

AMENDED IN ASSEMBLY APRIL 8, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 2207

Introduced by Assembly Member Fong

February 18, 2010

An act to add Section 779.3 to the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 2207, as amended, Fong. Utilities: termination of services.

Existing law prohibits an electrical, gas, heat, or water corporation from terminating residential service for nonpayment of a delinquent account unless the corporation first gives prescribed notice of the delinquency and impending termination. Existing law also prohibits termination in specified situations.

~~This bill would state the intent of the Legislature to enact legislation to create a statewide standard for the termination of household utility service, including electricity and gas, in order to protect vulnerable populations, as well as to prevent death and serious injury resulting from utility service termination require a gas or electrical corporation to implement specified practices, including prescribed bill payment plans for customers who are subject to termination of service for nonpayment of a delinquent bill, and a prohibition on requiring that a customer pay reestablishment of credit deposits for either late payments or nonpayment of bills, or following a termination of service.~~

Under existing law, a violation of the Public Utilities Act is a crime. Because this bill would be within the act, by imposing requirements on gas and electrical corporations, the violation of which would be a crime,

the bill would impose a state-mandated local program by creating a new 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: ~~no~~-yes.
State-mandated local program: ~~no~~-yes.

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

1 SECTION 1. Section 779.3 is added to the Public Utilities
2 Code, to read:

3 ~~779.3. It is the intent of the Legislature to enact legislation to~~
4 ~~create a statewide standard for the termination of residential utility~~
5 ~~service, including electricity and gas, in order to protect vulnerable~~
6 ~~populations such as the elderly, children, and the disabled, as well~~
7 ~~as to prevent death and serious injury resulting from utility service~~
8 ~~termination.~~

9 779.3. (a) *A gas or electrical corporation shall implement the*
10 *following practices:*

11 *(1) Notwithstanding subdivision (c) of Section 779, if a customer*
12 *is subject to termination of service for nonpayment of a delinquent*
13 *bill, the gas or electrical corporation shall allow a customer to*
14 *enter into a bill payment plan in accordance with this paragraph.*
15 *The gas or electrical corporation shall require a customer service*
16 *representative to inform the customer that he or she has a right to*
17 *arrange a bill payment plan extending the period for payment of*
18 *the bill a minimum of three months. The gas or electrical*
19 *corporation shall authorize a customer service representative to*
20 *extend a bill payment plan period up to 12 months, depending on*
21 *the particulars of the customer’s situation and ability to pay. A*
22 *gas or electrical corporation may authorize bill payment plan*
23 *schedules that exceed 12 months. A customer service representative*
24 *may arrange a bill payment plan with a payment period shorter*
25 *than three months, at the option of the customer, if the customer*
26 *is informed of his or her right to the three-month option. A*
27 *customer shall be responsible for any charges that accrue to the*

1 *service account after entering into a bill payment plan pursuant*
2 *to this paragraph.*

3 *(2) If a customer has established credit as a customer of the*
4 *corporation, a gas or electrical corporation shall not require that*
5 *customer to pay reestablishment of credit deposits for either late*
6 *payments or nonpayment of bills, or following a termination of*
7 *service.*

8 *(b) A gas or electrical corporation may file with the commission*
9 *a Tier 1 advice letter to open a memorandum account to track any*
10 *significant additional costs associated with complying with*
11 *practices pursuant subdivision (a), including the operations and*
12 *maintenance charges associated with implementing the practices*
13 *and any uncollectables that are in excess of those projected in the*
14 *last general rate case for the gas or electrical corporation. The*
15 *commission shall consider the process for determining the*
16 *categories and amounts of costs in the memorandum account that*
17 *should be considered reasonable for recovery, and the appropriate*
18 *methods for recovery.*

19 *SEC. 2. No reimbursement is required by this act pursuant to*
20 *Section 6 of Article XIII B of the California Constitution because*
21 *the only costs that may be incurred by a local agency or school*
22 *district will be incurred because this act creates a new crime or*
23 *infraction, eliminates a crime or infraction, or changes the penalty*
24 *for a crime or infraction, within the meaning of Section 17556 of*
25 *the Government Code, or changes the definition of a crime within*
26 *the meaning of Section 6 of Article XIII B of the California*
27 *Constitution.*

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