms, and conditions of  
2 service, including:

3 (A) The price of electricity expressed in a format that makes it  
4 possible for residential and small commercial customers to compare  
5 and select among similar products and services on a standard basis.  
6 The commission shall adopt rules to implement this subdivision.  
7 The commission shall require disclosure of the total price of  
8 electricity on a cents-per-kilowatthour basis, including the costs  
9 of all electric services and charges regulated by the commission.  
10 The commission shall also require estimates of the total monthly  
11 bill for the electric service at varying consumption levels, including  
12 the costs of all electric services and charges regulated by the  
13 commission. In determining these rules, the commission may  
14 consider alternatives to the cents-per-kilowatthour disclosure if  
15 other information would provide the customer with sufficient  
16 information to compare among alternatives on a standard basis.

17 (B) Separate disclosure of all recurring and nonrecurring charges  
18 associated with the sale of electricity.

19 (C) If services other than electricity are offered, an itemization  
20 of the services and the charge or charges associated with each.

21 (2) An explanation of the applicability and amount of the  
22 competition transition charge, as determined pursuant to Sections  
23 367 to 376, inclusive.

24 (3) A description of the potential customer's right to rescind  
25 the contract without fee or penalty as described in Section 395.

26 (4) An explanation of the customer's financial obligations, as  
27 well as the procedures regarding past due payments, discontinuance  
28 of service, billing disputes, and service complaints.

29 (5) The electric service provider's registration number, if  
30 applicable.

31 (6) The right to change service providers upon written notice,  
32 including disclosure of any fees or penalties assessed by the  
33 supplier for early termination of a contract.

34 (7) A description of the availability of low-income assistance  
35 programs for qualified customers and how customers can apply  
36 for these programs.

37 (b) The commission may assist electric service providers in  
38 developing the notice. The commission may suggest inclusion of  
39 additional information it deems necessary for the consumer  
40 protection purposes of this section. On at least a semiannual basis,

1 electric service providers shall provide the commission with a copy  
 2 of the form of notice included in standard service plans made  
 3 available to residential and small commercial customers.

4 (c) An electric service provider offering electric services who  
 5 declines to provide those services to a consumer shall, upon request  
 6 of the consumer, disclose to that consumer the reason for the denial  
 7 in writing within 30 days. At the time service is denied, the electric  
 8 service provider shall disclose to the consumer the right to make  
 9 this request. A consumer shall have at least 30 days from the date  
 10 service is denied to make the request.

11 SEC. 4. Chapter 4.7 (commencing with Section 980) is added  
 12 to Part 1 of Division 1 of the Public Utilities Code, to read:

13

14 CHAPTER 4.7. CORE TRANSPORT AGENT

15

16 980. As used in this chapter, the following terms mean the  
 17 following:

18 (a) “Core gas customer” has the same meaning as that specified  
 19 in the tariff of the ~~utility~~ *gas corporation* whose territory the  
 20 customer in question lies within. *A core small commercial customer*  
 21 *account that is associated with and part of the same business*  
 22 *operation as a noncore large commercial customer account is not*  
 23 *a “core gas customer” for purposes of this chapter.*

24 (b) “Core transport agent” means an entity that offers ~~gas~~ *core*  
 25 *gas procurement* service to customers within the service territory  
 26 of a gas corporation, but does not include a gas corporation, and  
 27 does not include a public agency that offers gas service to core  
 28 and noncore gas customers within its jurisdiction, or within the  
 29 service territory of a local publicly owned gas utility. “Core  
 30 transport agent” includes the unregulated affiliates and subsidiaries  
 31 of a gas corporation.

32 (c) “Gas corporation” has the same meaning as that set forth in  
 33 Section 222.

34 981. (a) A core transport agent shall register with the  
 35 commission within 90 days after the commission has adopted  
 36 standards for financial viability, and technical and operational  
 37 capacity. As a precondition to registration, the core transport agent  
 38 shall provide, under oath, declaration, or affidavit, all of the  
 39 following to the commission:

- 1 (1) Legal name and any other names under which the core  
2 transport agent is doing business in California.
- 3 (2) Current telephone number.
- 4 (3) Current address.
- 5 (4) Agent for service of process.
- 6 (5) State and date of incorporation, if any.
- 7 (6) Number for a customer contact representative, or other  
8 personnel for receiving customer inquiries.
- 9 (7) Brief description of the nature of the service being provided.
- 10 (8) Disclosure of any civil, criminal, or regulatory sanctions or  
11 penalties imposed within the 10 years immediately prior to  
12 registration, against the company or any owner, partner, officer,  
13 or director of the company pursuant to any state or federal  
14 consumer protection law or regulation, and of any felony  
15 convictions of any kind against the company or any owner, partner,  
16 officer, or director of the company. In addition, a core transport  
17 agent shall furnish the commission with fingerprints for those  
18 owners, partners, officers, and managers of the core transport agent  
19 specified by any commission decision applicable to all core  
20 transport agents. The commission shall submit completed  
21 fingerprint cards to the Department of Justice. Those fingerprints  
22 shall be available for use by the Department of Justice and the  
23 Department of Justice may transmit the fingerprints to the Federal  
24 Bureau of Investigation for a national criminal history record check.  
25 The commission may use information obtained from a national  
26 criminal history record check conducted pursuant to this section  
27 to determine a core transport agent's eligibility for registration.
- 28 (9) Proof of financial viability. The commission shall develop  
29 uniform standards for determining financial viability and shall  
30 publish those standards for public comment no later than June 30,  
31 2014. In determining the financial viability of the core transport  
32 agent, the commission shall take into account the number of  
33 customers the potential registrant expects to serve, the number of  
34 therms of gas it expects to provide, and any other appropriate  
35 criteria to ensure that core gas customers have adequate recourse  
36 in the event of fraud or nonperformance.
- 37 (10) Proof of technical and operational ability. The commission  
38 shall develop uniform standards for determining technical and  
39 operational capacity and shall publish those standards for public  
40 comment no later than June 30, 2014.

1 (11) A statement stating the following:

2  
3 “Neither the applicant, any of its affiliates, officers, directors,  
4 partners, agents, or owners (directly or indirectly) with more than  
5 10 percent interest in the applicant, or anyone acting in a  
6 management capacity for applicant has: (A) held one of those  
7 positions with a company that filed for bankruptcy, (B) been  
8 personally found liable, or held one of those positions with a  
9 company that has been found liable, for fraud, dishonesty, failure  
10 to disclose, or misrepresentations to consumers or others, (C) been  
11 convicted of a felony, (D) been (to his or her knowledge) the  
12 subject of a criminal referral by a judge or public agency, (E) had  
13 a license of operating authority denied, suspended, revoked, or  
14 limited in any jurisdiction, (F) personally entered into a settlement,  
15 or held one of those positions with a company that has entered into  
16 settlement, of criminal or civil claims involving violations of  
17 Chapter 4 (commencing with Section 17000) of Part 2 of, or Part  
18 3 (commencing with Section 17500) of Division 7 of, the Business  
19 and Professions Code or of any other statute, regulation, or  
20 decisional law relating to fraud, dishonesty, failure to disclosure,  
21 or misrepresentations to consumers or others, (G) been found to  
22 have violated any statute, law, or rule pertaining to public utilities  
23 or other regulated industries, or (H) entered into any settlements  
24 or agreements, made any voluntary payments, or agreed to any  
25 other type of monetary forfeitures in resolution of any action by  
26 any regulatory body, agency, or attorney general.”

27  
28 (b) Before reentering the market, a core transport agent whose  
29 registration has been revoked shall file a formal application with  
30 the commission that satisfies the requirements set forth in Section  
31 982 and demonstrates the fitness and ability of the core transport  
32 agent to comply with all applicable rules of the commission.

33 (c) Registration with the commission is an exercise of the  
34 licensing function of the commission, and does not constitute  
35 regulation of the rates or terms and conditions of service offered  
36 by core transport agents. This part does not authorize the  
37 commission to regulate the rates or terms and conditions of service  
38 offered by core transport agents.

39 982. (a) The registration shall be deemed approved and a  
40 registration number issued no later than 45 days after the required

1 information has been submitted, unless the commission’s executive  
2 director finds, upon review of the information submitted by the  
3 core transport agent or available to the commission, that there is  
4 evidence to support a finding that the core transport agent has  
5 committed an act constituting grounds for denial of registration as  
6 specifically set forth in the operative provisions of this chapter,  
7 including, but not limited to, subdivision (c).

8 (b) Upon a finding by the commission’s executive director that  
9 there is evidence to support a finding that the core transport agent  
10 has committed an act constituting grounds for denial of registration  
11 as set forth in this section, the commission shall notify the core  
12 transport agent in writing, cause the documents submitted by the  
13 core transport agent to be filed as a formal application for  
14 registration, and notice an expedited hearing on the registration of  
15 the core transport agent to be held within 30 days of the notification  
16 to the core transport agent of the executive director’s finding of  
17 evidence to support denial of registration. The commission shall,  
18 within 45 days after holding the hearing, issue a decision on the  
19 registration request which shall be based on the findings of fact  
20 and conclusions of law based on the evidence presented at the  
21 hearing. The decision shall include the findings of fact and the  
22 conclusions of law relied upon.

23 (c) (1) The commission may deny an application for registration  
24 in accordance with subdivision (b) on the grounds that the core  
25 transport agent or any officer or director of the core transport agent  
26 has one or more of the following:

27 (A) Been convicted of a crime as described in paragraph (8) of  
28 subdivision (a) of Section 981.

29 (B) Failure to make a sufficient showing with respect to  
30 paragraphs (1) to (10), inclusive, of subdivision (a) of Section 981.

31 (C) Knowingly made a false statement of fact in the application  
32 for registration.

33 (2) The commission may deny registration pursuant to this  
34 subdivision only if the crime or act is substantially related to the  
35 qualifications, functions, or duties required to provide gas service  
36 to end use customers of gas or the false statement is material to  
37 the registration application. For purposes of this subdivision,  
38 conviction of a crime shall be established in the same manner as  
39 that set forth in paragraph (1) of subdivision (a) of Section 480 of  
40 the Business and Professions Code.

1 (d) The commission shall require core transport agents registered  
2 under this section to update their registration information set forth  
3 in paragraphs (1) to (10), inclusive, of subdivision (a) of Section  
4 981 within 60 days of any material change in the information  
5 provided. Material changes to any other information required  
6 pursuant to this article shall be updated annually.

7 983. (a) The commission shall accept, compile, and attempt  
8 to informally resolve consumer complaints regarding core transport  
9 agents. If the commission reasonably suspects a pattern of customer  
10 abuses, the commission may, on its own motion, initiate  
11 investigations into the activities of a core transport agent offering  
12 gas service. Consumer complaints regarding service by a public  
13 agency offering gas service within the political boundary of the  
14 public agency or service territory of a local publicly owned gas  
15 utility shall continue to be resolved by the public agency. Within  
16 the service territory of a local publicly owned utility, consumer  
17 complaints arising from the violation of core transport service rules  
18 adopted by the governing body of the local publicly owned utility  
19 shall be resolved through the local publicly owned utility's  
20 consumer complaint procedures.

21 (b) Notwithstanding other provisions, core gas customers shall  
22 have the option to proceed with a complaint against a core transport  
23 agent either through an action filed in the judicial court system or  
24 through a complaint filed with the commission. A customer who  
25 elects either the judicial or commission remedies may not raise  
26 the same claim in both forums. The commission shall have the  
27 authority to accept, compile, and resolve core gas consumer  
28 complaints, including the authority to award reparations. The  
29 commission's authority in these complaint proceedings is limited  
30 to adjudication of complaints regarding core gas service provided  
31 by a core transport agent and shall not be expanded to include an  
32 award of any damages through regulation of the rates or charges  
33 of the core transport agent. However, a person or core transport  
34 agent that takes a conflict to the commission shall not be precluded  
35 from pursuing an appeal of the decision through the courts as  
36 provided for by law.

37 (c) In connection with customer complaints or commission  
38 investigations into customer abuses, core transport agents shall  
39 provide the commission access to their accounts, books, papers,  
40 and documents related to California transactions as described in

1 Sections 313 and 314, if the information is relevant to the complaint  
2 or investigation.

3 (d) A core transport agent shall not discontinue service to a  
4 customer for a disputed amount if that customer has filed a  
5 complaint that is pending with the commission, and that customer  
6 has paid the disputed amount into an escrow account.

7 983.5. (a) (1) The commission may enforce Sections 2102,  
8 2103, 2104, 2105, 2107, 2108, and 2114 against a core transport  
9 agent as if the core transport agent is a public utility for purposes  
10 of those sections.

11 (2) Notwithstanding paragraph (1), this section does not grant  
12 the commission jurisdiction to regulate core transport agents other  
13 than as specifically set forth in this chapter. Core transport agents  
14 shall continue to be subject to Sections 2111 and 2112.

15 (3) Upon a finding by the commission's executive director that  
16 there is evidence to support a finding that the core transport agent  
17 has committed an act constituting grounds for suspension or  
18 revocation of registration as set forth in subdivision (b), the  
19 commission shall notify the core transport agent in writing and  
20 notice an expedited hearing on the suspension or revocation of the  
21 core transport agent's registration to be held within 30 days of the  
22 notification to the core transport agent of the executive director's  
23 finding of evidence to support suspension or revocation of  
24 registration. The commission shall, within 45 days after holding  
25 the hearing, issue a decision on the suspension or revocation of  
26 registration, which shall be based on findings of fact and  
27 conclusions of law based on the evidence presented at the hearing.  
28 The decision shall include the findings of fact and the conclusions  
29 of law relied upon.

30 (b) A core transport agent may have its registration suspended  
31 or revoked, immediately or prospectively, in whole or in part, for  
32 any of the following acts:

33 (1) Making material misrepresentations in the course of  
34 soliciting customers, entering into service agreements with those  
35 customers, or administering those service agreements.

36 (2) Dishonesty, fraud, or deceit with the intent to substantially  
37 benefit the core transport agent or its employees, agents, or  
38 representatives, or to disadvantage retail gas customers.

1 (3) If the commission finds that there is evidence that the core  
2 transport agent is not financially or operationally capable of  
3 providing the offered gas service.

4 (4) The misrepresentation of a material fact by an applicant in  
5 obtaining a registration pursuant to Section 981.

6 (c) Pursuant to its authority to revoke or suspend registration,  
7 the commission may suspend a registration for a specified period  
8 or revoke the registration, or in lieu of suspension or revocation,  
9 impose a moratorium on adding or soliciting additional customers.  
10 Any suspension or revocation of a registration shall require the  
11 core transport agent to cease serving customers within the  
12 boundaries of investor-owned gas corporations, and the affected  
13 customers shall be served by the gas corporation until the time  
14 when they may select service from another core transport agent.  
15 A customer shall not be liable for the payment of any early  
16 termination fees or other penalties to any core transport agent under  
17 the service agreement if the serving core transport agent's  
18 registration is suspended or revoked.

19 (d) If a customer of a core transport agent is involuntarily  
20 returned to service provided by a gas corporation, any reentry fee  
21 imposed on that customer that the commission deems is necessary  
22 to avoid imposing costs on other customers of the gas corporation  
23 shall be the obligation of the core transport agent, except in the  
24 case of a customer returned due to default in payment or other  
25 contractual obligations or because the customer's contract has  
26 expired. As a condition of its registration, a core transport agent  
27 shall post a bond or demonstrate insurance sufficient to cover those  
28 reentry fees, including reentry fees for customers returned in the  
29 event of the core transport agent becoming insolvent.

30 983.7. If a customer files a claim with a gas corporation for  
31 damages to property resulting from the curtailment of gas service  
32 due to the failure of the gas corporation to reasonably provide  
33 service or restore service within a reasonable time after a fire,  
34 flood, earthquake, other natural disaster, or act of God, the gas  
35 corporation shall inform the customer that the claim may be  
36 pursued in small claims court or other judicial courts, depending  
37 on the amount of the claim.

38 984. In order to carry out essential elements of a sustainable  
39 and effective consumer protection program in connection with  
40 core transport agents offering gas service to core gas customers

1 as intended by the Legislature in this chapter, the following shall  
2 apply:

3 (a) A registration fee of one hundred dollars (\$100) shall be  
4 collected from a core transport agent required to register under  
5 this chapter and the fee proceeds shall be deposited in the Public  
6 Utilities Reimbursement Account established under Section 402.  
7 The commission may adjust the fee as necessary to recover the  
8 cost of administering the program.

9 (b) The commission shall annually determine the costs of  
10 administering the registration program and other facets of consumer  
11 protection directly related to the core transport service transactions  
12 of core transport agents, including the cost for the duties imposed  
13 pursuant to subdivision (c) of Section 984.5. The commission shall  
14 only collect those costs not already being collected elsewhere.  
15 Registrants who fail to submit to the commission required fees or  
16 information upon which fees are calculated within 30 days of  
17 billing shall be subject to a 15-percent penalty.

18 984.5. (a) The commission shall compile and regularly update  
19 the following information: names and contact numbers of a  
20 registered core transport agent, information to assist consumers in  
21 making service choices, and the number of customer complaints  
22 against specific providers in relation to the number of customers  
23 served by those providers and the disposition of those complaints.  
24 To facilitate this function, registered entities shall file with the  
25 commission information describing the terms and conditions of  
26 any standard service plan made available to core gas customers.  
27 The commission shall adopt a standard format for this filing. The  
28 commission shall maintain and make generally available a list of  
29 entities offering core transport services operating in California.  
30 This list shall include all registered core transport agents and those  
31 agents not required to be registered that request the commission  
32 to be included on the list. The commission shall, upon request,  
33 make this information available at no charge. Notwithstanding any  
34 other law, public agencies that are registered entities shall be  
35 required to disclose their terms and conditions of service contracts  
36 only to the same extent that other registered entities would be  
37 required to disclose the same or similar service contracts.

38 (b) The commission shall issue public alerts about companies  
39 attempting to provide core transport service in the state in an

1 unauthorized or fraudulent manner as defined in subdivision (b)  
2 of Section 983.5.

3 (c) The commission shall ~~collect and analyze information~~  
4 ~~provided pursuant to subdivision (a) for purposes of preparing~~  
5 *compile and post on its Internet Web site* easily understandable  
6 informational guides or other tools to help core gas customers  
7 understand ~~how to evaluate competing~~ core transport service  
8 options. In implementing these provisions, the commission shall  
9 pay special attention to ensuring that customers, especially those  
10 with limited-English-speaking ability or other disadvantages when  
11 dealing with marketers, receive correct, reliable, and easily  
12 understood information to help them make informed choices. The  
13 commission shall not make specific ~~recommendations or~~  
14 *recommendations*, rank the relative attractiveness of specific  
15 service offerings of registered providers of core transport ~~services.~~  
16 *services, or provide customer-specific assistance in the evaluation*  
17 *of core transport agents.*

18 (d) The Division of Ratepayer Advocates shall analyze  
19 customers' complaints submitted to the gas corporation and to the  
20 commission and the disposition of those complaints to determine  
21 if the changes in the consumer protection rules are necessary to  
22 better protect the participants in the core transportation program,  
23 and make recommendation to the commission regarding those rule  
24 changes.

25 985. Rules that implement the following minimum standards  
26 shall be adopted by the commission for core transport agents  
27 offering gas services to core gas customers and the governing body  
28 of a public agency offering gas services to core gas customers  
29 within its jurisdiction:

30 (a) Confidentiality. Customer information shall be confidential  
31 unless the customer consents in writing. This shall encompass  
32 confidentiality of ~~customer specific~~ *customer-specific* billing,  
33 credit, or usage information. This requirement shall not extend to  
34 disclosure of generic information regarding the usage, load shape,  
35 or other general characteristics of a group or rate classification,  
36 unless the release of that information would reveal ~~customer~~  
37 *specific customer-specific* information because of the size of the  
38 group, rate classification, or nature of the information.

39 (b) Physical disconnects and reconnects. Only a gas corporation,  
40 or a publicly owned gas utility, that provides physical delivery

1 service to the affected customer shall have the authority to  
2 physically disconnect or reconnect a customer from the  
3 transmission or distribution grid. Physical disconnection by gas  
4 corporations subject to the commission's jurisdiction shall occur  
5 only in accordance with protocols established by the commission.  
6 Physical disconnection by publicly owned gas utilities shall occur  
7 only in accordance with protocols established by the governing  
8 board of the local publicly owned gas utility.

9 (c) Change in providers. Upon adequate notice supplied by a  
10 core transport agent to the gas corporation or local publicly owned  
11 gas utility providing physical delivery service, customers who are  
12 eligible for core transport service may change their energy supplier.  
13 Energy suppliers may charge for this change, provided that any  
14 fee or penalty charged by the supplier associated with early  
15 termination of service, shall be disclosed in that contract or  
16 applicable tariff.

17 (d) Written notices. Notices describing the terms and conditions  
18 of service as described in Section 986, service agreements, notices  
19 of late payment, notices of discontinuance of service, and  
20 disconnection notices addressed to core gas customers shall be  
21 easily understandable and shall be provided in the language in  
22 which the core transport agent offered the services.

23 (e) Billing. All bills shall have a standard bill format, as  
24 determined by the commission or the governing body, and shall  
25 contain sufficient detail for the customer to recalculate the bill for  
26 accuracy. Any late fees shall be separately stated. A core transport  
27 agent shall provide on all customer bills a telephone number by  
28 which customers may contact the core transport agent to report  
29 and resolve billing inquiries and complaints. A core transport agent  
30 contacted by a customer regarding a billing dispute shall advise  
31 the customer at the time of the initial contact that the customer  
32 may file a complaint with the commission if the customer's dispute  
33 is not satisfactorily resolved by the core transport agent.

34 (f) Meter integrity. A gas customer shall have a reasonable  
35 opportunity to have his or her meter tested to ensure the reasonable  
36 accuracy of the meter. The commission or governing body shall  
37 determine who is responsible for the cost of that testing.

38 (g) Customer deposits. Core transport agents may require  
39 customer deposits before commencing service, but in no event

1 shall the deposit be more than the estimated bill for the customer  
2 for a three-month period.

3 (h) Additional protections. The commission or the governing  
4 body may adopt additional core gas consumer protection standards  
5 that are in the public interest.

6 986. (a) Except for a gas corporation, or a local publicly owned  
7 gas utility offering gas service to core gas customers within its  
8 service territory, a core transport agent offering gas service to core  
9 gas customers shall, prior to the commencement of service, provide  
10 the potential customer with a written notice of the service  
11 describing the price, terms, and conditions of the service. The  
12 notices shall include all of the following:

13 (1) A clear description of the price, terms, and conditions of  
14 service, including all of the following:

15 (A) The price of gas expressed in a format that makes it possible  
16 for core gas customers to compare and select among similar  
17 products and services on a standard basis. The commission shall  
18 adopt rules to implement this subdivision. The commission shall  
19 require disclosure of the total price of gas on a cents-per-therm  
20 basis, including the costs of all gas services and charges regulated  
21 by the commission. The commission shall also require estimates  
22 of the total monthly bill for the gas service at varying consumption  
23 levels, including the costs of all gas services and charges regulated  
24 by the commission. In determining these rules, the commission  
25 may consider alternatives to the cents-per-therm disclosure if other  
26 information would provide the customer with sufficient information  
27 to compare among alternatives on a standard basis.

28 (B) Separate disclosure of all recurring and nonrecurring charges  
29 associated with the sale of gas.

30 (C) If services other than gas are offered, an itemization of the  
31 services and the charge or charges associated with each.

32 (2) A description of the potential customer's right to rescind  
33 the contract without fee or penalty as described in Section 989.1.

34 (3) An explanation of the customer's financial obligations, as  
35 well as the procedures regarding past due payments, discontinuance  
36 of service, billing disputes, and service complaints.

37 (4) The core transport agent's registration number, if applicable.

38 (5) The right to change service providers upon written notice,  
39 including disclosure of any fees or penalties assessed by the  
40 supplier for early termination of a contract.

1 (6) A description of the availability of low-income assistance  
2 programs for qualified customers and how customers can apply  
3 for these programs.

4 (b) The commission may assist core transport agents in  
5 developing the notice. The commission may suggest inclusion of  
6 additional information it deems necessary for the consumer  
7 protection purposes of this section. On at least a semiannual basis,  
8 a core transport agent shall provide the commission with a copy  
9 of the form of notice included in its standard service plans made  
10 available to core gas customers as described in subdivision (a) of  
11 Section 984.5.

12 (c) Any core transport agent offering gas services who declines  
13 to provide those services to a consumer shall, upon request of the  
14 consumer, disclose to that consumer the reason for the denial in  
15 writing within 30 days. At the time service is denied, the core  
16 transport agent shall disclose to the consumer his or her right to  
17 make this request. Consumers shall have at least 30 days from the  
18 date service is denied to make the request.

19 987. (a) The commission shall maintain a list of core gas  
20 customers who do not wish to be solicited by telephone, by a gas  
21 corporation, marketer, broker, or aggregator for gas service, to  
22 subscribe to or change their core transport agent. The commission  
23 shall not assess a charge for inclusion of a customer on the list.  
24 The list shall be updated periodically, but no less than quarterly.

25 (b) The list shall include sufficient information for gas  
26 corporations, marketers, brokers, or aggregators of gas service to  
27 identify customers who do not wish to be solicited, including a  
28 customer's address and telephone number. The list shall be made  
29 accessible electronically from the commission to any party  
30 regulated as a gas corporation or registered at the commission as  
31 an electric marketer, broker, or aggregator of gas service.

32 (c) A gas corporation, marketer, broker, or aggregator of gas  
33 service shall not solicit, by telephone, any customer on the list  
34 prepared pursuant to subdivision (a). Any gas corporation,  
35 marketer, broker, or aggregator of gas service, or the representative  
36 of a gas corporation, marketer, broker, or aggregator of gas service,  
37 who solicits any customer on the list prepared pursuant to  
38 subdivision (a) more than once shall be liable to the customer for  
39 twenty-five dollars (\$25) for each contact in violation of this  
40 subdivision.

1 988. Notwithstanding any other provision of this chapter,  
2 requirements placed on a core transport agent shall not apply to  
3 gas services provided by a local publicly owned gas utility to  
4 customers within the jurisdiction or service territory of that local  
5 publicly owned gas utility.

6 989. Unclaimed refunds ordered by the commission, and any  
7 accrued interest, may be used by the commission to fund additional  
8 consumer protection efforts.

9 989.1. (a) In addition to any other right to revoke an offer,  
10 core gas customers of gas service, have the right to cancel a  
11 contract for gas service until midnight of the third business day  
12 after the day on which the buyer signs an agreement or offer to  
13 purchase.

14 (b) Cancellation occurs when the buyer gives written notice of  
15 cancellation to the seller at the address specified in the agreement  
16 or offer.

17 (c) Notice of cancellation, if given by mail, is effective when  
18 deposited in the mail properly addressed with postage prepaid.

19 (d) Notice of cancellation given by the buyer need not take the  
20 particular form as provided with the contract or offer to purchase  
21 and, however expressed, is effective if it indicates the intention of  
22 the buyer not to be bound by the contract.

23 989.5. (a) A consumer damaged by a violation of this chapter  
24 by a core transport agent is entitled to recover all of the following:

25 (1) Actual damages.

26 (2) The consumer's reasonable attorney's fees and court costs.

27 (3) Exemplary damages, in the amount the court deems proper,  
28 for intentional or willful violations.

29 (4) Equitable relief as the court deems proper.

30 (b) The rights, remedies, and penalties established by this  
31 chapter are in addition to the rights, remedies, or penalties  
32 established under any other law.

33 (c) This chapter does not abrogate any authority of the Attorney  
34 General to enforce existing law.

35 SEC. 5. No reimbursement is required by this act pursuant to  
36 Section 6 of Article XIII B of the California Constitution because  
37 the only costs that may be incurred by a local agency or school  
38 district will be incurred because this act creates a new crime or  
39 infraction, eliminates a crime or infraction, or changes the penalty  
40 for a crime or infraction, within the meaning of Section 17556 of

1 the Government Code, or changes the definition of a crime within  
2 the meaning of Section 6 of Article XIII B of the California  
3 Constitution.

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