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SB-1338 Electrical and gas corporations: rates. (2017-2018)

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Senate Bill No. 1338

CHAPTER 518

An act to amend Sections 739 and 779.3 of, and to add Section 779.4 to, the Public Utilities Code, relating to energy rates.

[Approved by Governor September 18, 2018. Filed with Secretary of State September 18, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1338, Hueso. Electrical and gas corporations: rates.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations and gas 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 requires the commission to designate a baseline quantity of electricity and gas necessary for a significant portion of the reasonable energy needs of the average residential customer and requires that electrical corporations and gas corporations file rates and charges, to be approved by the commission, providing baseline rates that apply to the first and lowest block of an increasing block rate structure. Existing law additionally requires the commission to establish a standard allowance in addition to the baseline quantity of gas and electricity for residential customers dependent on life-support equipment. Existing law provides that this additional higher energy usage allowance be made available to a person who is being treated for a life-threatening illness or has a compromised immune system, if a licensed physician and surgeon or a person licensed pursuant to the Osteopathic Initiative Act certifies in writing to the utility that the additional heating or cooling allowance is medically necessary to sustain the life of the person or prevent deterioration of the person's medical condition.

This bill would authorize a physician assistant to certify in writing to the utility that the additional energy, heating, or cooling allowance is medically necessary to sustain the life of a person being treated for a life-threatening illness or a compromised immune system or to prevent deterioration of that person's medical condition.

Existing law prohibits a gas or electrical corporation from disconnecting service for nonpayment when (1) the customer or a member of the customer's household has a life-threatening condition or illness, (2) a licensed physician, a person licensed pursuant to the Osteopathic Initiative Act, or a nurse practitioner certifies that gas or electric service is medically necessary to sustain the life of the person or prevent deterioration of the person's medical condition, and (3) the customer is willing to enter into an amortization agreement, as provided.

This bill would revise (2) above to additionally prohibit disconnecting service where a physician assistant certifies that gas or electric service is medically necessary to sustain the life of the customer or member of the customer's family or to prevent deterioration of that person's medical condition. The bill would require the commission to develop rules requiring each of the 4 energy utilities that have the greatest number of customers in California to demonstrate that they are working with the medical community to increase marketing and outreach to persons eligible for the above-described medical baseline allowance.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the provisions of this bill would be a part of the act and because a violation of an order or decision of the commission implementing its requirements would be a crime, the bill would impose a state-mandated local program by creating a new crime or expanding the application of a crime.

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 Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 739 of the Public Utilities Code is amended to read:

739. (a) As used in this section:

(1) "Baseline quantity" means a quantity of electricity or gas allocated by the commission for residential customers based on from 50 to 60 percent of average residential consumption of these commodities, except that, for residential gas customers and for all-electric residential customers, the baseline quantity shall be established at from 60 to 70 percent of average residential consumption during the winter heating season. In establishing the baseline quantities, the commission shall take into account climatic and seasonal variations in consumption and the availability of gas service. The commission shall review and revise baseline quantities as average consumption patterns change in order to maintain these ratios and may do so during the rate case or other ratesetting proceeding of a gas corporation or electrical corporation. The commission shall make efforts to minimize bill volatility for residential customers, including all-electric residential customers. Those efforts may include modifying the length of the baseline seasons or defining additional baseline seasons.

(2) "Residential customer" means those customers receiving electrical or gas service pursuant to a domestic rate schedule and excludes industrial, commercial, and every other category of customer.

(b) The commission shall designate a baseline quantity of gas and electricity which is necessary to supply a significant portion of the reasonable energy needs of the average residential customer. In estimating those quantities, the commission shall take into account differentials in energy needs between customers whose residential energy needs are currently supplied by electricity alone or by both electricity and gas. The commission shall develop a separate baseline quantity for all-electric residential customers. For these purposes, "all-electric residential customers" are residential customers having electrical service only or whose space heating is provided by electricity, or both. The commission shall also take into account differentials in energy use by climatic zone and season.

(c) (1) The commission shall establish a standard limited allowance which shall be in addition to the baseline quantity of gas and electricity for residential customers dependent on life-support equipment, including, but not limited to, emphysema and pulmonary patients. A residential customer dependent on life-support equipment shall be allocated a higher energy allocation than the average residential customer.

(2) "Life-support equipment" means that equipment which utilizes mechanical or artificial means to sustain, restore, or supplant a vital function, or mechanical equipment which is relied upon for mobility both within and outside of buildings. "Life-support equipment," as used in this subdivision, includes all of the following: all types of respirators, iron lungs, hemodialysis machines, suction machines, electric nerve stimulators, pressure pads and pumps, aerosol tents, electrostatic and ultrasonic nebulizers, compressors, IPPB machines, and motorized wheelchairs.

(3) The limited allowance specified in this subdivision shall also be made available to paraplegic and quadriplegic persons in consideration of the increased heating and cooling needs of those persons.

(4) The limited allowance specified in this subdivision shall also be made available to multiple sclerosis patients in consideration of the increased heating and cooling needs of those persons.

(5) The limited allowance specified in this subdivision shall also be made available to scleroderma patients in consideration of the increased heating needs of those persons.

(6) The limited allowance specified in this subdivision shall also be made available to persons who are being treated for a life-threatening illness or have a compromised immune system, if a licensed physician and surgeon, a physician assistant practicing within his or her scope of practice in compliance with the Physician Assistant Practice Act (Chapter 7.7 (commencing

with Section 3500) of Division 2 of the Business and Professions Code), or a person licensed pursuant to the Osteopathic Initiative Act certifies in writing to the utility that the additional energy, heating, or cooling allowance, or both, is medically necessary to sustain the life of the person or prevent deterioration of the person's medical condition.

(d) (1) The commission shall require that every electrical and gas corporation file a schedule of rates and charges providing baseline rates. The baseline rates shall apply to the first or lowest block of an increasing block rate structure which shall be the baseline quantity. In establishing these rates, the commission shall avoid excessive rate increases for residential customers, and shall establish an appropriate gradual differential between the rates for the respective blocks of usage.

(2) In establishing residential electric and gas rates, including baseline rates, the commission shall ensure that the rates are sufficient to enable the electrical corporation or gas corporation to recover a just and reasonable amount of revenue from residential customers as a class, while observing the principle that electricity and gas services are necessities, for which a low affordable rate is desirable and while observing the principle that conservation is desirable in order to maintain an affordable bill.

(3) At least until December 31, 2003, the commission shall require that all charges for residential electric customers are volumetric, and shall prohibit any electrical corporation from imposing any charges on residential consumption that are independent of consumption, unless those charges are in place prior to April 12, 2001.

(e) (1) Each electrical corporation and each gas corporation shall, in a timeframe consistent with each electrical and gas corporation's next general rate case, disclose on the billing statement of a residential customer all of the following:

(A) Cost per kilowatthour or gas therm per tier.

(B) Allocation of kilowatthour or gas therm per tier.

(C) Visual representation of usage and cost per tier.

(D) Usage comparison with prior periods.

(E) Itemized cost components in the bill to identify state and local taxes.

(F) Identification of delivery, generation, public purpose, and other charges.

(G) Contact information for the commission's Consumer Affairs Branch.

(2) An electrical corporation and a gas corporation shall make available online to residential customers both of the following:

(A) Examples of how conservation measures, including changing thermostat settings and turning off unused lights, could reduce energy usage and costs.

(B) Examples of how energy-saving devices and weatherization measures could reduce energy usage and costs.

(3) The commission may modify, adjust, or add to the requirements of this subdivision as the individual circumstances of each electrical corporation or gas corporation merits, or for master-meter customers, as individual circumstances merit.

(4) The commission shall, as part of the general rate case of an electrical corporation or gas corporation, assess opportunities to improve the quality of information contained in the utility's periodic billings.

(f) Wholesale electrical or gas purchases, and the rates charged therefor, are exempt from this section.

(g) Nothing contained in this section shall be construed to prohibit experimentation with alternative gas or electrical rate schedules for the purpose of achieving energy conservation.

SEC. 2. Section 779.3 of the Public Utilities Code is amended to read:

779.3. (a) A gas or electrical corporation shall not disconnect service for nonpayment by a residential customer receiving a medical baseline allowance pursuant to subdivision (c) of Section 739 who is financially unable to pay for service within the normal payment period, who is willing to enter into an amortization agreement with the corporation pursuant to subdivision (e) of Section 779 with respect to all charges that the customer is unable to pay, and who meets any of the following criteria:

(1) The customer or a member of the customer's household is under hospice care at home.

(2) The customer or a member of the customer's household depends upon life-support equipment, as defined in paragraph (2) of subdivision (c) of Section 739.

(3) The customer or a member of the customer's household has a life-threatening condition or illness, and a licensed physician, a person licensed pursuant to the Osteopathic Initiative Act, a physician assistant practicing within his or her scope of practice in compliance with the Physician Assistant Practice Act (Chapter 7.7 (commencing with Section 3500) of Division 2 of the Business and Professions Code), or a nurse practitioner certifies that gas or electric service is medically necessary to sustain the life of the person or prevent deterioration of the person's medical condition.

(b) The commission may identify strategies for reasonable cost recovery by a gas or electrical corporation for costs incurred in providing gas or electric service to customers whom the gas or electrical corporation was unable to disconnect due to compliance with this section.

(c) A gas or electrical corporation may institute a verification process to implement this section.

SEC. 3. Section 779.4 is added to the Public Utilities Code, to read:

779.4. (a) For purposes of this section, "energy utility" means an electrical corporation, a gas corporation, or an entity that is both an electrical corporation and a gas corporation.

(b) The commission shall develop rules requiring each of the four energy utilities that have the greatest number of customers in California to demonstrate that they are working with the medical community to increase marketing and outreach to persons eligible for the medical baseline allowance pursuant to subdivision (c) of Section 739.

(c) The commission shall consider policies to increase marketing and outreach programs to customers eligible for the medical baseline allowance pursuant to subdivision (c) of Section 739, in coordination with county public health departments.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.