

AMENDED IN SENATE AUGUST 7, 2002

AMENDED IN SENATE JUNE 20, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 2669

Introduced by Assembly Member Maldonado

February 22, 2002

An act to amend Section 829 of the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 2669, as amended, Maldonado. Public utilities: stocks and security transactions.

The Public Utilities Act generally exempts from provisions of that act governing stocks and security transactions any person or corporation that transacts no business subject to regulation under the act, except performing services or delivering commodities for or to public utilities or municipal or other public corporations primarily for resale or use in serving the public. Notwithstanding that general exemption, those provisions of the act governing stocks and security transactions apply to any public utility if the Public Utilities Commission finds that the application of those provisions is required by the public interest. The act authorizes the commission to exempt any public utility or class of public utility from those stock and security transaction provisions if it finds that their application is not necessary in the public interest.

This bill, except as specified, would exempt from those stock and security transaction provisions a telephone corporation that is regulated

under a new regulatory framework that utilizes a price-cap index, price adjustment formula, or substantially similar mechanism established by the commission, unless the corporation secures the financing by pledging a plant or assets.

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. It is the intent of the Legislature that the
2 amendments to Section 829 of the Public Utilities Code made by
3 the act adding this section not hinder the commission's existing
4 authority to disallow imprudent expenses or capital expenditures
5 of the utilities under its jurisdiction, or the commission's authority
6 to impute a capital structure or cost of capital for utilities under its
7 jurisdiction.

8 SEC. 2. Section 829 of the Public Utilities Code is amended
9 to read:

10 829. (a) This article does not apply to a person or corporation
11 that transacts no business subject to regulation under this part,
12 except performing services or delivering commodities for or to
13 public utilities or municipal or other public corporations primarily
14 for resale or use in serving the public or any portion thereof but
15 shall, nevertheless, apply to any public utility if the commission
16 finds, in a proceeding to which the public utility is or may become
17 a party, that the application of this article is required by the public
18 interest.

19 (b) (1) The requirements in this article for commission
20 approval of utility financing do not apply to a telephone
21 corporation that is regulated under a new regulatory framework
22 that utilizes a price-cap index, price adjustment formula, or
23 substantially similar mechanism established by the commission, if
24 the corporation does not pledge a plant or assets to secure the
25 financing. However, this article shall continue to apply to any
26 telephone corporation that is also an electric or gas corporation that
27 is a public utility, as defined in Section 216.

28 (2) Notwithstanding paragraph (1), a telephone corporation as
29 described in this subdivision shall remain subject to Section 817,
30 that provision of Section 820 regarding contracts, Section 824,
31 those provisions of Section 826 and subdivision (a) of Section 827



1 that impose penalties for disobeying statutory and constitutional
2 requirements, *Section* 828 and Section 830.

3 (3) Notwithstanding paragraph (1), the commission may
4 reimpose any or all of the requirements of this article for
5 commission approval of utility financing if the commission finds,
6 in a proceeding to which the public utility is or may become a
7 party, that the application of any or all of those requirements is
8 required by the public interest.

9 (c) The commission may from time to time by order or rule, and
10 subject to those terms and conditions that may be prescribed in the
11 order or rule, exempt any public utility or class of public utility
12 from this article, or any portion of this article, if it finds that the
13 application of this article to a public utility or class of public utility
14 is not necessary in the public interest.

