

AMENDED IN SENATE AUGUST 18, 1999

AMENDED IN SENATE JULY 8, 1999

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 365.5 of, to~~ add Sections 328.1, 328.2, and 374.5 to, and to repeal and add Section 328 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 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 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 state that nothing in the electrical restructuring provisions of existing law prevents the commission from considering additional or modified unbundling of electric distribution services and would require the commission to report its findings and recommendations on that subject to the Legislature, as specified.~~

~~The bill would~~ require electrical corporations serving certain agricultural customers to conduct research to determine the typical simultaneous peak load of those customers and report the results of the research to the customers and the commission not later than a specified date. The bill would require the commission to consider the results of the research when setting future electric distribution rates for those customers.

(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 chapter, the following terms
16 have 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,
30 collecting and processing consumption data, and all
31 related services associated with the meter.

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

1 328.2. The commission shall require each gas
2 corporation to provide bundled basic gas service to all
3 core customers in its service territory unless the customer
4 chooses or contracts to have natural gas purchased and
5 supplied by another entity. A public utility gas
6 corporation shall continue to be the exclusive provider of
7 revenue cycle services to all customers in its service
8 territory, except that an entity purchasing and supplying
9 natural gas under the commission's existing core
10 aggregation program may perform billing and collection
11 services for its customers under the same terms as
12 currently authorized by the commission, and except that
13 a supplier of natural gas to noncore customers may
14 perform billing and collection for natural gas supply for
15 its customers. The gas corporation shall continue to
16 calculate its charges for services provided by that
17 corporation. If the commission establishes credits to be
18 provided by the gas corporation to core aggregation or
19 noncore customers who obtain billing or collection
20 services from entities other than the gas corporation, the
21 credit shall be equal to the billing and collection services
22 costs actually avoided by the gas corporation. The
23 commission shall require the distribution rate to continue
24 to include after-meter services.

25 ~~SEC. 5. Section 365.5 of the Public Utilities Code is~~
26 ~~amended to read:~~

27 ~~365.5. (a) The Legislature finds and declares that in~~
28 ~~regulating electric distribution services, it is important to~~
29 ~~protect consumers, particularly low income and~~
30 ~~fixed-income consumers, preserve electric system safety~~
31 ~~and reliability, conserve energy, encourage renewable~~
32 ~~energy generation, and protect good California jobs.~~
33 ~~Therefore, if the commission investigates further~~
34 ~~unbundling of electric distribution services, it should~~
35 ~~evaluate carefully the consequences of that further~~
36 ~~unbundling, including unbundling revenue cycle~~
37 ~~services, and report back to the Legislature before taking~~
38 ~~that action.~~

39 ~~(b) Nothing in this chapter prevents the commission~~
40 ~~from exercising its authority to do all of the following:~~

1 ~~(1) Investigate a process for certification and~~
2 ~~regulation of the rates, charges, terms, and conditions of~~
3 ~~default service.~~

4 ~~(2) Consider additional or modified unbundling of~~
5 ~~electric distribution services.~~

6 ~~If the commission determines that a process for~~
7 ~~certification and regulation of default service or~~
8 ~~additional or modified unbundling of electric distribution~~
9 ~~services, including, but not limited to, departing from the~~
10 ~~level of revenue cycle services unbundling and the~~
11 ~~costing methodology ordered by the commission in~~
12 ~~Decisions 97-05-039 and 98-09-070, is in the public interest,~~
13 ~~the commission shall submit its findings and~~
14 ~~recommendations to the Legislature for approval.~~

15 ~~(c) Notwithstanding Section 7550.5 of the~~
16 ~~Government Code, not later than September 1, 2000, the~~
17 ~~commission shall submit to the Legislature a report~~
18 ~~regarding the development of retail competition in the~~
19 ~~electric industry.~~

20 ~~SEC. 6.—~~

21 *SEC. 5.* Section 374.5 is added to the Public Utilities
22 Code, to read:

23 374.5. Any electrical corporation serving agricultural
24 customers that have multiple electric meters shall
25 conduct research based on a statistically valid sample of
26 those customers and meters to determine the typical
27 simultaneous peak load of those customers. The results of
28 the research shall be reported to the customers and the
29 commission not later than July 1, 2001. The commission
30 shall consider the research results in setting future
31 electric distribution rates for those customers.

32 ~~SEC. 7.—~~

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

1 of a crime within the meaning of Section 6 of Article
2 XIII B of the California Constitution.

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