

ASSEMBLY BILL

No. 2838

Introduced by Assembly Member Kelley

February 25, 2002

An act to add Section 455.2 to the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 2838, as introduced, Kelley. Water rates.

Existing law requires the Public Utilities Commission to establish rates for water corporations.

This bill would require the commission to follow a certain procedure when a water corporation files with the commission, pursuant to the commission's rate case plan for general rate increase applications or pursuant to an advice letter submitted in accordance with commission procedures, a schedule stating rates, classifications, contracts, practices, or rules for the service of water.

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. The Legislature finds and declares all of the
2 following:

3 (a) Water corporations are currently faced with and will
4 continue to be faced with the following:

5 (1) The need to devote ever increasing resources, time, and
6 capital to secure and protect their public water supplies and public

1 water systems from sabotage, infection, contamination, damage,
2 or interference by terrorists, or threats of terrorists.

3 (2) The need to design, construct, and operate water system
4 infrastructure, plants, and facilities, using the best available
5 technologies, to comply with increasingly stringent state and
6 federal safe drinking water laws and resolutions.

7 (3) The need to develop new sources of supply, make existing
8 sources of supply safe, secure, and more reliable, and encourage
9 and implement water conservation measures, including water
10 reclamation and reuse.

11 (4) The need to replace or upgrade water infrastructure, plants,
12 and facilities to meet the governing fire flow standards for public
13 fire protection purposes and to protect the public health and safety.

14 (b) The California Public Utilities Commission needs to act
15 timely in making determinations and establishing rates for water
16 service so that the water corporations can meet their obligation to
17 provide their ratepayers with safe, secure, and reliable water
18 service.

19 SEC. 2. Section 455.2 is added to the Public Utilities Code, to
20 read:

21 455.2. Whenever a water corporation files with the
22 commission, pursuant to the commission's rate case plan for
23 general rate increase applications or pursuant to an advice letter
24 submitted in accordance with commission procedures for this
25 means of submission, a schedule stating rates, classifications,
26 contracts, practices, or rules for the service of water, the
27 commission shall observe the following procedures:

28 (a) Except as provided in subdivisions (b), (c), and (d) the
29 schedule, as filed, shall become effective, on an interim basis
30 subject to refund, 214 days following the date the application was
31 filed pursuant to the commission's rate case plan for general rate
32 increase applications or 40 days following the filing of the
33 schedule pursuant to an advice letter.

34 (b) If, upon its own initiative, the commission, acting through
35 the staff organization with responsibility for reviewing general
36 rate case applications or advice letter filings, determines that the
37 schedule filed by a water corporation is not justified, it shall notify
38 the water corporation of the determination in writing 99 days from
39 the date of filing of an application and 30 days from the date of
40 filing of the schedule pursuant to an advice letter and shall state in

1 the notice all changes to the schedule that are required to make it
2 just and reasonable in the opinion of the staff organization. Upon
3 the filing of a revised schedule by the water corporation within 10
4 days of receipt of the notice from the commission, acting through
5 the staff organization, incorporating all changes specified in the
6 notice, the revised schedule shall become effective, on an interim
7 basis not subject to refund, upon the expiration of five days from
8 the date of the refiling.

9 (c) If a water corporation does not file a revised schedule
10 incorporating all changes specified in the notice of changes as
11 provided in subdivision (b), the schedule as filed shall become
12 effective on an interim basis, upon the expiration of 30 days from
13 the date of filing of the notice, subject to refund of any amount of
14 the rate subsequently found by the commission to be in excess of
15 a just and reasonable rate.

16 (d) If the commission, acting through the staff organization,
17 files a notice of changes as provided in subdivision (b), the
18 commission shall set the matter for a hearing on the application or
19 advice letter to be held within a reasonable time from the date of
20 the notice. The revised schedule shall become final upon
21 commission action approving the revised schedule or otherwise as
22 the commission finds to be just and reasonable.

