

ASSEMBLY BILL

No. 2695

Introduced by Assembly Member Patterson

February 21, 2014

An act to amend Section 739.9 of the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 2695, as introduced, Patterson. Electricity: residential rates.

Existing law authorizes the Public Utilities Commission, beginning January 1, 2015, to authorize fixed electricity charges that do not exceed a specified amount per residential customer account per month. Existing law, beginning January 1, 2016, authorizes the adjustment of the maximum allowable fixed charge by no more than the annual percentage increase in the Consumer Price Index for the prior calendar year.

This bill would make technical, nonsubstantive changes to that provision.

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

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

- 1 SECTION 1. Section 739.9 of the Public Utilities Code is
- 2 amended to read:
- 3 739.9. (a) "Fixed charge" means any fixed customer charge,
- 4 basic service fee, demand differentiated basic service fee, demand
- 5 charge, or other charge not based upon the volume of electricity
- 6 consumed.

1 (b) Increases to electrical rates and charges in rate design
2 proceedings, including any reduction in the California Alternate
3 Rates for Energy (CARE) discount, shall be reasonable and subject
4 to a reasonable phase-in schedule relative to the rates and charges
5 in effect prior to January 1, 2014.

6 (c) Except as provided in subdivision (c) of Section 745, the
7 commission shall require each electrical corporation to offer default
8 rates to residential customers with at least two usage tiers. The
9 first tier shall include electricity usage of no less than the baseline
10 quantity established pursuant to paragraph (1) of subdivision (d)
11 of Section 739.

12 (d) Consistent with the requirements of Section 739, the
13 commission may modify the seasonal definitions and applicable
14 percentage of average consumption for one or more climatic zones.

15 (e) The commission may adopt new, or expand existing, fixed
16 charges for the purpose of collecting a reasonable portion of the
17 fixed costs of providing electric service to residential customers.
18 The commission shall ensure that any approved charges do all of
19 the following:

20 (1) Reasonably reflect an appropriate portion of the different
21 costs of serving small and large customers.

22 (2) Not unreasonably impair incentives for conservation and
23 energy efficiency.

24 (3) Not overburden low-income customers.

25 (f) For the purposes of this section and Section 739.1, the
26 commission may, beginning January 1, 2015, authorize fixed
27 charges that do not exceed ten dollars (\$10) ~~per~~ *for each* residential
28 customer account per month for customers not enrolled in the
29 CARE program and five dollars (\$5) ~~per~~ *for each* residential
30 customer account per month for customers enrolled in the CARE
31 program. Beginning January 1, 2016, the maximum allowable
32 fixed charge may be adjusted by no more than the annual
33 percentage increase in the Consumer Price Index for the prior
34 calendar year. This subdivision applies to any default rate schedule,
35 at least one optional tiered rate schedule, and at least one optional
36 time variant rate schedule.

37 (g) This section does not require the commission to approve
38 any new or expanded fixed charge.

- 1 (h) The commission may consider whether minimum bills are
- 2 appropriate as a substitute for any fixed charges.

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