

ASSEMBLY BILL

No. 59

Introduced by Assembly Member Alquist

May 25, 2001

An act to add Sections 380.5, 739.4, and 743.9 to the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 59, as introduced, Alquist. Public utilities: rates.

Under the Public Utilities Act, the Public Utilities Commission has regulatory authority over electrical and gas corporations.

This bill would require the commission to develop a rate reduction program applicable to residential customers who decrease their consumption of electricity by 20 percent or more from the comparable period of the prior year, on a month-to-month basis. The bill would require the commission to annually evaluate the program and report to the Legislature.

Existing law requires the commission to designate a baseline quantity of electricity and gas necessary for a significant portion of the reasonable energy needs of the average residential customer and in so doing to take into account climatic and seasonal variations in consumption and the availability of gas service. Existing law requires the commission to require that every electrical and gas corporation file a schedule for rates and charges providing baseline rates. Existing law requires that the baseline rate apply to the first or lowest block of an increasing block rate structure that is the baseline quantity. Existing law requires, in order to maintain certain ratios, the commission to review and revise baseline quantities as average consumption patterns change.

This bill would require the commission to review and recalculate the baseline quantities designated under these provisions, on or before December 1, 2001, and no less than every 2 years thereafter.

The bill would require the commission, on or before December 1, 2001, to submit a report to the Legislature regarding the feasibility of (1) adopting a baseline quantity that is based on consideration of the number of residents per household and the use of residences as home offices and (2) establishing a category of customer distinguishable from industrial and commercial customers that includes electronic manufacturers, Internet service companies, and similar businesses.

Existing law authorizes the Public Utilities Commission to fix just and reasonable rates for all public utilities under its jurisdiction.

This bill would, until June 1, 2004, prohibit the increase of the rates that were approved by the commission on May 15, 2001, in Decision 01-05-064, applicable to Pacific Gas and Electric Company (PG&E) and Southern California Edison Company (Edison). The bill would provide that the rates may be reduced during that period.

Because any violation of the act is a crime under existing provisions of the law, this bill would impose a state-mandated local program.

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 380.5 is added to the Public Utilities
- 2 Code, to read:
- 3 380.5. (a) The commission shall establish a rate reduction
- 4 program applicable to residential customers who decrease their
- 5 consumption of electricity by 20 percent or more from the
- 6 comparable period of the prior year, on a month-to-month basis.
- 7 (b) The commission, annually, shall evaluate and submit a
- 8 report to the Legislature on the rate reduction program established
- 9 pursuant to subdivision (a).



1 SEC. 2. Section 739.4 is added to the Public Utilities Code, to
2 read:

3 739.4. The commission shall review and recalculate the
4 baseline quantity designated pursuant to Section 739, on or before
5 December 1, 2001, and no less than every two years thereafter. The
6 baseline quantity shall be based on current information about
7 average household usage of electricity and gas.

8 SEC. 3. Section 743.9 is added to the Public Utilities Code, to
9 read:

10 743.9. Until June 1, 2004, the rates that were approved by the
11 commission on May 15, 2001, in Decision 01-05-064, applicable
12 to Pacific Gas and Electric Company (PG&E) and Southern
13 California Edison Company (Edison) shall not be increased. The
14 rates may be reduced during that period.

15 SEC. 4. The commission shall submit a report to the
16 Legislature on or before December 1, 2001, that evaluates the
17 feasibility of both of the following:

18 (1) Adopting a baseline quantity that is based on consideration
19 of the number of residents per household and use of residential
20 facilities as home offices.

21 (2) Establishing a category of customer distinguishable from
22 industrial and commercial customers that includes electronic
23 manufacturers, Internet service companies, and similar
24 businesses.

25 SEC. 5. No reimbursement is required by this act pursuant to
26 Section 6 of Article XIII B of the California Constitution because
27 the only costs that may be incurred by a local agency or school
28 district will be incurred because this act creates a new crime or
29 infraction, eliminates a crime or infraction, or changes the penalty
30 for a crime or infraction, within the meaning of Section 17556 of
31 the Government Code, or changes the definition of a crime within
32 the meaning of Section 6 of Article XIII B of the California
33 Constitution.

O

