

AMENDED IN SENATE APRIL 20, 1999

SENATE BILL

No. 1153

Introduced by Senator Brulte

February 26, 1999

An act to add Section 745 to the Public Utilities Code, relating to gas utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 1153, as amended, Brulte. Gas utility programs: study.

~~Existing law sets forth a legislative statement that declares that natural gas utilities should seek to exploit all practicable and cost-effective conservation and improvements in the efficiency of energy use and distribution that offer equivalent or better system reliability, and which are not being exploited by any other entity. Existing law requires the Public Utilities Commission, in calculating the cost effectiveness of energy resources, including conservation and load management options, to include a value for any costs and benefits to the environment, including air quality. Existing law authorizes the commission, for purposes of setting the rates to be charged by every gas corporation, to allow the inclusion of research and development expenses.~~

Existing law requires the commission to establish a prescribed program of assistance to low-income gas customers, referred to as the California Alternate Rates for Energy Program. Existing law requires the commission to require a gas corporation to perform home weatherization services for low-income customers if the commission

determines that a significant need for those services exists in the corporation’s service territory, as prescribed.

~~This bill would require the State Auditor, in consultation with the commission, the State Energy Resources Conservation and Development Commission, and the Office of Ratepayer Advocates, to conduct a study to review the funding sources for state that it is the intent of the Legislature to resolve issues regarding the funding of the gas utility programs described above, as prescribed in a manner that preserves the programs and addresses any competitive inequities resulting from the programs’ funding methodologies. The bill would require the commission to reimburse the State Auditor for the reasonable costs of the study in an amount not to exceed \$500,000. The bill would require the State Auditor to complete the study and submit recommendations to the Legislature on or before January 1, 2001.~~

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

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

1 SECTION 1. Section 745 is added to the Public
2 Utilities Code, to read:

3 ~~745. (a) The State Auditor, in consultation with the~~
4 *745. It is the intent of the Legislature to resolve issues*
5 *regarding the funding of those natural gas public purpose*
6 *programs, such as those authorized under Section 701.1,*
7 *739.1, 739.2, 740, and 2790, in a manner that preserves the*
8 *programs and addresses any competitive inequities*
9 *resulting from the programs’ funding methodologies.*

10 ~~commission, the State Energy Resources Conservation~~
11 ~~and Development Commission, and the Office of~~
12 ~~Ratepayer Advocates, shall conduct a study to review the~~
13 ~~existing funding sources for gas utility public purpose~~
14 ~~programs authorized under Sections 701.1, 739.1, 739.2,~~
15 ~~740, and 2790.~~

16 ~~(b) The State Auditor, in carrying out the study, shall~~
17 ~~identify the programs, consider the impacts of these~~
18 ~~programs on competitive, deregulated natural gas~~



1 ~~markets, make recommendations for an appropriate,~~
2 ~~stable funding source for these programs, and examine~~
3 ~~the costs incurred in connection with these programs,~~
4 ~~and the extent to which these programs are provided by~~
5 ~~utilities, competing suppliers, nonprofit organizations,~~
6 ~~and local, state, and federal public agencies.~~

7 ~~(e) The State Auditor may contract with qualified~~
8 ~~technical analysts and economists necessary to conduct~~
9 ~~the study.~~

10 ~~(d) The commission, with existing resources, shall~~
11 ~~reimburse the State Auditor for the reasonable costs of~~
12 ~~the study, as determined by the commission, in an~~
13 ~~amount not to exceed five hundred thousand dollars~~
14 ~~(\$500,000).~~

15 ~~(e) The State Auditor shall complete the study and~~
16 ~~submit its findings and recommendations to the~~
17 ~~Legislature on or before January 1, 2001.~~

