

AMENDED IN SENATE JUNE 29, 2009

AMENDED IN ASSEMBLY JUNE 1, 2009

AMENDED IN ASSEMBLY MAY 4, 2009

AMENDED IN ASSEMBLY APRIL 22, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1108

Introduced by Assembly Member Fuentes

February 27, 2009

An act to amend Sections 739.5, 2791, 2796, and 2797 of, to repeal Sections ~~2792~~, 2793, 2794, 2795, and 2799 of, and to repeal and add ~~Section~~ *Sections 2792 and 2798* of, the Public Utilities Code, relating to utility service.

LEGISLATIVE COUNSEL'S DIGEST

AB 1108, as amended, Fuentes. Electric and gas utility service: master-meter customers.

(1) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations and gas corporations. Existing law requires that, when gas or electric service is provided by a master-meter customer to users who are tenants of a mobilehome park, apartment building, or similar residential complex, the master-meter customer charge each user at the same rate that would be applicable if the user were receiving gas or electricity directly from the gas or electrical corporation. Existing law additionally requires the electrical or gas corporation to establish uniform rates to master-meter customers at a level that will provide a sufficient differential to cover the reasonable average costs to

master-meter customers of providing submeter service, except that these costs shall not exceed the average cost that the corporation would have incurred in providing comparable services directly to the users of the service (master-meter discount). Existing law provides that every master-meter customer is responsible for the maintenance and repair of its submeter facilities beyond the master-meter.

This bill would *make the existing provisions of law relating to master-meter customers applicable only to master-meter customers providing submetered service to tenants of an apartment building or similar multifamily residential dwelling. The bill would adopt separate provisions that are applicable to a master-meter customer that provides submetered service to tenants of a mobilehome park or manufactured housing community. These provisions would* authorize the commission, if it finds that a master-meter customer has failed to maintain or repair its submeter facilities beyond the master-meter, to order the master-meter customer to maintain or repair those facilities and would authorize the commission, in addition to the commission's authority to make or enforce orders pursuant to the Public Utilities Act, to order that certain moneys received as a result of the master-meter discount be held in trust to be expended for maintenance and repair of the ~~submeter~~ *submetered facilities of the mobilehome park or manufactured housing community*. The bill would require a master-meter customer to separately *bill tenants of a mobilehome park or manufactured housing community* for gas or electric service, or both, and rent. ~~The bill, and~~ would prohibit ~~a~~ *the* master-meter customer from charging a user of electricity or gas any late charge for nonpayment or delayed payment of rent. The bill would require that any late charge imposed by a master-meter customer for nonpayment or delayed payment by a user for gas or electric service *at a mobilehome park or manufactured housing community* be in an amount that does not exceed that which the electrical or gas corporation would charge for nonpayment or delayed payment for electric or gas service.

(2) Existing law authorizes the owner of a master-metered mobilehome park or manufactured housing community that provides gas or electric service to residents to transfer ownership and operational responsibility for its gas or electric system to the gas or electrical corporation providing service in the area in which the park or community is located, pursuant to specified transfer and cost allocation procedures.

This bill would require the owner of a master-metered mobilehome park or manufactured housing community that provides gas or electric

service to residents to transfer ownership and operational responsibility for its gas or electric system to the gas or electrical corporation providing service in the area in which the park or community is located. The bill would require the commission, by January 1, 2010, to open a proceeding to adopt rules that establish the terms and conditions for the transfers, that balance certain goals and requirements. The commission would be required to prioritize the transfer of gas or electric systems with unsafe or substandard conditions. The bill would require the commission to permit the gas or electrical corporation to recover, in its revenue requirements and rates, the costs the commission finds reasonable to acquire, improve, and upgrade transferred mobilehome park or manufactured housing community gas or electric systems and would require, to the extent practical, that these costs be collected over 2 rate case cycles, rather than in a single cycle. The bill would require the commission, by January 1, 2011, to adopt a standard form agreement for transfer of gas and electric systems in mobilehome parks and manufactured housing communities, based upon the rules adopted by the commission, that would be the basis for expedited approval of the transfers. The bill would require that transfers commence as soon as the standard contract is available, to proceed according to the process adopted by the commission, and to be completed by January 1, 2016.

Under existing law, a violation of any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because a violation of an order or decision of the commission implementing its requirements would be a crime, the bill would impose a state-mandated local program by creating a new crime.

(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 739.5 of the Public Utilities Code is~~
2 ~~amended to read:~~
3 ~~739.5. (a) (1) The commission shall require that, whenever~~
4 ~~gas or electric service, or both, is provided by a master-meter~~

1 customer to users who are tenants of a mobilehome park, apartment
2 building, or similar residential complex, the master-meter customer
3 shall charge each user of the service at the same rate that would
4 be applicable if the user were receiving gas or electricity, or both,
5 directly from the gas or electrical corporation.

6 (2) ~~The commission shall require the electrical or gas~~
7 ~~corporation furnishing service to the master-meter customer to~~
8 ~~establish uniform rates for master-meter service at a level that will~~
9 ~~provide a sufficient differential to cover the reasonable average~~
10 ~~costs to master-meter customers of providing submeter service,~~
11 ~~except that these costs shall not exceed the average cost that the~~
12 ~~corporation would have incurred in providing comparable services~~
13 ~~directly to the users of the service.~~

14 (b) ~~Every master-meter customer of a gas or electrical~~
15 ~~corporation subject to subdivision (a) who, on or after January 1,~~
16 ~~1978, receives any rebate from the corporation shall distribute to,~~
17 ~~or credit to the account of, each current user served by the~~
18 ~~master-meter customer that portion of the rebate which the amount~~
19 ~~of gas or electricity, or both, consumed by the user during the last~~
20 ~~billing period bears to the total amount furnished by the corporation~~
21 ~~to the master-meter customer during that period.~~

22 (c) ~~An electrical or gas corporation furnishing service to a~~
23 ~~master-meter customer shall furnish to each user of the service~~
24 ~~within a submetered system every public safety customer service~~
25 ~~which it provides beyond the meter to its other residential~~
26 ~~customers. The corporation shall furnish a list of those services to~~
27 ~~the master-meter customer who shall post the list in a conspicuous~~
28 ~~place accessible to all users. Every corporation shall provide these~~
29 ~~public safety customer services to each user of electrical or gas~~
30 ~~service under a submetered system without additional charge unless~~
31 ~~the corporation has included the average cost of these services in~~
32 ~~the rate differential provided to the master-meter customer on~~
33 ~~January 1, 1984, in which case the commission shall deduct the~~
34 ~~average cost of providing these public safety customer services~~
35 ~~when approving rate differentials for master-meter customers.~~

36 (d) (1) ~~Every master-meter customer is responsible for~~
37 ~~maintenance and repair of its submeter facilities beyond the~~
38 ~~master-meter, and nothing in this section requires an electrical or~~
39 ~~gas corporation to make repairs to or perform maintenance on the~~
40 ~~submeter system.~~

1 ~~(2) If the commission finds that a master-meter customer has~~
2 ~~failed to maintain or repair its submeter facilities beyond the~~
3 ~~master-meter, the commission may order the master-meter~~
4 ~~customer to maintain or repair those facilities.~~

5 ~~(3) In addition to any authority granted the commission to make~~
6 ~~or enforce orders pursuant to Chapter 11 (commencing with Section~~
7 ~~2100), if the commission finds that a master-meter customer has~~
8 ~~failed to maintain or repair its submeter facilities beyond the~~
9 ~~master-meter, the commission may order the portion of the rate~~
10 ~~differential established pursuant to subdivision (a) for an electric~~
11 ~~plant or a gas plant be held in trust to be expended for maintenance~~
12 ~~and repair of the submeter facilities.~~

13 ~~(e) (1) Every master-meter customer shall provide an itemized~~
14 ~~billing of charges for electricity or gas, or both, to each user~~
15 ~~generally in accordance with the form and content of bills of the~~
16 ~~corporation to its residential customers, including, but not limited~~
17 ~~to, the opening and closing readings for the meter, and the~~
18 ~~identification of all rates and quantities attributable to each block~~
19 ~~in the applicable rate structure. The master-meter customer shall~~
20 ~~also post, in a conspicuous place, the applicable prevailing~~
21 ~~residential gas or electrical rate schedule, as published by the~~
22 ~~corporation.~~

23 ~~(2) Notwithstanding any other provision of law, a master-meter~~
24 ~~customer shall separately bill each user for gas or electric service,~~
25 ~~or both, and rent. A master-meter customer shall not charge a user~~
26 ~~of electricity or gas any late charge for gas or electric service as a~~
27 ~~result of nonpayment or delayed payment of rent. For nonpayment~~
28 ~~of delayed payment of gas or electric service by a user, the~~
29 ~~master-meter customer may impose a late charge up to an amount~~
30 ~~that does not exceed that which the electrical or gas corporation~~
31 ~~would charge for nonpayment or delayed payment for electric or~~
32 ~~gas service.~~

33 ~~(f) The commission shall require that every electrical and gas~~
34 ~~corporation shall notify each master-meter customer of its~~
35 ~~responsibilities to its users under this section.~~

36 ~~(g) The commission shall accept and respond to complaints~~
37 ~~concerning the requirements of this section through the consumer~~
38 ~~affairs branch, in addition to any other staff that the commission~~
39 ~~deems necessary to assist the complainant. In responding to the~~
40 ~~complaint, the commission shall consider the role that the office~~

1 of the county sealer in the complainant's county of residence may
2 have in helping to resolve the complaint and, where appropriate,
3 coordinate with that office.

4 (h) ~~Notwithstanding any other provision of law or decision of~~
5 ~~the commission, the commission shall not deny eligibility for the~~
6 ~~California Alternative Rates for Energy (CARE) program, created~~
7 ~~pursuant to Section 739.1, for a residential user of gas or electric~~
8 ~~service who is a submetered resident or tenant served by a~~
9 ~~master-meter customer on the basis that some residential units in~~
10 ~~the master-meter customer's mobilehome park, apartment building,~~
11 ~~or similar residential complex do not receive gas or electric service~~
12 ~~through a submetered system.~~

13 *SECTION 1. Section 739.5 of the Public Utilities Code is*
14 *amended to read:*

15 739.5. (a) (1) The commission shall require that, ~~whenever~~
16 ~~if~~ gas or electric service, or both, is provided by a master-meter
17 customer to users who are tenants of a ~~mobilehome park, apartment~~
18 ~~building, or similar~~ *an apartment building or similar multifamily*
19 ~~residential complex dwelling~~, the master-meter customer shall
20 charge each user of the service at the same rate that would be
21 applicable if the user were receiving gas or electricity, or both,
22 directly from the gas or electrical corporation. ~~The~~

23 (2) ~~The~~ commission shall require the *gas or electrical*
24 corporation furnishing service to the master-meter customer to
25 establish uniform rates for master-meter service at a level that will
26 provide a sufficient differential to cover the reasonable average
27 costs to master-meter customers of providing submeter service *at*
28 *an apartment building or similar multifamily residential dwelling*,
29 except that these costs shall not exceed the average cost that the
30 corporation would have incurred in providing comparable services
31 directly to the users of the service.

32 (b) Every master-meter customer of a gas or electrical
33 corporation subject to subdivision (a) who, ~~on or after January 1,~~
34 ~~1978,~~ receives any rebate from the corporation shall distribute to,
35 or credit to the account of, each current user served by the
36 master-meter customer that portion of the rebate which the amount
37 of gas or electricity, or both, consumed by the user during the last
38 billing period bears to the total amount furnished by the corporation
39 to the master-meter customer during that period.

1 (c) An electrical or gas corporation furnishing service to a
2 master-meter customer shall furnish to each user of the service
3 within a submetered system *at an apartment building or similar*
4 *multifamily residential dwelling* every public safety customer
5 service which it provides beyond the meter to its other residential
6 customers. The corporation shall furnish a list of those services to
7 the master-meter customer, who shall post the list in a conspicuous
8 place accessible to all users. Every corporation shall provide these
9 public safety customer services to each user of electrical or gas
10 service under a submetered system without additional charge unless
11 the corporation has included the average cost of these services in
12 the rate differential provided to the master-meter customer on
13 January 1, 1984, in which case the commission shall deduct the
14 average cost of providing these public safety customer services
15 when approving rate differentials for master-meter customers.

16 (d) Every master-meter customer *at an apartment building or*
17 *similar multifamily residential dwelling* is responsible for
18 maintenance and repair of its submeter facilities beyond the
19 master-meter, and nothing in this section requires an electrical or
20 gas corporation to make repairs to or perform maintenance on the
21 submeter system.

22 (e) Every master-meter customer *at an apartment building or*
23 *similar multifamily residential dwelling* shall provide an itemized
24 billing of charges for electricity or gas, or both, to each ~~individual~~
25 user generally in accordance with the form and content of bills of
26 the *gas or electrical* corporation to its residential customers,
27 including, but not limited to, the opening and closing readings for
28 the meter, and the identification of all rates and quantities
29 attributable to each block in the applicable rate structure. The
30 master-meter customer shall also post, in a conspicuous place, the
31 applicable prevailing residential gas or electrical rate schedule, as
32 published by the corporation.

33 (f) The commission shall require that every electrical and gas
34 corporation shall notify each master-meter customer *at an*
35 *apartment building or similar multifamily residential dwelling* of
36 its responsibilities to its users under this section.

37 (g) The commission shall accept and respond to complaints
38 concerning the requirements of this section through the consumer
39 affairs branch, in addition to any other staff that the commission
40 deems necessary to assist the complainant. In responding to the

1 complaint, the commission shall consider the role that the office
2 of the county sealer in the complainant's county of residence may
3 have in helping to resolve the complaint and, where appropriate,
4 coordinate with that office.

5 (h) Notwithstanding any other provision of law or decision of
6 the commission, the commission shall not deny eligibility for the
7 California ~~Alternative~~ *Alternate* Rates for Energy (CARE) program,
8 created pursuant to Section 739.1, for a residential user of gas or
9 electric service who is a submetered resident or tenant served by
10 a master-meter customer on the basis that some residential units
11 in the master-meter customer's ~~mobilehome park, apartment~~
12 ~~building, or similar apartment building or similar multifamily~~
13 ~~residential complex dwelling~~ do not receive gas or electric service
14 through a submetered system.

15 SEC. 2. Section 2791 of the Public Utilities Code is amended
16 to read:

17 2791. The owner of a master-metered mobilehome park or
18 manufactured housing community that provides gas or electric
19 service to residents shall transfer ownership and operational
20 responsibility for the gas or electric system to the gas or electrical
21 corporation providing service in the area in which the park or
22 community is located pursuant to this chapter, or as the park or
23 community owner and the serving gas or electrical corporation
24 mutually agree.

25 SEC. 3. Section 2792 of the Public Utilities Code is repealed.

26 SEC. 4. Section 2792 is added to the Public Utilities Code, to
27 read:

28 2792. (a) (1) *The commission shall, prior to transfer, require*
29 *that, if gas or electric service, or both, is provided by a*
30 *master-meter customer to users who are tenants of a mobilehome*
31 *park or manufactured housing community, the master-meter*
32 *customer shall charge each user of the service at the same rate*
33 *that would be applicable if the user were receiving gas or*
34 *electricity, or both, directly from the gas or electrical corporation.*

35 (2) *The commission shall, prior to transfer, require the gas or*
36 *electrical corporation furnishing service to the master-meter*
37 *customer to establish uniform rates for master-meter service at a*
38 *level that will provide a sufficient differential to cover the*
39 *reasonable average costs to master-meter customers of providing*
40 *submeter service to tenants of a mobilehome park or manufactured*

1 housing community, except that these costs shall not exceed the
2 average cost that the corporation would have incurred in providing
3 comparable services directly to the users of the service.

4 (b) Every master-meter customer of a gas or electrical
5 corporation subject to subdivision (a) who receives any rebate
6 from the corporation shall distribute to, or credit to the account
7 of, each current user served by the master-meter customer that
8 portion of the rebate which the amount of gas or electricity, or
9 both, consumed by the user during the last billing period bears to
10 the total amount furnished by the corporation to the master-meter
11 customer during that period.

12 (c) A gas or electrical corporation furnishing service to a
13 master-meter customer shall, prior to transfer, furnish to each
14 user of the service within a submetered system of a mobilehome
15 park or manufactured housing community, every public safety
16 customer service which it provides beyond the meter to its other
17 residential customers. The corporation shall furnish a list of those
18 services to the master-meter customer, who shall post the list in a
19 conspicuous place accessible to all users. Every corporation shall
20 provide these public safety customer services to each user of gas
21 or electrical service under a submetered system without additional
22 charge unless the corporation has included the average cost of
23 these services in the rate differential provided to the master-meter
24 customer on January 1, 1984, in which case the commission shall
25 deduct the average cost of providing these public safety customer
26 services when approving rate differentials for master-meter
27 customers.

28 (d) (1) Prior to transfer, every master-meter customer providing
29 submetered service to tenants of a mobilehome park or
30 manufactured housing community is responsible for maintenance
31 and repair of its submetered facilities beyond the master-meter,
32 and nothing in this section requires a gas or electrical corporation,
33 prior to transfer, to make repairs to or perform maintenance on
34 the submetered system.

35 (2) If the commission finds, prior to transfer, that a master-meter
36 customer has failed to maintain or repair its submetered facilities
37 beyond the master-meter, the commission may order the
38 master-meter customer to maintain or repair those facilities.

39 (3) In addition to any authority granted the commission to make
40 or enforce orders pursuant to Chapter 11 (commencing with

1 Section 2100) of Part 1, if the commission finds, prior to transfer,
2 that a master-meter customer has failed to maintain or repair its
3 submetered facilities beyond the master-meter, the commission
4 may order the portion of the rate differential established pursuant
5 to subdivision (a) for an electric plant or a gas plant be held in
6 trust to be expended for maintenance and repair of the submetered
7 facilities.

8 (e) (1) Every master-meter customer shall, prior to transfer,
9 provide an itemized billing of charges for gas or electricity, or
10 both, to each user generally in accordance with the form and
11 content of bills of the gas or electrical corporation to its residential
12 customers, including, but not limited to, the opening and closing
13 readings for the meter, and the identification of all rates and
14 quantities attributable to each block in the applicable rate
15 structure. The master-meter customer shall also post, in a
16 conspicuous place, the applicable prevailing residential gas or
17 electrical rate schedule, as published by the corporation.

18 (2) Notwithstanding any other provision of law, prior to transfer
19 of the submetered system to the gas or electrical corporation, a
20 master-meter customer shall separately bill each user for gas or
21 electric service, or both, and rent.

22 (3) A master-meter customer shall not, prior to transfer of the
23 submetered system to the gas or electrical corporation, charge a
24 user of gas or electricity any late charge for gas or electric service
25 as a result of nonpayment or delayed payment of rent. For
26 nonpayment or delayed payment of gas or electric service by a
27 user, the master-meter customer may impose a late charge up to
28 an amount that does not exceed that which the gas or electrical
29 corporation would charge for nonpayment or delayed payment
30 for gas or electric service.

31 (f) The commission shall require that every gas and electrical
32 corporation notify each master-meter customer of its
33 responsibilities to its users under this section.

34 (g) The commission shall accept and respond to complaints
35 concerning the requirements of this section through the consumer
36 affairs branch, in addition to any other staff that the commission
37 deems necessary to assist the complainant. In responding to the
38 complaint, the commission shall consider the role that the office
39 of the county sealer in the complainant's county of residence may

1 have in helping to resolve the complaint and, where appropriate,
2 coordinate with that office.

3 (h) Notwithstanding any other provision of law or decision of
4 the commission, the commission shall not deny eligibility for the
5 California Alternate Rates for Energy (CARE) program, created
6 pursuant to Section 739.1, for a residential user of gas or electric
7 service who is a submetered resident or tenant served by a
8 master-meter customer on the basis that some residential units in
9 the master-meter customer's mobilehome park or manufactured
10 housing community do not receive gas or electric service through
11 a submetered system.

12 ~~SEC. 4.~~

13 SEC. 5. Section 2793 of the Public Utilities Code is repealed.

14 ~~SEC. 5.~~

15 SEC. 6. Section 2794 of the Public Utilities Code is repealed.

16 ~~SEC. 6.~~

17 SEC. 7. Section 2795 of the Public Utilities Code is repealed.

18 ~~SEC. 7.~~

19 SEC. 8. Section 2796 of the Public Utilities Code is amended
20 to read:

21 2796. (a) During the pendency of a transfer, the owner of the
22 park or community shall be responsible for the continued
23 maintenance to preserve the integrity of the park or community
24 gas or electric system and safe and reliable operation of the park
25 or community system in accordance with applicable laws.

26 (b) During the pendency of a transfer, the owner of the park or
27 community shall be liable for injury and damage resulting from
28 operation of the submetered gas and electric system. After transfer,
29 the gas or electrical corporation shall assume responsibility for
30 operation of the gas or electric system and provision of service to
31 residents of the park or community and shall assume liability for
32 any future injury or damage resulting from operation of the gas or
33 electric system except with respect to defects known to the park
34 or community owner and not disclosed to the gas or electrical
35 corporation during the transfer of ownership process.

36 ~~SEC. 8.~~

37 SEC. 9. Section 2797 of the Public Utilities Code is amended
38 to read:

39 2797. The commission shall permit the gas or electrical
40 corporation to recover in its revenue requirement and rates the

1 costs the commission finds reasonable to acquire, improve, and
2 upgrade transferred mobilehome park or manufactured housing
3 community gas or electric systems, as well as the reasonable costs
4 associated with operating and maintaining the transferred systems.

5 ~~SEC. 9.~~

6 *SEC. 10.* Section 2798 of the Public Utilities Code is repealed.

7 ~~SEC. 10.~~

8 *SEC. 11.* Section 2798 is added to the Public Utilities Code,
9 to read:

10 2798. (a) By January 1, 2010, the commission shall open a
11 proceeding to adopt rules that establish the terms and conditions,
12 including cost responsibilities, for the transfers required by Section
13 2791. The rules shall balance the goal of making residents of
14 mobilehome parks and manufactured housing communities
15 customers of record of the serving gas or electrical corporation as
16 expeditiously as possible and the requirement of fairness to
17 ratepayers, who have already reimbursed the master-meter
18 customer for maintenance costs, operating costs, return on
19 investment, and depreciation, as well as other costs associated with
20 providing submetered electric and gas service, through the rate
21 differential afforded master-meter customers pursuant to Section
22 739.5.

23 (b) In adopting rules governing the transfers required by Section
24 2791, the commission shall also adopt a process for ordering the
25 transfers to ensure that any reasonable costs associated with
26 acquiring, improving, or upgrading the gas or electric systems that
27 will be borne by the ratepayers of the serving gas or electrical
28 corporation are collected in rates over two rate case cycles, rather
29 than in a single cycle, to the extent practicable. The commission
30 shall prioritize the transfer of mobilehome parks and manufactured
31 housing communities that have gas or electric systems with unsafe
32 or substandard conditions.

33 (c) By January 1, 2011, the commission shall adopt a standard
34 form of agreement for transfer of a gas or electric system in a
35 mobilehome park or manufactured housing community, based on
36 the rules adopted in the proceeding required by this section, that
37 shall be the basis for expedited approval of the transfers. Transfers
38 shall commence as soon as the standard contract is available and
39 proceed according to the process adopted by the commission.

(d) All transfers required by Section 2791 shall be completed by January 1, 2016.

~~SEC. 11.~~

SEC. 12. Section 2799 of the Public Utilities Code is repealed.

~~SEC. 12.~~

SEC. 13. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.