

AMENDED IN SENATE JUNE 16, 2010

AMENDED IN ASSEMBLY APRIL 8, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2207**

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**Introduced by Assembly Member Fong**

February 18, 2010

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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 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~~ *specified low-income customers to pay reestablishment of credit deposits unless the low-income customer's service has been terminated for nonpayment of bills. The bill would also require the commission to establish a benchmark for termination of gas and electrical service, and to require the commission to require a gas or electrical corporation to conduct a biennial affordability survey.*

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: yes. State-mandated local program: 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. (a) A gas or electrical corporation shall implement the  
 4 following practices:  
 5 (1) Notwithstanding subdivision (c) of Section 779, if a customer  
 6 is subject to termination of service for nonpayment of a delinquent  
 7 bill, the gas or electrical corporation shall allow a customer to enter  
 8 into a bill payment plan in accordance with this paragraph. The  
 9 gas or electrical corporation shall require a customer service  
 10 representative to inform the customer that he or she has a right to  
 11 arrange a bill payment plan extending the period for payment of  
 12 the bill a minimum of three months. The gas or electrical  
 13 corporation shall authorize a customer service representative to  
 14 extend a bill payment plan period up to 12 months, ~~depending on~~  
 15 ~~the particulars of the customer's situation and ability to pay.~~ A gas  
 16 or electrical corporation may authorize bill payment plan schedules  
 17 that exceed 12 months, *depending upon the customer's situation*  
 18 *and ability to pay.* A customer service representative may arrange  
 19 a bill payment plan with a payment period shorter than three  
 20 months, at the option of the customer, if the customer is informed  
 21 of his or her right to the three-month option. A customer shall be  
 22 responsible for any charges that accrue to the service account after  
 23 entering into a bill payment plan pursuant to this paragraph.  
 24 ~~(2) If a customer has established credit as a customer of the~~  
 25 ~~corporation, a gas or electrical corporation shall not require that~~

1 customer to pay reestablishment of credit deposits for either late  
2 payments or nonpayment of bills, or following a termination of  
3 service.

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

15 (2) *A gas or electrical corporation shall not require a  
16 low-income customer who is eligible to participate in the  
17 low-income energy assistance program, known as the California  
18 Alternate Rates for Energy program, to pay reestablishment of  
19 credit deposits unless the low-income customer's service has been  
20 terminated for nonpayment of bills.*

21 (b) (1) *The commission shall establish a benchmark for  
22 termination of gas and electrical service.*

23 (2) *The commission shall require a gas or electrical corporation  
24 to conduct a biennial affordability survey to determine the number  
25 and characteristics of households whose gas or electrical service  
26 was involuntarily terminated and the reasons and conditions  
27 affecting those lapses in service.*

28 (3) *The commission shall include within the periodic low-income  
29 needs assessment required by subdivision (e) of Section 382 an  
30 estimation of the number of California households that do not  
31 receive continuous gas and electrical service, as informed by the  
32 results of the affordability survey conducted pursuant to paragraph  
33 (2).*

34 SEC. 2. No reimbursement is required by this act pursuant to  
35 Section 6 of Article XIII B of the California Constitution because  
36 the only costs that may be incurred by a local agency or school  
37 district will be incurred because this act creates a new crime or  
38 infraction, eliminates a crime or infraction, or changes the penalty  
39 for a crime or infraction, within the meaning of Section 17556 of  
40 the Government Code, or changes the definition of a crime within

- 1 the meaning of Section 6 of Article XIII B of the California
- 2 Constitution.

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