

STATE OF CALIFORNIA

Public Utilities Commission
San Francisco

M e m o r a n d u m

Date: June 10, 2005

To: The Commission
(Meeting of June 16, 2005)

From: Delaney L. Hunter, Director
Office of Governmental Affairs (OGA) — Sacramento

Subject: **SB 580 (Escutia) CPUC: Low-Income Oversight Board.**
As Amended April 26, 2005

LEGISLATIVE SUBCOMMITTEE RECOMMENDATION: Support

SUMMARY: SB 580 would amend Section 382.1 of the Public Utilities (PU) Code to expand the duties of the Low Income Oversight Board (LIOB or Board) to include: 1) advising the Commission on low-income water customer issues and 2) serving as a liaison for the Commission to water low-income ratepayers and their representatives. In addition, SB 580 would add two more members to the Board to assist the Board in fulfilling their duties as expanded. The two new members, to be chosen by the Commission, include an additional member who would have expertise in the low-income community and who is not affiliated with any state agency or utility group and the second would be a representative from a water utility.

DIVISIONAL ANALYSIS (Energy/Water):

- The LIOB currently provides advice to the Commission on energy low-income program matters.
- Water low-income issues are currently addressed on a case-by-case basis, during rate cases.
- Current water industry structure - many of the regulated utilities have small districts with few ratepayers to absorb subsidies which has to-date prevented the formation of low-income water programs in such utilities.

LEGISLATIVE HISTORY:

- SB 2 (2001) added PU Code Section 382.1, which established the LIOB and sets forth the Board's duties and the Commission's responsibilities to the Board.

PROGRAM BACKGROUND:

- The Commission evaluates and oversees low-income water programs and funding levels.

FISCAL IMPACT:

- Initially, the Commission will need to open an application and appointment process to add the two additional members to the Board.
- On an ongoing basis, the Water Division will need to provide technical and administrative support to the Board on water issues.
- In addition, a rulemaking on water low-income programs may need to be initiated to facilitate the Commission's compliance with PU Code Section 382.1(e)(1), which requires the Commission to work with the Board, interested parties and community-based organizations to increase participation in low-income programs.
- Finally, an increase will occur in the LIOB's budget each year to facilitate the Board's compliance with the expansion of their duties. The increase in Commission staff to accomplish compliance with SB 580 would need to come from the existing budget.

STATUS: Passed the Senate. In Assembly Rules awaiting committee assignment.

SUPPORT/OPPOSITION:

Support: Verified 4/27/05)

Association of California Community and Energy Services
Maravilla Foundation
Southern California Forum
Southland Energy Systems

Opposition:

None on file.

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Date: June 10, 2005

BILL NUMBER: SB 580 AMENDED
BILL TEXT

AMENDED IN SENATE APRIL 26, 2005
AMENDED IN SENATE MARCH 31, 2005

INTRODUCED BY Senator Escutia
(Principal coauthor: Senator Alarcon)

FEBRUARY 18, 2005

An act to amend Section 382.1 of the Public Utilities Code,
relating to the Public Utilities Commission.

LEGISLATIVE COUNSEL'S DIGEST

SB 580, as amended, Escutia. Public Utilities Commission:
Low-Income Oversight Board.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities and can establish its own procedures, subject to statutory limitations or directions and constitutional requirements of due process. Existing law establishes a Low-Income Oversight Board to advise the commission on low-income electric and gas customers issues and to serve as a liaison for the commission to low-income ratepayers and representatives. Existing law specifies the membership of the board.

This bill would expand the duties of the board to include advising the commission on low-income water customer issues and to serve as a liaison for the commission to those low-income ratepayers and representatives. The bill would increase the membership of the board by 2 persons selected by the commission, the first with expertise in the low-income community and who is not affiliated with any state agency or utility group, and the second who is a representative of a water corporation.

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

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 382.1 of the Public Utilities Code is amended to read:

382.1.

(a) There is hereby established a Low-Income Oversight Board that shall advise the commission on low-income electric, gas, ~~telecommunications,~~ and water customer issues and shall serve as a liaison for the commission to low-income ratepayers and representatives. The Low-Income Oversight Board shall replace the Low-Income Advisory Board in existence on January 1, 2000. The Low-Income Oversight Board shall do all of the following to advise the commission regarding the commission's duties:

(1) Monitor and evaluate implementation of all programs provided to low-income electricity, gas, and water customers.

(2) Assist in the development and analysis of any assessments of low-income customer need.

(3) Encourage collaboration between state and utility programs for low-income electricity and gas customers to maximize the leverage of

state and federal energy efficiency funds to both lower the bills and increase the comfort of low-income customers.

(4) Provide reports to the Legislature, as requested, summarizing the assessment of need, audits, and analysis of program implementation.

(5) Assist in streamlining the application and enrollment process of programs for low-income electricity and gas customers with general low-income programs, including, but not limited to, the Universal Lifeline Telephone Service (ULTS) program.

(6) Encourage the usage of the network of community service providers in accordance with Section 381.5.

(b) The Low-Income Oversight Board shall be comprised of 11 members to be selected as follows:

(1) Five members selected by the commission who have expertise in the low-income community and who are not affiliated with any state agency or utility group. These members shall be selected in a manner to ensure an equitable geographic distribution.

(2) One member selected by the Governor.

(3) One member selected by the commission who is a commissioner or commissioner designee.

(4) One member selected by the Department of Community Services and Development.

(5) One member selected by the commission who is a representative of private weatherization contractors.

(6) One member selected by the commission who is a representative of an electrical or gas corporation.

(7) One member selected by the commission who is a representative of a water corporation.

(c) The Low-Income Oversight Board shall alternate meeting locations between northern, central, and southern California.

(d) The Low-Income Oversight Board may establish a technical advisory committee consisting of low-income service providers, utility representatives, consumer organizations, and commission staff, to assist the board and may request utility representatives and commission staff to assist the technical advisory committee.

(e) The commission shall do all of the following in conjunction with the board:

(1) Work with the board, interested parties, and community-based organizations to increase participation in programs for low-income customers.

(2) Provide technical support to the board.

(3) Ensure that the energy burden of low-income electricity and gas customers is reduced.

(4) Provide formal notice of board meetings in the commissions' daily calendar.

(f) (1) Members of the board and members of the technical advisory committee shall be eligible for compensation in accordance with state guidelines for necessary travel.

(2) Members of the board and members of the technical advisory committee who are not salaried state service employees shall be eligible for reasonable compensation for attendance at board meetings.

(3) All reasonable costs incurred by the board in carrying out its duties pursuant to subdivision (a), including, staffing, travel, and administrative costs, shall be reimbursed through the public utilities reimbursement account and shall be part of the budget of the commission and the commission shall consult with the board in the preparation of that portion of the commission's annual proposed budget.