

**ASSEMBLY BILL**

**No. 1180**

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**Introduced by Assembly Member Cristina Garcia**

February 27, 2015

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An act to amend Section 755 of the Public Utilities Code, relating to utility service.

LEGISLATIVE COUNSEL'S DIGEST

AB 1180, as introduced, Cristina Garcia. Rates and charges for electric, gas, and water service: credit or debit card payment.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical, gas, and water corporations. 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 authorizes an electrical, gas, or water corporation to offer credit card and debit card bill payment options, if approved by the commission, and, upon approval, authorizes an electrical, gas, or water corporation to recover reasonable transaction costs incurred by the electrical, gas, or water corporation from those customers that choose to pay by those payment options.

This bill would delete the requirement that an electrical, gas, or water corporation obtain the approval of the commission in order to offer credit card and debit card bill payment options.

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 755 of the Public Utilities Code is  
2 amended to read:

3 755. (a) It is the intent of the Legislature that:

4 (1) An electrical, gas, or water corporation that offers customers  
5 credit card or debit card payment options, may recover the  
6 reasonable expenses incurred by the electrical, gas, or water  
7 corporation for providing the customers the option of paying their  
8 bills by credit card or debit card.

9 (2) Only the customers that choose to use these payment options  
10 incur the additional charge and that no portion of the expense is  
11 shifted to customers that do not choose to pay a bill by credit card  
12 or debit card, unless and until the commission determines that the  
13 savings to ratepayers exceeds the net cost of accepting those cards.

14 (3) The acceptance of credit cards or debit cards neither  
15 increases nor decreases the profitability of the electrical, gas, or  
16 water corporation.

17 (b) An electrical, gas, or water corporation may offer credit card  
18 and debit card bill payment options, ~~if approved by the commission.~~  
19 *options.* The electrical, gas, or water corporation may recover  
20 reasonable transaction costs incurred by the electrical, gas, or water  
21 corporation only from those customers that choose to pay by those  
22 payment options.

23 (c) The commission shall determine through existing regulatory  
24 mechanisms the reasonableness of transaction costs charged to  
25 customers that choose to pay an electrical, gas, or water corporation  
26 by a credit card or debit card bill payment option pursuant to this  
27 section. The commission shall determine how any associated costs  
28 or potential savings as a result of those customers paying by the  
29 credit card or debit card payment option shall be passed on to  
30 electrical, gas, or water corporation customers. In determining how  
31 these savings or costs are passed on to customers, the commission  
32 shall do the following:

33 (1) The transaction costs that are passed on to customers  
34 pursuant to subdivision (b) shall be offset by any savings in  
35 transaction costs the electrical, gas, or water corporation derives  
36 as a result of those customers paying by credit card and debit card.

37 (2) If the commission determines that the use of credit cards  
38 and debit cards results in no net cost to the electrical, gas, or water

1 corporation, there shall be no individual customer transaction fee  
2 as provided for in subdivision (b).  
3 (3) If the commission determines that the savings to the  
4 electrical, gas, or water corporation exceeds the costs to the  
5 electrical, gas, or water corporation, the net savings shall be passed  
6 on to electrical, gas, or water corporation customers.

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