

Introduced by Senator Polanco

February 26, 1999

An act to add Section 381.5 to, and to add Chapter 1.5 (commencing with Section 270) to Part 1 of Division 1 of, the Public Utilities Code, relating to public utilities, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1217, as introduced, Polanco. Public Utilities Commission: advisory boards: electrical restructuring: public benefit programs.

(1) Existing law provides for various programs relating to telephone corporations to be administered by the Public Utilities Commission, and paid for in the utility rates authorized by the commission.

This bill would, under the Public Utilities Act, create 6 advisory boards to advise the commission regarding the implementation, development, and administration of specified programs, and to carry out the programs pursuant to the commission's direction, control, and approval. The bill would require the commission to determine the number and qualifications of the members of each advisory board, as specified, and would prescribe certain matters of organization and procedure for each advisory board. The bill would require the boards to submit an annual budget to the commission for approval, and a report describing the activities of the board, as prescribed. The bill would create a fund in the State Treasury for each advisory board. The bill would require telephone corporations to submit to the commission approved

rate revenues for transfer by the commission to the Controller for deposit in the appropriate fund as created by the bill. The bill would require any unexpended revenues collected prior to the operative date of the bill to be deposited in the appropriate fund, as specified. The bill would continuously appropriate the funds in each fund, as specified, thus making an appropriation. The bill would require the commission to conduct financial audits of the revenues for each of the funds, and to conduct compliance audits with regard to each program, as specified. Because, under the act, a violation of those provisions would be a crime, the bill would impose a state-mandated local program by creating new crimes.

(2) The act requires the commission to order specified electrical corporations to collect and spend certain funds for prescribed public benefit programs. The act specifically requires cost-effective energy efficiency and conservation activities to be funded by San Diego Gas and Electric Company, Southern California Edison Company, and Pacific Gas and Electric Company at specified levels, commencing January 1, 1998, through December 31, 2001.

This bill, notwithstanding the above provision, would require the San Diego Gas and Electric Company, Southern California Edison Company, Pacific Gas and Electric Company, Southern California Gas Company, and any other public utility designated by the commission, to administer those activities, as prescribed by the commission, through December 31, 2001. The bill would require the commission, before January 1, 2002, to study the feasibility of administering the activities through a nonprofit public benefit corporation. Because a violation of the act by a public utility is a crime, this bill would impose a state-mandated local program by creating a new crime.

(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: yes. Fiscal committee: yes. State-mandated local program: yes.



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

SECTION 1. Chapter 1.5 (commencing with Section 270) is added to Part 1 of Division 1 of the Public Utilities Code, to read:

CHAPTER 1.5. ADVISORY BOARDS

270. (a) The following funds are hereby created in the State Treasury:

(1) The California High-Cost Fund-A Administrative Committee Fund.

(2) The California High-Cost Fund-B Administrative Committee Fund.

(3) The Universal Lifeline Telephone Service Trust Administrative Committee Fund.

(4) The Deaf and Disabled Telecommunications Program Administrative Committee Fund.

(5) The Payphone Service Providers Committee Fund.

(6) The California Teleconnect Fund Administrative Committee Fund.

(b) Moneys in the funds may only be expended pursuant to this chapter.

(c) Moneys in each fund may not be appropriated, or in any other manner transferred or otherwise diverted, to any other fund or entity.

271. For each advisory board created pursuant to this chapter all of the following are applicable:

(a) The commission shall establish the number of, and qualifications for, persons to serve as members of each board, and shall appoint the members of each board. In determining the qualifications of persons who will serve as members of each board, the commission shall consider the purpose of the program, and shall attempt to achieve balanced public participation, for each board. The membership of each board shall reflect, to the extent possible, and consistent with existing law, the ethnic and gender diversity of the state.

1 (b) Each board shall determine, subject to approval by
2 the commission, the time, location, and number of
3 monthly meetings for each board.

4 (c) A majority of the number of members of each
5 board constitutes a quorum.

6 (d) A board cannot act at a meeting without the
7 presence of a quorum.

8 (e) The affirmative vote of a majority of those
9 members present at the meeting of a board is necessary
10 in order to pass any motion, resolution, or measure.

11 (f) The commission shall determine for each board
12 whether the board members shall receive expense
13 reimbursement pursuant to Section 19820 of the
14 Government Code and a per diem allowance, as specified
15 in Section 11564.5 of the Government Code, or as
16 established by the commission. Each member of a board
17 who is not a commission or public utility employee, or
18 who is not otherwise compensated by an employer for
19 service on the board, shall be entitled to make a claim for
20 and to receive a per diem allowance, if authorized by the
21 commission. Each member of a board who is not a public
22 utility employee, or who is not otherwise reimbursed by
23 an employer for expenses incurred when serving on the
24 board, shall be entitled to make a claim for and to receive
25 expense reimbursement, if authorized by the
26 commission. The commission shall allow all reasonable
27 expense and per diem claims. The payments in each
28 instance shall be made only from the fund that supports
29 the activities of the board and shall be subject to the
30 availability of money in that fund. The claims shall be filed
31 by the board with the commission.

32 273. Each advisory board created pursuant to this
33 chapter shall do both of the following:

34 (a) Submit an annual budget to the commission.
35 Within 90 calendar days after receiving a board's annual
36 budget, the commission shall either accept, accept with
37 conditions, or reject the submitted budget.

38 (b) Notwithstanding Section 7550.5 of the
39 Government Code, submit, in accordance with
40 procedures established by the commission, a report that

1 shall describe the activities of the board during the prior
2 reporting period. The report shall be submitted on an
3 annual or more frequent basis, as ordered by the
4 commission.

5 274. The commission may, whenever it determines it
6 to be necessary, conduct financial audits of the revenues
7 required to be collected and submitted to the commission
8 for each of the funds specified in Section 270. The
9 commission may, whenever it determines it to be
10 necessary, conduct compliance audits on the compliance
11 with commission orders with regard to each program
12 subject to this chapter. The commission shall conduct a
13 financial and compliance audit at least once every three
14 years. The first three-year period for a financial and
15 compliance audit commences on January 1, 2000. The
16 second and subsequent three-year periods for financial
17 audits commence three years after the completion of the
18 prior financial audit. The second and subsequent
19 three-year periods for compliance audits commence
20 three years after the completion of the prior compliance
21 audit. The commission may contract with the Bureau of
22 State Audits or the Department of Finance for all
23 necessary auditing services. All costs for audits shall be
24 paid from the fund that supports the activities of the
25 board audited and shall be subject to the availability of
26 money in that fund.

27 275. (a) There is hereby created the California
28 High-Cost Fund-A Administrative Committee, which is
29 an advisory board to advise the commission regarding the
30 development, implementation, and administration of a
31 program to provide for transfer payments to small
32 independent telephone corporations providing local
33 exchange services in high-cost rural and small
34 metropolitan areas in the state to create fair and equitable
35 local rate structures, as provided for in Section 739.3, and
36 to carry out the program pursuant to the commission's
37 direction, control, and approval.

38 (b) All revenues collected by telephone corporations
39 in rates authorized by the commission to fund the
40 program specified in subdivision (a) shall be submitted to

1 the commission pursuant to a schedule established by the
2 commission. The commission shall transfer the moneys
3 received to the Controller for deposit in the California
4 High-Cost Fund-A Administrative Committee Fund. All
5 interest earned by moneys in the fund shall be deposited
6 in the fund. Any unexpended revenues collected prior to
7 the operative date of this section shall be submitted to the
8 commission, and the commission shall transfer those
9 moneys to the Controller for deposit in the California
10 High-Cost Fund-A Administrative Committee Fund.

11 (c) Notwithstanding Section 13340 of the Government
12 Code, moneys in the California High-Cost Fund-A
13 Administrative Committee Fund are hereby
14 continuously appropriated to the commission, without
15 regard to fiscal years, to be utilized exclusively by the
16 commission for the program specified in subdivision (a),
17 including all costs of the board and the commission
18 associated with the administration and oversight of the
19 program and the fund.

20 276. (a) There is hereby created the California
21 High-Cost Fund-B Administrative Committee, which is
22 an advisory board to advise the commission regarding the
23 development, implementation, and administration of a
24 program to provide for transfer payments to telephone
25 corporations providing local exchange services in
26 high-cost areas in the state to create fair and equitable
27 local rate structures, as provided for in Section 739.3, and
28 to carry out the program pursuant to the commission's
29 direction, control, and approval.

30 (b) All revenues collected by telephone corporations
31 in rates authorized by the commission to fund the
32 program specified in subdivision (a) shall be submitted to
33 the commission pursuant to a schedule established by the
34 commission. The commission shall transfer the moneys
35 received to the Controller for deposit in the California
36 High-Cost Fund-B Administrative Committee Fund. All
37 interest earned by moneys in the fund shall be deposited
38 in the fund. Any unexpended revenues collected prior to
39 the operative date of this section shall be submitted to the
40 commission, and the commission shall transfer those

1 moneys to the Controller for deposit in the California
2 High-Cost Fund-B Administrative Committee Fund.

3 (c) Notwithstanding Section 13340 of the Government
4 Code, moneys in the California High-Cost Fund-B
5 Administrative Committee Fund are hereby
6 continuously appropriated to the commission, without
7 regard to fiscal years, to be utilized exclusively by the
8 commission for the program specified in subdivision (a),
9 including all costs of the board and the commission
10 associated with the administration and oversight of the
11 program and the fund.

12 277. (a) There is hereby created the Universal
13 Lifeline Telephone Service Trust Administrative
14 Committee, which is an advisory board to advise the
15 commission regarding the development,
16 implementation, and administration of a program to
17 ensure lifeline telephone service is available to the people
18 of the state, as provided for in Article 8 (commencing
19 with Section 871) of Chapter 4 of Part 1 of Division 1, and
20 to carry out the program pursuant to the commission's
21 direction, control, and approval.

22 (b) All revenues collected by telephone corporations
23 in rates authorized by the commission to fund the
24 program specified in subdivision (a) shall be submitted to
25 the commission pursuant to a schedule established by the
26 commission. The commission shall transfer the moneys
27 received to the Controller for deposit in the Universal
28 Lifeline Telephone Service Trust Administrative
29 Committee Fund. All interest earned by moneys in the
30 fund shall be deposited in the fund. Any unexpended
31 revenues collected prior to the operative date of this
32 section shall be submitted to the commission, and the
33 commission shall transfer those moneys to the Controller
34 for deposit in the Universal Lifeline Telephone Service
35 Trust Administrative Committee Fund.

36 (c) Notwithstanding Section 13340 of the Government
37 Code, moneys in the Universal Lifeline Telephone
38 Service Trust Administrative Committee Fund are
39 hereby continuously appropriated to the commission,
40 without regard to fiscal years, to be utilized exclusively by

1 the commission for the program specified in subdivision
2 (a), including all costs of the board and the commission
3 associated with the administration and oversight of the
4 program and the fund.

5 278. (a) There is hereby created the Deaf and
6 Disabled Telecommunications Program Administrative
7 Committee, which is an advisory board to advise the
8 commission regarding the development,
9 implementation, and administration of programs to
10 provide specified telecommunications services and
11 equipment to persons in this state who are deaf or
12 disabled, as provided for in Sections 2881, 2881.1, and
13 2881.2, and to carry out the programs pursuant to the
14 commission's direction, control, and approval.

15 (b) All revenues collected by telephone corporations
16 in rates authorized by the commission to fund the
17 programs specified in subdivision (a) shall be submitted
18 to the commission pursuant to a schedule established by
19 the commission. The commission shall transfer the
20 moneys received to the Controller for deposit in the Deaf
21 and Disabled Telecommunications Program
22 Administrative Committee Fund. All interest earned by
23 moneys in the fund shall be deposited in the fund. Any
24 unexpended revenues collected prior to the operative
25 date of this section shall be submitted to the commission,
26 and the commission shall transfer those moneys to the
27 Controller for deposit in the Deaf and Disabled
28 Telecommunications Program Administrative
29 Committee Fund. In addition, those revenues that are
30 collected pursuant to subdivision (d) of Section 2881 shall
31 be accounted for separately, as required by subdivision
32 (b) of Section 2881.2, and deposited in the fund created
33 by the commission pursuant to subdivision (b) of Section
34 2881.2.

35 (c) Notwithstanding Section 13340 of the Government
36 Code, moneys in the Deaf and Disabled
37 Telecommunications Program Administrative
38 Committee Fund are hereby continuously appropriated
39 to the commission, without regard to fiscal years, to be
40 utilized exclusively by the commission for the program

1 specified in subdivision (a), including all costs of the
2 board and the commission associated with the
3 administration and oversight of the program and the
4 fund.

5 279. (a) There is hereby created the Payphone
6 Service Providers Committee, which is an advisory board
7 to advise the commission regarding the development,
8 implementation, and administration of programs to
9 educate payphone service providers, ensure compliance
10 with the commission's requirements for payphone
11 operations, and educate consumers on matters related to
12 payphones, as provided for in commission Decision
13 90-06-018, and to provide for the placement of
14 telecommunications devices capable of servicing the
15 needs of the deaf or the hearing-impaired in existing
16 buildings and public accommodations, as specified in
17 subdivision (a) of Section 2881.2.

18 (b) All revenues collected by telephone corporations
19 in rates authorized by the commission to fund the
20 programs specified in subdivision (a) shall be submitted
21 to the commission pursuant to a schedule established by
22 the commission. The commission shall transfer the
23 moneys received to the Controller for deposit in the
24 Payphone Service Providers Committee Fund. All
25 interest earned by moneys in the fund shall be deposited
26 in the fund. Any unexpended revenues collected prior to
27 the operative date of this section shall be submitted to the
28 commission, and the commission shall transfer those
29 moneys to the Controller for deposit in the Payphone
30 Service Providers Committee Fund.

31 (c) Notwithstanding Section 13340 of the Government
32 Code, moneys in the Payphone Service Providers
33 Committee Fund are hereby continuously appropriated
34 to the commission, without regard to fiscal years, to be
35 utilized exclusively by the commission for the program
36 specified in subdivision (a), including all costs of the
37 board and the commission associated with the
38 administration and oversight of the program and the
39 fund.

1 280. (a) There is hereby created the California
2 Teleconnect Fund Administrative Committee, which is
3 an advisory board to advise the commission regarding the
4 development, implementation, and administration of a
5 program to advance universal service by providing
6 discounted rates to qualifying schools, libraries, hospitals,
7 health clinics, and community organizations, consistent
8 with Chapter 278 of the Statutes of 1994, and to carry out
9 the program pursuant to the commission's direction,
10 control, and approval.

11 (b) All revenues collected by telephone corporations
12 in rates authorized by the commission to fund the
13 program specified in subdivision (a) shall be submitted to
14 the commission pursuant to a schedule established by the
15 commission. The commission shall transfer the moneys
16 received to the Controller for deposit in the California
17 Teleconnect Fund Administrative Committee Fund. All
18 interest earned by moneys in the fund shall be deposited
19 in the fund. Any unexpended revenues collected prior to
20 the operative date of this section shall be submitted to the
21 commission, and the commission shall transfer those
22 moneys to the Controller for deposit in the California
23 Teleconnect Fund Administrative Committee Fund.

24 (c) Notwithstanding Section 13340 of the Government
25 Code, moneys in the California Teleconnect Fund
26 Administrative Committee Fund are hereby
27 continuously appropriated to the commission, without
28 regard to fiscal years, to be utilized exclusively by the
29 commission for the program specified in subdivision (a),
30 including all costs of the board and the commission
31 associated with the administration and oversight of the
32 program and the fund.

33 281. Any revenues that are deposited in funds created
34 pursuant to this chapter shall not be used by the state for
35 any purpose other than as specified in this chapter.

36 SEC. 2. Section 381.5 is added to the Public Utilities
37 Code, to read:

38 381.5. Notwithstanding paragraph (1) of subdivision
39 (c) of Section 381, San Diego Gas and Electric Company,
40 Southern California Edison Company, Pacific Gas and

1 Electric Company, Southern California Gas Company,
2 and any other public utility designated by the
3 commission, shall administer the cost-effective energy
4 efficiency and conservation activities described in that
5 paragraph, as prescribed by the commission, through
6 December 31, 2001. Before January 1, 2002, the
7 commission shall study the feasibility of administering
8 those activities through a nonprofit public benefit
9 corporation.

10 SEC. 3. No reimbursement is required by this act
11 pursuant to Section 6 of Article XIII B of the California
12 Constitution because the only costs that may be incurred
13 by a local agency or school district will be incurred
14 because this act creates a new crime or infraction,
15 eliminates a crime or infraction, or changes the penalty
16 for a crime or infraction, within the meaning of Section
17 17556 of the Government Code, or changes the definition
18 of a crime within the meaning of Section 6 of Article
19 XIII B of the California Constitution.

