

AMENDED IN ASSEMBLY JANUARY 13, 2016

AMENDED IN ASSEMBLY JANUARY 4, 2016

AMENDED IN ASSEMBLY APRIL 9, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1180

Introduced by Assembly Member Cristina Garcia

February 27, 2015

An act to add and repeal Section 755.5 of the Public Utilities Code, relating to utility service.

LEGISLATIVE COUNSEL'S DIGEST

AB 1180, as amended, Cristina Garcia. Rates and charges for water service: payment transaction fees.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical, gas, and water 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 authorizes an electrical, gas, or water corporation to offer credit card and debit card bill payment options, if approved by the commission, and, upon approval, authorizes an electrical, gas, or water corporation to recover, through an individual customer transaction fee, reasonable transaction costs incurred by the electrical, gas, or water corporation from those customers that choose those methods of payment. Existing law includes statements of legislative intent relative to electrical, gas, and water corporations offering customers the option to pay by credit card or debit card.

This bill would, until January 1, ~~2025~~, 2022, authorize a water corporation with more than 10,000 connections to seek commission

approval to operate a pilot program designed to evaluate customer interest in, and utilization of, bill payment options, including, but not limited to, credit card and debit card bill payment options, for their water bills and to assess the cost-effectiveness of, and public interests served by, customer access to those bill payment options. The bill would require the commission to allow a water corporation to recover the reasonable expenses incurred by the water corporation in providing its customers with these bill payment options, and to allow water corporations to not impose a transaction fee on its customers for using these bill payment options. *The bill would prohibit the costs of a pilot program from being collected by low-income customers who participate in specified programs, and would require a water corporation that is operating a pilot program to provide certain notifications to its customers.* The bill would require the commission, *in consultation with the Low-Income Oversight Board, by July 1, ~~2023~~, 2020*, to submit a report to *specified legislative committees* that includes *an assessment of the use of credit cards by low-income customers to avoid service disconnections, an assessment of the impact of the use of credit cards for water bills on household debt burden, and an assessment of data* regarding customer utilization and the cost-effectiveness of the bill payment options provided under the pilot program. The bill would require the report, based on ~~this data~~ *these assessments* and an assessment of the public interests served by these bill payment options, to evaluate the usefulness of an individual customer transaction fee and include a recommendation regarding individual customer transaction fees for credit card and debit card bill payments accepted by water corporations.

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

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

- 1 SECTION 1. Section 755.5 is added to the Public Utilities
- 2 Code, to read:
- 3 755.5. (a) A water corporation with more than 10,000 service
- 4 connections may seek, through its general rate case application,
- 5 commission approval to operate a pilot program designed to
- 6 evaluate customer interest in, and utilization of, bill payment
- 7 options, including, but not limited to, credit card and debit card
- 8 bill payment options, for their water bills and to assess the

1 cost-effectiveness of, and public interests served by, customer
2 access to those bill payment options.

3 (b) Notwithstanding Section 755, the commission shall allow
4 a water corporation to recover the reasonable expenses incurred
5 by the water corporation in providing to its customers bill payment
6 options pursuant to subdivision (a) and shall not require the water
7 corporation to impose a transaction fee on its customers.

8 (c) *The costs of a pilot program adopted pursuant to subdivision*
9 *(a) may not be recovered from customers participating in the*
10 *California Alternate Rates for Energy (CARE) program established*
11 *pursuant to Section 739.1 or in a water rate relief program for*
12 *low-income ratepayers established pursuant to Section 739.8.*

13 (d) *The commission shall require a water corporation that is*
14 *operating a pilot program to notify its customers that the water*
15 *corporation is participating in a pilot program and that the pilot*
16 *program may not continue, pending an assessment of the costs*
17 *and benefits of the pilot program to customers.*

18 (e)

19 (e) The commission shall ensure that accepting bill payment
20 options pursuant to subdivision (a) neither increases nor decreases
21 the rate of return of the water corporation.

22 (f)

23 (f) This section shall remain in effect only until January 1, ~~2025,~~
24 2022, and as of that date is repealed, unless a later enacted statute,
25 that is enacted before January 1, ~~2025,~~ 2022, deletes or extends
26 that date.

27 SEC. 2. By July 1, ~~2023,~~ the commission 2020, the commission,
28 in consultation with the Low-Income Oversight Board established
29 pursuant to Section 382.1 of the Public Utilities Code, shall submit
30 to the Assembly Committee on Utilities and Commerce and the
31 Senate Committee on Energy, Utilities and Communications a
32 report that ~~includes,~~ *includes an assessment of the use of credit*
33 *cards by low-income customers to avoid service disconnections,*
34 *an assessment of the impact of the use of credit cards for water*
35 *bills on household debt burden, and an assessment of data,*
36 *considered on an aggregated basis,* ~~data~~ regarding customer
37 utilization and the cost-effectiveness of the bill payment options
38 provided by the water corporations operating pilot programs
39 pursuant to Section 755.5 of the Public Utilities Code. Based on
40 ~~this data~~ *these assessments* and an assessment of the public interests

1 served by providing these bill payment options, the report shall
2 evaluate the usefulness of the individual customer transaction fee
3 required by Section 755 of the Public Utilities Code, and include
4 a recommendation regarding individual customer transaction fees
5 for credit card and debit card payments accepted by water
6 corporations.

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