

**SENATE BILL**

**No. 27**

**Introduced by Senator Bowen**

January 31, 2001

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An act to amend Section 80110 of the Water Code, relating to electric power, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 27, as introduced, Bowen. Electric power.

Existing law imposes various duties and responsibilities on the Department of Water Resources with respect to the sale of water and power.

This bill would, after a period of time that the bill would require the Public Utilities Commission to determine, suspend the right of a retail end use customer to acquire service from other providers until the department no longer supplies power, as specified.

The bill would declare that it is to take effect immediately as an urgency statute.

Vote: <sup>2</sup>/<sub>3</sub>. 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, in enacting this  
2 act, to establish a policy to govern the circumstances under which  
3 retail end use customers may choose to acquire service from  
4 energy providers other than the Department of Water Resources.  
5 The goal of that policy is to provide retail end use customers the  
6 greatest possible flexibility in procuring power while preventing

1 any negative consequences for those customers who continue to be  
2 served by the Department of Water Resources.

3 SEC. 2. Section 80110 of the Water Code, as proposed by  
4 Assembly Bill No. 1 of the 2001-02 First Extraordinary Session,  
5 is amended to read:

6 80110. The department shall retain title to all power sold by  
7 it to the retail end use customers. The department shall be entitled  
8 to recover, as a revenue requirement, amounts and at the times  
9 necessary to enable it to comply with Section 80134, and shall  
10 advise the commission as the department determines to be  
11 appropriate. Such revenue requirements may also include any  
12 advances made to the department hereunder or hereafter for  
13 purposes of this division, or from the Department of Water  
14 Resources Electric Power Fund, and General Fund moneys  
15 expended by the department pursuant to the Governor's  
16 Emergency Proclamation dated January 17, 2001. For purposes of  
17 this division and except as otherwise provided in this section, the  
18 Public Utility Commission's authority as set forth in Section 451  
19 of the Public Utilities Code shall apply, except any just and  
20 reasonable review under Section 451 shall be conducted and  
21 determined by the department. The commission may enter into an  
22 agreement with the department with respect to charges under  
23 Section 451 for purposes of this division, and that agreement shall  
24 have the force and effect of a financing order adopted in  
25 accordance with Article 5.5 (commencing with Section 840) of  
26 Chapter 4 of Part 1 of Division 1 of the Public Utilities Code, as  
27 determined by the commission. In no case shall the commission  
28 increase the electricity charges in effect on the date that the act that  
29 adds this section becomes effective for residential customers for  
30 existing baseline quantities or usage by those customers of up to  
31 130 percent of existing baseline quantities. After the passage of  
32 such period of time after the effective date of this section as shall  
33 be determined by the commission, the right of retail end use  
34 customers pursuant to Article 6 (commencing with Section 360)  
35 of Chapter 2.3 of Part 1 of Division 1 of the Public Utilities Code  
36 to ~~be served by~~ *acquire service from* other providers shall be  
37 suspended until the department no longer supplies power  
38 ~~hereunder~~ *under this division*. The department shall have the same  
39 rights with respect to the payment by retail end use customers for



1 power sold by the department as do providers of power to such  
2 customers.

3 SEC. 3. This act shall become operative only if Assembly Bill  
4 No. 1 of the 2001-02 First Extraordinary Session is enacted and  
5 becomes operative.

6 SEC. 4. This act is an urgency statute necessary for the  
7 immediate preservation of the public peace, health, or safety  
8 within the meaning of Article IV of the Constitution and shall go  
9 into immediate effect. The facts constituting the necessity are:

10 In order to establish, at the earliest possible time, a policy to  
11 govern the circumstances under which retail end use customers  
12 may choose to acquire service from energy providers other than  
13 the Department of Water Services, it is necessary that this act take  
14 effect immediately.

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