

HEATHER HADWICK

MEMBER FOR THE 1ST ASSEMBLY DISTRICT



FACT SHEET

AB 1945 – Expanding Ratepayer Billing Options

IN BRIEF

Municipal Utility Districts (MUD) bill ratepayers for electricity usage.

Assembly Bill 1945 allows Lassen MUD to offer ratepayers a prepay billing option.

Specifically, this bill authorizes a district furnishing electrical service to less than 100,000 customers to offer consumers a prepay option for electrical service if the consumer opts in.

BACKGROUND & ISSUE

The Municipal Utility District Act governs MUDs provision of utility services. Current law prohibits termination of residential service for nonpayment without prior notice and an opportunity to cure delinquency.

Most utility customers are billed on a post-use basis for electricity, receiving a monthly statement reflecting energy usage. While this billing system works for many households, it can create challenges for low-income ratepayers living on fixed or irregular incomes, who may struggle with large, infrequent bills or unexpected charges. Critically, the fees associated with stopping and restarting service, even for a short delinquency period, can be financially devastating for low-income ratepayers.

Ratepayers within Lassen MUD's service territory have requested a prepay billing option for electrical service. This system would allow customers to pay in advance for energy use as a credit rather than receive a bill after usage. However, MUDs currently lack the statutory authority to offer this billing alternative.

SOLUTION

By allowing customers to prepay for electric service, AB 1945 provides ratepayers with an additional tool to manage household

expenses, track usage more closely, and avoid costly bills and fees.

Under this bill, traditional billing options are preserved and participation in the program must be voluntary. The bill also requires a district to provide up-to-date balance information and low-balance alerts.

AB 1945 expands consumer choice and makes energy more affordable for ratepayers.

SUPPORT

Lassen Municipal Utility District (Sponsor)

CONTACT

Andrew Nickens
Andrew.Nickens@asm.ca.gov
(916) 319-2011