

AMENDED IN ASSEMBLY MAY 25, 1999

AMENDED IN ASSEMBLY APRIL 26, 1999

AMENDED IN ASSEMBLY APRIL 15, 1999

AMENDED IN ASSEMBLY APRIL 8, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 1421

Introduced by Assembly Member Wright

February 26, 1999

An act to amend Section 331 of, to add Sections 328.1 and 328.2 to, and to repeal and add Sections 328 and 365.5 of, the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1421, as amended, R. Wright. Gas and electric service.

(1) Existing law permits the Public ~~Utility~~ *Utilities* Commission to investigate the restructuring of natural gas services, as specified, but prohibits the commission, prior to January 1, 2000, from enacting any gas industry restructuring decisions and from enforcing any natural gas restructuring decisions for core customers as considered in Rulemaking 98-01-011 enacted after July 1, 1998, but prior to August 25, 1998.

This bill would repeal that provision, and, instead, would require 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 bill would specify that a public utility gas corporation shall continue to be the exclusive provider of revenue cycle services, as defined, in its service territory, except as specified, and would require the commission to require the distribution rate to continue to include after-meter services, as defined. ~~The bill would require the commission to authorize gas corporations to offer optional competitive rate schedules and tariffs.~~ The bill would make related legislative findings and declarations.

(2) Existing law relating to electrical restructuring states that nothing in those provisions prevents the commission from exercising its authority to investigate a process for the certification and regulation of the rates, charges, terms, and conditions of default service, and if the commission determines that a process for the certification and regulation of default service is in the public interest, existing law requires the commission to submit its findings and recommendations to the Legislature for approval.

This bill would repeal that provision, and, instead, require the commission to require each electrical corporation to provide bundled basic electric service, as defined, to all customers in its service territory unless the customer makes a positive declaration in accordance with specified existing law to receive electric power through a direct transaction with another electric service provider. The bill would authorize an electric power supplier, if a customer makes a positive declaration to receive electric power through a direct transaction with an electric power supplier, to also provide metering, billing, and collection service for that customer, but if a positive declaration is not made, would require metering, billing, and collection service to be provided by the existing public utility electrical corporation. ~~The bill would require the commission to authorize each electrical corporation to offer all customers rate alternatives to purchasing energy as part of basic electric service, such as time-of-use based rates and other optional competitive rates.~~

(3) Because a violation by a public utility of a requirement of the commission is a crime, this bill would impose a state-mandated local program by creating new crimes.



(4) 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 328 of the Public Utilities Code
2 is repealed.

3 SEC. 2. Section 328 is added to the Public Utilities
4 Code, to read:

5 328. The Legislature finds and declares both of the
6 following:

7 (a) In order to ensure that all core customers of a gas
8 corporation continue to receive safe basic gas service in
9 a competitive market, each existing gas corporation
10 should continue to provide this essential service.

11 (b) No customer should have to pay separate fees for
12 utilizing services that protect public or customer safety.

13 SEC. 3. Section 328.1 is added to the Public Utilities
14 Code, to read:

15 328.1. As used in this section, the following terms have
16 the following meanings:

17 (a) “Basic gas service” includes transmission, storage
18 for reliability of service, and distribution of natural gas,
19 purchasing natural gas on behalf of a customer, revenue
20 cycle services, and after-meter services.

21 (b) “Revenue cycle services” means metering
22 services, billing the customer, collection, and related
23 customer services.

24 (c) “After-meter services” includes, but is not limited
25 to, leak investigation, inspecting customer piping and
26 appliances, carbon monoxide investigation, pilot
27 relighting, and high bill investigation.

28 (d) “Metering services” includes, but is not limited to,
29 gas meter installation, meter maintenance, meter testing,

1 collecting and processing consumption data, and all
2 related services associated with the meter.

3 SEC. 4. Section 328.2 is added to the Public Utilities
4 Code, to read:

5 328.2. ~~(a)~~—The commission shall require each gas
6 corporation to provide bundled basic gas service to all
7 core customers in its service territory unless the customer
8 chooses or contracts to have natural gas purchased and
9 supplied by another entity. A public utility gas
10 corporation shall continue to be the exclusive provider of
11 revenue cycle services to all customers in its service
12 territory, except that an entity purchasing and supplying
13 natural gas under the commission's core aggregation
14 program may perform billing and collection services for
15 its customers. The commission shall require the
16 distribution rate to continue to include after-meter
17 services.

18 ~~(b) The commission shall authorize gas corporations to~~
19 ~~offer optional competitive rate schedules and tariffs.~~

20 SEC. 5. Section 331 of the Public Utilities Code is
21 amended to read:

22 331. The definitions set forth in this section shall
23 govern the construction of this chapter.

24 (a) "Aggregator" means any marketer, broker, public
25 agency, city, county, or special district, that combines the
26 loads of multiple end-use customers in facilitating the sale
27 and purchase of electric energy, transmission, and other
28 services on behalf of these customers.

29 (b) "Basic electric service" includes transmission and
30 distribution of electric power, purchasing electric power
31 on behalf of a customer, revenue cycle services such as
32 metering customer usage, billing the customer, and
33 customer services.

34 (c) "Broker" means an entity that arranges the sale
35 and purchase of electric energy, transmission, and other
36 services between buyers and sellers, but does not take
37 title to any of the power sold.

38 (d) "Direct transaction" means a contract between
39 any one or more electric generators, marketers, or
40 brokers of electric power and one or more retail

1 customers providing for the purchase and sale of electric
2 power or any ancillary services.

3 (e) “Fire wall” means the line of demarcation
4 separating residential and small commercial customers
5 from all other customers as described in subdivision (e)
6 of Section 367.

7 (f) “Marketer” means any entity that buys electric
8 energy, transmission, and other services from traditional
9 utilities and other suppliers, and then resells those
10 services at wholesale or to an end-use customer.

11 (g) “Microgeneration facility” means a
12 cogeneration facility of less than one megawatt.

13 (h) “Restructuring trusts” means the two tax-exempt
14 public benefit trusts established by Decision D. 96-08-038
15 of the Public Utilities Commission to provide for design
16 and development of the hardware and software systems
17 for the Power Exchange and the Independent System
18 Operator, respectively, and that may undertake other
19 activities, as needed, as ordered by the commission.

20 (i) “Small commercial customer” means a customer
21 that has a maximum peak demand of less than 20
22 kilowatts.

23 SEC. 6. Section 365.5 of the Public Utilities Code is
24 repealed.

25 SEC. 7. Section 365.5 is added to the Public Utilities
26 Code, to read:

27 365.5. (a) The Legislature finds and declares that in
28 order to ensure that all customers of an electrical
29 corporation continue to receive basic electric service in
30 a competitive market, and to protect good California jobs,
31 each electrical corporation should continue to provide
32 this essential service utilizing employees of the
33 corporation.

34 (b) The commission shall require each electrical
35 corporation to provide bundled basic electric service to
36 all customers in its service territory unless the customer
37 makes a positive declaration in accordance with Section
38 366 to receive electric power through a direct transaction
39 with another electric service provider. If a customer
40 makes a positive declaration to receive electric power

1 through a direct transaction with an electric power
2 supplier, the electric power supplier may also provide
3 metering, billing, and collection service for that
4 customer. If a positive declaration is not made, metering,
5 billing, and collection service shall be provided by the
6 existing public utility electrical corporation.

7 ~~(c) The commission shall authorize each electrical~~
8 ~~corporation to offer all customers rate alternatives to~~
9 ~~purchasing energy as part of basic electric service, such~~
10 ~~as time-of-use based rates and other optional competitive~~
11 ~~rates.~~

12 SEC. 8. No reimbursement is required by this act
13 pursuant to Section 6 of Article XIII B of the California
14 Constitution because the only costs that may be incurred
15 by a local agency or school district will be incurred
16 because this act creates a new crime or infraction,
17 eliminates a crime or infraction, or changes the penalty
18 for a crime or infraction, within the meaning of Section
19 17556 of the Government Code, or changes the definition
20 of a crime within the meaning of Section 6 of Article
21 XIII B of the California Constitution.

