

AMENDED IN ASSEMBLY SEPTEMBER 3, 2013

AMENDED IN ASSEMBLY AUGUST 6, 2013

AMENDED IN ASSEMBLY JUNE 26, 2013

AMENDED IN ASSEMBLY JUNE 13, 2013

AMENDED IN SENATE APRIL 22, 2013

**SENATE BILL**

**No. 656**

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**Introduced by Senator Wright**

February 22, 2013

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An act to amend Sections 392.1, 394.3, and 394.5 of, and to add Chapter 4.7 (commencing with Section 980) to Part 1 of Division 1 of, the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 656, as amended, Wright. Electrical restructuring: information practices.

(1) Under existing law, the Public Utilities Commission has broad regulatory authority over public utilities, including electrical corporations, as defined. Existing law restructuring the electrical industry requires the commission to authorize and facilitate direct transactions between electricity suppliers and end-use customers subject to the implementation of a nonbypassable charge, as specified. Electrical restructuring requires electric service providers, which are entities that offer electrical service to customers within the service territory of an electrical corporation but which are not electrical corporations, to register with the commission and to disclose specified information, among other things and authorizes the commission to enforce specific statutes with respect to electric service providers, but does not grant the

commission jurisdiction to regulate electric service providers other than as specified.

Existing law restructuring the electrical industry requires the commission to compile and regularly update information regarding registered electric service providers, including the names and contact numbers of providers, information to assist consumers in making service choices, the number of customer complaints against specific providers in relation to the number of customers served by those providers, and the disposition of those complaints. In this regard, existing law requires the commission to direct the ~~Office, now Division~~, *Division* of Ratepayer Advocates to collect and analyze this information for purposes of preparing easily understandable informational guides or other tools to help residential and small commercial customers understand how to evaluate competing electric service options.

This bill would, except for the compilation and updating of the names and contact numbers of providers, make inoperative the above provisions, except for those times in which providers are authorized to offer service to residential customers and enrollment increases at a specified level, and would make conforming changes in related provisions. The bill would repeal the requirement related to the informational guides.

(2) The Public Utilities Act establishes various consumer protection provisions, including the requirement that each entity, other than an electrical corporation, offering electrical service to residential and small commercial customers within the service territory of an electrical corporation register with the commission and provide specified information to the commission. A violation of the act is a crime.

This bill would extend those consumer protection provisions, including the requirement to register with, and provide specified information to the commission, to a core transport agent, as defined, offering gas service to ~~residential and small commercial~~ customers within the service territory of a gas corporation. Because a violation of the above provisions is a crime, this bill would impose a state-mandated local program.

(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: no. Fiscal committee: yes.  
State-mandated local program: yes.

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

1 SECTION 1. Section 392.1 of the Public Utilities Code is  
2 amended to read:  
3 392.1. (a) The commission shall compile and regularly update  
4 the names and contact numbers of registered providers.  
5 (b) (1) The commission shall also compile and regularly update  
6 information to assist consumers in making service choices and the  
7 number of customer complaints against specific providers in  
8 relation to the number of customers served by those providers and  
9 the disposition of those complaints. To facilitate this function,  
10 registered entities shall file with the commission information  
11 describing the terms and conditions of any standard service plan  
12 made available to residential and small commercial customers.  
13 The commission shall adopt a standard format for this filing. The  
14 commission shall maintain and make generally available a list of  
15 entities offering electrical services operating in California. This  
16 list shall include all registered providers and those providers not  
17 required to be registered who request the commission to be  
18 included in the list. The commission shall, upon request, make this  
19 information available at no charge. Notwithstanding any other  
20 provision of law, public agencies that are registered entities shall  
21 be required to disclose their terms and conditions of service  
22 contracts only to the same extent that other registered entities  
23 would be required to disclose the same or similar service contracts.  
24 (2) The commission shall issue public alerts about companies  
25 attempting to provide electric service in the state in an unauthorized  
26 or fraudulent manner as defined in subdivision (b) of Section  
27 394.25.  
28 (3) (A) This subdivision is inoperative except for time periods  
29 in which providers are authorized to offer service to residential  
30 customers and the combined enrollments in competitive retail  
31 electric service in the service territories of the Pacific Gas and  
32 Electric Company, Southern California Edison Company, and San  
33 Diego Gas and Electric Company increase at a rate of more than  
34 5 percent per month.

1 (B) The commission shall notify, in writing, the Secretary of  
2 State at the beginning and end of any time period described in  
3 subparagraph (A).

4 SEC. 2. Section 394.3 of the Public Utilities Code is amended  
5 to read:

6 394.3. To carry out essential elements of a sustainable and  
7 effective consumer protection program in connection with electric  
8 service providers offering electrical service to residential and small  
9 commercial customers as intended by the Legislature in this article,  
10 the following shall apply:

11 (a) The commission shall collect a registration fee of one  
12 hundred dollars (\$100) from electric service providers required to  
13 register under this article, and deposit the fee proceeds in the Public  
14 Utilities Reimbursement Account established under Section 402.

15 (b) The commission shall annually determine the costs of  
16 administering the registration program and other facets of consumer  
17 protection directly related to the direct access transactions of  
18 electric service providers. The commission shall collect only those  
19 costs not already being collected elsewhere. A registrant who fails  
20 to submit to the commission a required fee or a piece of information  
21 upon which fees are calculated within 30 days of billing shall be  
22 subject to a 15-percent penalty.

23 SEC. 3. Section 394.5 of the Public Utilities Code is amended  
24 to read:

25 394.5. (a) Except for an electrical corporation as defined in  
26 Section 218, or a local publicly owned electric utility offering  
27 electrical service to residential and small commercial customers  
28 within its service territory, each electric service provider offering  
29 electrical service to residential and small commercial customers  
30 shall, prior to the commencement of service, provide the potential  
31 customer with a written notice of the service describing the price,  
32 terms, and conditions of the service. A notice shall include all of  
33 the following:

34 (1) A clear description of the price, terms, and conditions of  
35 service, including:

36 (A) The price of electricity expressed in a format that makes it  
37 possible for residential and small commercial customers to compare  
38 and select among similar products and services on a standard basis.  
39 The commission shall adopt rules to implement this subdivision.  
40 The commission shall require disclosure of the total price of

1 electricity on a cents-per-kilowatt-hour basis, including the costs  
2 of all electric services and charges regulated by the commission.  
3 The commission shall also require estimates of the total monthly  
4 bill for the electric service at varying consumption levels, including  
5 the costs of all electric services and charges regulated by the  
6 commission. In determining these rules, the commission may  
7 consider alternatives to the cents-per-kilowatt-hour disclosure if  
8 other information would provide the customer with sufficient  
9 information to compare among alternatives on a standard basis.

10 (B) Separate disclosure of all recurring and nonrecurring charges  
11 associated with the sale of electricity.

12 (C) If services other than electricity are offered, an itemization  
13 of the services and the charge or charges associated with each.

14 (2) An explanation of the applicability and amount of the  
15 competition transition charge, as determined pursuant to Sections  
16 367 to 376, inclusive.

17 (3) A description of the potential customer's right to rescind  
18 the contract without fee or penalty as described in Section 395.

19 (4) An explanation of the customer's financial obligations, as  
20 well as the procedures regarding past due payments, discontinuance  
21 of service, billing disputes, and service complaints.

22 (5) The electric service provider's registration number, if  
23 applicable.

24 (6) The right to change service providers upon written notice,  
25 including disclosure of any fees or penalties assessed by the  
26 supplier for early termination of a contract.

27 (7) A description of the availability of low-income assistance  
28 programs for qualified customers and how customers can apply  
29 for these programs.

30 (b) The commission may assist electric service providers in  
31 developing the notice. The commission may suggest inclusion of  
32 additional information it deems necessary for the consumer  
33 protection purposes of this section. On at least a semiannual basis,  
34 electric service providers shall provide the commission with a copy  
35 of the form of notice included in standard service plans made  
36 available to residential and small commercial customers.

37 (c) An electric service provider offering electric services who  
38 declines to provide those services to a consumer shall, upon request  
39 of the consumer, disclose to that consumer the reason for the denial  
40 in writing within 30 days. At the time service is denied, the electric

1 service provider shall disclose to the consumer the right to make  
 2 this request. A consumer shall have at least 30 days from the date  
 3 service is denied to make the request.

4 SEC. 4. Chapter 4.7 (commencing with Section 980) is added  
 5 to Part 1 of Division 1 of the Public Utilities Code, to read:

6  
 7  
 8

CHAPTER 4.7. CORE TRANSPORT AGENT

9 980. As used in this chapter, the following terms mean the  
 10 following:

11 (a) *“Core gas customer” has the same meaning as that specified*  
 12 *in the tariff of the utility whose territory the customer in question*  
 13 *lies within.*

14 (a)

15 (b) *“Core transport agent” means an entity that offers gas service*  
 16 *to customers within the service territory of a gas corporation, but*  
 17 *does not include a gas corporation, and does not include a public*  
 18 *agency that offers gas service to residential and small commercial*  
 19 *core and noncore gas customers within its jurisdiction, or within*  
 20 *the service territory of a local publicly owned gas utility. “Core*  
 21 *transport agent” includes the unregulated affiliates and subsidiaries*  
 22 *of a gas corporation.*

23 (b)

24 (c) *“Gas corporation” has the same meaning as that set forth in*  
 25 *Section 222.*

26 (e) ~~*“Small commercial customer” means a customer that has a*~~  
 27 ~~*maximum peak demand of less than 20,800 therms.*~~

28 981. (a) A core transport agent shall register with the  
 29 commission within 90 days after the commission has adopted  
 30 standards for financial viability, and technical and operational  
 31 capacity. As a precondition to registration, the core transport agent  
 32 shall provide, under oath, declaration, or affidavit, all of the  
 33 following information to the commission:

- 34 (1) Legal name and any other names under which the core
- 35 transport agent is doing business in California.
- 36 (2) Current telephone number.
- 37 (3) Current address.
- 38 (4) Agent for service of process.
- 39 (5) State and date of incorporation, if any.

1 (6) Number for a customer contact representative, or other  
2 personnel for receiving customer inquiries.

3 (7) Brief description of the nature of the service being provided.

4 (8) Disclosure of any civil, criminal, or regulatory sanctions or  
5 penalties imposed within the 10 years immediately prior to  
6 registration, against the company or any owner, partner, officer,  
7 or director of the company pursuant to any state or federal  
8 consumer protection law or regulation, and of any felony  
9 convictions of any kind against the company or any owner, partner,  
10 officer, or director of the company. In addition, a core transport  
11 agent shall furnish the commission with fingerprints for those  
12 owners, partners, officers, and managers of the core transport agent  
13 specified by any commission decision applicable to all core  
14 transport agents. The commission shall submit completed  
15 fingerprint cards to the Department of Justice. Those fingerprints  
16 shall be available for use by the Department of Justice and the  
17 Department of Justice may transmit the fingerprints to the Federal  
18 Bureau of Investigation for a national criminal history record check.  
19 The commission may use information obtained from a national  
20 criminal history record check conducted pursuant to this section  
21 to determine a core transport agent's eligibility for registration.

22 (9) Proof of financial viability. The commission shall develop  
23 uniform standards for determining financial viability and shall  
24 publish those standards for public comment no later than June 30,  
25 2014. In determining the financial viability of the core transport  
26 agent, the commission shall take into account the number of  
27 customers the potential registrant expects to serve, the number of  
28 therms of gas it expects to provide, and any other appropriate  
29 criteria to ensure that ~~residential and small commercial~~ *core gas*  
30 customers have adequate recourse in the event of fraud or  
31 nonperformance.

32 (10) Proof of technical and operational ability. The commission  
33 shall develop uniform standards for determining technical and  
34 operational capacity and shall publish those standards for public  
35 comment no later than June 30, 2014.

36 (11) *A statement stating the following:*

37  
38 *“Neither the applicant, any of its affiliates, officers, directors,*  
39 *partners, agents, or owners (directly or indirectly) with more than*  
40 *10 percent interest in the applicant, or anyone acting in a*

1 *management capacity for applicant has: (A) held one of those*  
2 *positions with a company that filed for bankruptcy, (B) been*  
3 *personally found liable, or held one of those positions with a*  
4 *company that has been found liable, for fraud, dishonesty, failure*  
5 *to disclose, or misrepresentations to consumers or others, (C) been*  
6 *convicted of a felony, (D) been (to his or her knowledge) the subject*  
7 *of a criminal referral by a judge or public agency, (E) had a license*  
8 *of operating authority denied, suspended, revoked, or limited in*  
9 *any jurisdiction, (F) personally entered into a settlement, or held*  
10 *one of those positions with a company that has entered into*  
11 *settlement, of criminal or civil claims involving violations of*  
12 *Chapter 4 (commencing with Section 17000) of Part 2 of, or Part*  
13 *3 (commencing with Section 17500) of Division 7 of, the Business*  
14 *and Professions Code or of any other statute, regulation, or*  
15 *decisional law relating to fraud, dishonesty, failure to disclosure,*  
16 *or misrepresentations to consumers or others, (G) been found to*  
17 *have violated any statute, law, or rule pertaining to public utilities*  
18 *or other regulated industries, or (H) entered into any settlements*  
19 *or agreements, made any voluntary payments, or agreed to any*  
20 *other type of monetary forfeitures in resolution of any action by*  
21 *any regulatory body, agency, or attorney general.”*

22

23 (b) Before reentering the market, a core transport agent whose  
24 registration has been revoked shall file a formal application with  
25 the commission that satisfies the requirements set forth in Section  
26 982 and demonstrates the fitness and ability of the core transport  
27 agent to comply with all applicable rules of the commission.

28 (c) Registration with the commission is an exercise of the  
29 licensing function of the commission, and does not constitute  
30 regulation of the rates or terms and conditions of service offered  
31 by core transport agents. This part does not authorize the  
32 commission to regulate the rates or terms and conditions of service  
33 offered by core transport agents.

34 982. (a) The registration shall be deemed approved and a  
35 registration number issued no later than 45 days after the required  
36 information has been submitted, unless the commission’s executive  
37 director finds, upon review of the information submitted by the  
38 core transport agent or available to the commission, that there is  
39 evidence to support a finding that the core transport agent has  
40 committed an act constituting grounds for denial of registration as

1 specifically set forth in the operative provisions of this chapter,  
2 including, but not limited to, subdivision (c).

3 (b) Upon a finding by the commission’s executive director that  
4 there is evidence to support a finding that the core transport agent  
5 has committed an act constituting grounds for denial of registration  
6 as set forth in this section, the commission shall notify the core  
7 transport agent in writing, cause the documents submitted by the  
8 core transport agent to be filed as a formal application for  
9 registration, and notice an expedited hearing on the registration of  
10 the core transport agent to be held within 30 days of the notification  
11 to the core transport agent of the executive director’s finding of  
12 evidence to support denial of registration. The commission shall,  
13 within 45 days after holding the hearing, issue a decision on the  
14 registration request which shall be based on the findings of fact  
15 and conclusions of law based on the evidence presented at the  
16 hearing. The decision shall include the findings of fact and the  
17 conclusions of law relied upon.

18 (c) (1) The commission may deny an application for registration  
19 in accordance with subdivision (b) on the grounds that the core  
20 transport agent or any officer or director of the core transport agent  
21 has one or more of the following:

22 (A) Been convicted of a crime as described in paragraph (8) of  
23 subdivision (a) of Section 981.

24 (B) Failure to make a sufficient showing with respect to  
25 paragraphs (1) to (10), inclusive, of subdivision (a) of Section 981.

26 (C) Knowingly made a false statement of fact in the application  
27 for registration.

28 (2) The commission may deny registration pursuant to this  
29 subdivision only if the crime or act is substantially related to the  
30 qualifications, functions, or duties required to provide gas service  
31 to end use customers of gas or the false statement is material to  
32 the registration application. For purposes of this subdivision,  
33 conviction of a crime shall be established in the same manner as  
34 that set forth in paragraph (1) of subdivision (a) of Section 480 of  
35 the Business and Professions Code.

36 (d) The commission shall require core transport agents registered  
37 under this section to update their registration information set forth  
38 in paragraphs (1) to (10), inclusive, of subdivision (a) of Section  
39 981 within 60 days of any material change in the information

1 provided. Material changes to any other information required  
2 pursuant to this article shall be updated annually.

3 983. (a) The commission shall accept, compile, and attempt  
4 to informally resolve consumer complaints regarding core transport  
5 agents. If the commission reasonably suspects a pattern of customer  
6 abuses, the commission may, on its own motion, initiate  
7 investigations into the activities of a core transport agent offering  
8 gas service. Consumer complaints regarding service by a public  
9 agency offering gas service within the political boundary of the  
10 public agency or service territory of a local publicly owned gas  
11 utility shall continue to be resolved by the public agency. Within  
12 the service territory of a local publicly owned utility, consumer  
13 complaints arising from the violation of core transport service rules  
14 adopted by the governing body of the local publicly owned utility  
15 shall be resolved through the local publicly owned utility's  
16 consumer complaint procedures.

17 (b) Notwithstanding other provisions, ~~residential and small~~  
18 ~~commercial~~ *core gas* customers shall have the option to proceed  
19 with a complaint against a core transport agent either through an  
20 action filed in the judicial court system or through a complaint  
21 filed with the commission. A customer who elects either the  
22 judicial or commission remedies may not raise the same claim in  
23 both forums. The commission shall have the authority to accept,  
24 compile, and resolve ~~residential, and small commercial~~ *core gas*  
25 consumer complaints, including the authority to award reparations.  
26 The commission's authority in these complaint proceedings is  
27 limited to adjudication of complaints regarding ~~residential and~~  
28 ~~small commercial~~ *core gas* service provided by a core transport  
29 agent and shall not be expanded to include ~~either~~ an award of any  
30 ~~other damages or through~~ regulation of the rates or charges of the  
31 core transport agent. However, a person or core transport agent  
32 that takes a conflict to the commission shall not be precluded from  
33 pursuing an appeal of the decision through the courts as provided  
34 for by law.

35 (c) In connection with customer complaints or commission  
36 investigations into customer abuses, core transport agents shall  
37 provide the commission access to their accounts, books, papers,  
38 and documents related to California transactions as described in  
39 Sections 313 and 314, if the information is relevant to the complaint  
40 or investigation.

1 (d) A core transport agent shall not discontinue service to a  
2 customer for a disputed amount if that customer has filed a  
3 complaint that is pending with the commission, and that customer  
4 has paid the disputed amount into an escrow account.

5 983.5. (a) (1) The commission may enforce Sections 2102,  
6 2103, 2104, 2105, 2107, 2108, and 2114 against a core transport  
7 agent as if the core transport agent is a public utility for purposes  
8 of those sections.

9 (2) Notwithstanding paragraph (1), this section does not grant  
10 the commission jurisdiction to regulate core transport agents other  
11 than as specifically set forth in this chapter. Core transport agents  
12 shall continue to be subject to Sections 2111 and 2112.

13 (3) Upon a finding by the commission's executive director that  
14 there is evidence to support a finding that the core transport agent  
15 has committed an act constituting grounds for suspension or  
16 revocation of registration as set forth in subdivision (b), the  
17 commission shall notify the core transport agent in writing and  
18 notice an expedited hearing on the suspension or revocation of the  
19 core transport agent's registration to be held within 30 days of the  
20 notification to the core transport agent of the executive director's  
21 finding of evidence to support suspension or revocation of  
22 registration. The commission shall, within 45 days after holding  
23 the hearing, issue a decision on the suspension or revocation of  
24 registration, which shall be based on findings of fact and  
25 conclusions of law based on the evidence presented at the hearing.  
26 The decision shall include the findings of fact and the conclusions  
27 of law relied upon.

28 (b) A core transport agent may have its registration suspended  
29 or revoked, immediately or prospectively, in whole or in part, for  
30 any of the following acts:

31 (1) Making material misrepresentations in the course of  
32 soliciting customers, entering into service agreements with those  
33 customers, or administering those service agreements.

34 (2) Dishonesty, fraud, or deceit with the intent to substantially  
35 benefit the core transport agent or its employees, agents, or  
36 representatives, or to disadvantage retail gas customers.

37 (3) If the commission finds that there is evidence that the core  
38 transport agent is not financially or operationally capable of  
39 providing the offered gas service.

1 (4) The misrepresentation of a material fact by an applicant in  
2 obtaining a registration pursuant to Section 981.

3 (c) Pursuant to its authority to revoke or suspend registration,  
4 the commission may suspend a registration for a specified period  
5 or revoke the registration, or in lieu of suspension or revocation,  
6 impose a moratorium on adding or soliciting additional customers.  
7 Any suspension or revocation of a registration shall require the  
8 core transport agent to cease serving customers within the  
9 boundaries of investor-owned gas corporations, and the affected  
10 customers shall be served by the gas corporation until the time  
11 when they may select service from another core transport agent.  
12 A customer shall not be liable for the payment of any early  
13 termination fees or other penalties to any core transport agent under  
14 the service agreement if the serving core transport agent’s  
15 registration is suspended or revoked.

16 (d) If a customer of a core transport agent is involuntarily  
17 returned to service provided by a gas corporation, any reentry fee  
18 imposed on that customer that the commission deems is necessary  
19 to avoid imposing costs on other customers of the gas corporation  
20 shall be the obligation of the core transport agent, except in the  
21 case of a customer returned due to default in payment or other  
22 contractual obligations or because the customer’s contract has  
23 expired. As a condition of its registration, a core transport agent  
24 shall post a bond or demonstrate insurance sufficient to cover those  
25 reentry fees. ~~In the event that a core transport agent becomes~~  
26 ~~insolvent and is unable to discharge its obligation to pay reentry~~  
27 ~~fees, the fees shall be allocated to the returning customers. fees,~~  
28 *including reentry fees for customers returned in the event of the*  
29 *core transport agent becoming insolvent.*

30 983.7. If a customer files a claim with a gas corporation for  
31 damages to property resulting from the curtailment of gas service  
32 due to the failure of the gas corporation to reasonably provide  
33 service or restore service within a reasonable time after a fire,  
34 flood, earthquake, other natural disaster, or act of God, the gas  
35 corporation shall inform the customer that the claim may be  
36 pursued in small claims court or other judicial courts, depending  
37 on the amount of the claim.

38 984. In order to carry out essential elements of a sustainable  
39 and effective consumer protection program in connection with  
40 core transport agents offering gas service to ~~residential and small~~

1 ~~commercial~~ *core gas* customers as intended by the Legislature in  
2 this chapter, the following shall apply:

3 (a) A registration fee of one hundred dollars (\$100) shall be  
4 collected from a core transport agent required to register under  
5 this chapter and the fee proceeds shall be deposited in the Public  
6 Utilities Reimbursement Account established under Section 402.  
7 The commission may adjust the fee as necessary to recover the  
8 cost of administering the program.

9 (b) The commission shall annually determine the costs of  
10 administering the registration program and other facets of consumer  
11 protection directly related to the core transport service transactions  
12 of core transport agents, including the cost for the duties imposed  
13 pursuant to subdivision (c) of Section 984.5. The commission shall  
14 only collect those costs not already being collected elsewhere.  
15 Registrants who fail to submit to the commission required fees or  
16 information upon which fees are calculated within 30 days of  
17 billing shall be subject to a 15-percent penalty.

18 984.5. (a) The commission shall compile and regularly update  
19 the following information: names and contact numbers of a  
20 registered core transport agent, information to assist consumers in  
21 making service choices, and the number of customer complaints  
22 against specific providers in relation to the number of customers  
23 served by those providers and the disposition of those complaints.  
24 To facilitate this function, registered entities shall file with the  
25 commission information describing the terms and conditions of  
26 any standard service plan made available to ~~residential and small~~  
27 ~~commercial~~ *core gas* customers. The commission shall adopt a  
28 standard format for this filing. The commission shall maintain and  
29 make generally available a list of entities offering core transport  
30 services operating in California. This list shall include all registered  
31 core transport agents and those agents not required to be registered  
32 that request the commission to be included on the list. The  
33 commission shall, upon request, make this information available  
34 at no charge. Notwithstanding any other law, public agencies that  
35 are registered entities shall be required to disclose their terms and  
36 conditions of service contracts only to the same extent that other  
37 registered entities would be required to disclose the same or similar  
38 service contracts.

39 (b) The commission shall issue public alerts about companies  
40 attempting to provide core transport service in the state in an

1 unauthorized or fraudulent manner as defined in subdivision (b)  
2 of Section 983.5.

3 (c) The commission shall ~~direct the Office of Ratepayer~~  
4 ~~Advocates~~ to collect and analyze information provided pursuant  
5 to subdivision (a) for purposes of preparing easily understandable  
6 informational guides or other tools to help ~~residential and small~~  
7 ~~commercial~~ *core gas* customers understand how to evaluate  
8 competing core transport service options. In implementing these  
9 provisions, the commission shall ~~direct the Office of Ratepayer~~  
10 ~~Advocates~~ to pay special attention to ensuring that customers,  
11 especially those with limited-English-speaking ability or other  
12 disadvantages when dealing with marketers, receive correct,  
13 reliable, and easily understood information to help them make  
14 informed choices. The ~~Office of Ratepayer Advocates~~ *commission*  
15 shall not make specific recommendations or rank the relative  
16 attractiveness of specific service offerings of registered providers  
17 of core transport services.

18 (d) *The Division of Ratepayer Advocates shall analyze*  
19 *customers' complaints submitted to the gas corporation and to the*  
20 *commission and the disposition of those complaints to determine*  
21 *if the changes in the consumer protection rules are necessary to*  
22 *better protect the participants in the core transportation program,*  
23 *and make recommendation to the commission regarding those rule*  
24 *changes.*

25 985. Rules that implement the following minimum standards  
26 shall be adopted by the commission for core transport agents  
27 offering gas services to ~~residential and small commercial~~ *core gas*  
28 customers and the governing body of a public agency offering gas  
29 services to ~~residential and small commercial~~ *core gas* customers  
30 within its jurisdiction:

31 (a) Confidentiality. Customer information shall be confidential  
32 unless the customer consents in writing. This shall encompass  
33 confidentiality of customer specific billing, credit, or usage  
34 information. This requirement shall not extend to disclosure of  
35 generic information regarding the usage, load shape, or other  
36 general characteristics of a group or rate classification, unless the  
37 release of that information would reveal customer specific  
38 information because of the size of the group, rate classification,  
39 or nature of the information.

1 (b) Physical disconnects and reconnects. Only a gas corporation,  
2 or a publicly owned gas utility, that provides physical delivery  
3 service to the affected customer shall have the authority to  
4 physically disconnect or reconnect a customer from the  
5 transmission or distribution grid. Physical disconnection by gas  
6 corporations subject to the commission's jurisdiction shall occur  
7 only in accordance with protocols established by the commission.  
8 Physical disconnection by publicly owned gas utilities shall occur  
9 only in accordance with protocols established by the governing  
10 board of the local publicly owned gas utility.

11 (c) Change in providers. Upon adequate notice supplied by a  
12 core transport agent to the gas corporation or local publicly owned  
13 gas utility providing physical delivery service, customers who are  
14 eligible for core transport service may change their energy supplier.  
15 Energy suppliers may charge for this change, provided that any  
16 fee or penalty charged by the supplier associated with early  
17 termination of service, shall be disclosed in that contract or  
18 applicable tariff.

19 (d) Written notices. Notices describing the terms and conditions  
20 of service as described in Section 986, service agreements, notices  
21 of late payment, notices of discontinuance of service, and  
22 disconnection notices addressed to ~~residential and small~~  
23 ~~commercial~~ *core gas* customers shall be easily understandable and  
24 shall be provided in the language in which the core transport agent  
25 offered the services.

26 (e) Billing. All bills shall have a standard bill format, as  
27 determined by the commission or the governing body, and shall  
28 contain sufficient detail for the customer to recalculate the bill for  
29 accuracy. Any late fees shall be separately stated. A core transport  
30 agent shall provide on all customer bills a telephone number by  
31 which customers may contact the core transport agent to report  
32 and resolve billing inquiries and complaints. A core transport agent  
33 contacted by a customer regarding a billing dispute shall advise  
34 the customer at the time of the initial contact that the customer  
35 may file a complaint with the commission if the customer's dispute  
36 is not satisfactorily resolved by the core transport agent.

37 (f) Meter integrity. A gas customer shall have a reasonable  
38 opportunity to have his or her meter tested to ensure the reasonable  
39 accuracy of the meter. The commission or governing body shall  
40 determine who is responsible for the cost of that testing.

1 (g) Customer deposits. Core transport agents may require  
2 customer deposits before commencing service, but in no event  
3 shall the deposit be more than the estimated bill for the customer  
4 for a three-month period.

5 (h) Additional protections. The commission or the governing  
6 body may adopt additional ~~residential and small commercial~~ *core*  
7 *gas* consumer protection standards that are in the public interest.

8 986. (a) Except for a gas corporation, or a local publicly owned  
9 gas utility offering gas service to ~~residential and small commercial~~  
10 *core gas* customers within its service territory, a core transport  
11 agent offering gas service to ~~residential and small commercial~~ *core*  
12 *gas* customers shall, prior to the commencement of service, provide  
13 the potential customer with a written notice of the service  
14 describing the price, terms, and conditions of the service. The  
15 notices shall include all of the following:

16 (1) A clear description of the price, terms, and conditions of  
17 service, including all of the following:

18 (A) The price of gas expressed in a format that makes it possible  
19 for ~~residential and small commercial~~ *core gas* customers to  
20 compare and select among similar products and services on a  
21 standard basis. The commission shall adopt rules to implement  
22 this subdivision. The commission shall require disclosure of the  
23 total price of gas on a cents-per-therm basis, including the costs  
24 of all gas services and charges regulated by the commission. The  
25 commission shall also require estimates of the total monthly bill  
26 for the gas service at varying consumption levels, including the  
27 costs of all gas services and charges regulated by the commission.  
28 In determining these rules, the commission may consider  
29 alternatives to the cents-per-therm disclosure if other information  
30 would provide the customer with sufficient information to compare  
31 among alternatives on a standard basis.

32 (B) Separate disclosure of all recurring and nonrecurring charges  
33 associated with the sale of gas.

34 (C) If services other than gas are offered, an itemization of the  
35 services and the charge or charges associated with each.

36 (2) A description of the potential customer's right to rescind  
37 the contract without fee or penalty as described in Section 989.1.

38 (3) An explanation of the customer's financial obligations, as  
39 well as the procedures regarding past due payments, discontinuance  
40 of service, billing disputes, and service complaints.

1 (4) The core transport agent’s registration number, if applicable.

2 (5) The right to change service providers upon written notice,  
3 including disclosure of any fees or penalties assessed by the  
4 supplier for early termination of a contract.

5 (6) A description of the availability of low-income assistance  
6 programs for qualified customers and how customers can apply  
7 for these programs.

8 (b) The commission may assist core transport agents in  
9 developing the notice. The commission may suggest inclusion of  
10 additional information it deems necessary for the consumer  
11 protection purposes of this section. On at least a semiannual basis,  
12 a core transport agent shall provide the commission with a copy  
13 of the form of notice included in its standard service plans made  
14 available to ~~residential and small commercial~~ *core gas* customers  
15 as described in subdivision (a) of Section 984.5.

16 (c) Any core transport agent offering gas services who declines  
17 to provide those services to a consumer shall, upon request of the  
18 consumer, disclose to that consumer the reason for the denial in  
19 writing within 30 days. At the time service is denied, the core  
20 transport agent shall disclose to the consumer his or her right to  
21 make this request. Consumers shall have at least 30 days from the  
22 date service is denied to make the request.

23 987. (a) The commission shall maintain a list of ~~residential~~  
24 ~~and small commercial~~ *core gas* customers who do not wish to be  
25 solicited by telephone, by a gas corporation, marketer, broker, or  
26 aggregator for gas service, to subscribe to or change their core  
27 transport agent. The commission shall not assess a charge for  
28 inclusion of a customer on the list. The list shall be updated  
29 periodically, but no less than quarterly.

30 (b) The list shall include sufficient information for gas  
31 corporations, marketers, brokers, or aggregators of gas service to  
32 identify customers who do not wish to be solicited, including a  
33 customer’s address and telephone number. The list shall be made  
34 accessible electronically from the commission to any party  
35 regulated as a gas corporation or registered at the commission as  
36 an electric marketer, broker, or aggregator of gas service.

37 (c) A gas corporation, marketer, broker, or aggregator of gas  
38 service shall not solicit, by telephone, any customer on the list  
39 prepared pursuant to subdivision (a). Any gas corporation,  
40 marketer, broker, or aggregator of gas service, or the representative

1 of a gas corporation, marketer, broker, or aggregator of gas service,  
2 who solicits any customer on the list prepared pursuant to  
3 subdivision (a) more than once shall be liable to the customer for  
4 twenty-five dollars (\$25) for each contact in violation of this  
5 subdivision.

6 988. Notwithstanding any other provision of this chapter,  
7 requirements placed on a core transport agent shall not apply to  
8 gas services provided by a local publicly owned gas utility to  
9 customers within the jurisdiction or service territory of that local  
10 publicly owned gas utility.

11 989. Unclaimed refunds ordered by the commission, and any  
12 accrued interest, may be used by the commission to fund additional  
13 consumer protection efforts.

14 989.1. (a) In addition to any other right to revoke an offer,  
15 ~~residential and small commercial~~ *core gas* customers of gas service,  
16 have the right to cancel a contract for gas service until midnight  
17 of the third business day after the day on which the buyer signs an  
18 agreement or offer to purchase.

19 (b) Cancellation occurs when the buyer gives written notice of  
20 cancellation to the seller at the address specified in the agreement  
21 or offer.

22 (c) Notice of cancellation, if given by mail, is effective when  
23 deposited in the mail properly addressed with postage prepaid.

24 (d) Notice of cancellation given by the buyer need not take the  
25 particular form as provided with the contract or offer to purchase  
26 and, however expressed, is effective if it indicates the intention of  
27 the buyer not to be bound by the contract.

28 989.5. (a) A consumer damaged by a violation of this chapter  
29 by a core transport agent is entitled to recover all of the following:

30 (1) Actual damages.

31 (2) The consumer's reasonable attorney's fees and court costs.

32 (3) Exemplary damages, in the amount the court deems proper,  
33 for intentional or willful violations.

34 (4) Equitable relief as the court deems proper.

35 (b) The rights, remedies, and penalties established by this  
36 chapter are in addition to the rights, remedies, or penalties  
37 established under any other law.

38 (c) This chapter does not abrogate any authority of the Attorney  
39 General to enforce existing law.

1     SEC. 5. No reimbursement is required by this act pursuant to  
2 Section 6 of Article XIII B of the California Constitution because  
3 the only costs that may be incurred by a local agency or school  
4 district will be incurred because this act creates a new crime or  
5 infraction, eliminates a crime or infraction, or changes the penalty  
6 for a crime or infraction, within the meaning of Section 17556 of  
7 the Government Code, or changes the definition of a crime within  
8 the meaning of Section 6 of Article XIII B of the California  
9 Constitution.

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