

SENATE BILL

No. 85

Introduced by Senator Burton

June 11, 2001

An act to add Section 368.5 to the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 85, as introduced, Burton. Electrical restructuring: rates.

(1) Provisions of the Public Utilities Act restructuring the electrical industry establish a process for the recovery by specified electrical corporations of certain uneconomic costs during a transition period that began on January 1, 1998, and ends for an electrical corporation on the earlier of March 31, 2002, or the date that the electrical corporation fully recovers its uneconomic costs. Existing law imposes during the transition period a rate freeze and a 10% rate reduction to remain in effect until March 31, 2002, unless the electrical corporation fully recovers its uneconomic costs at an earlier date. Existing law provides for fixed transition amounts to enable electric utility corporations to recover uneconomic costs associated with electrical deregulation through a nonbypassable charge on classes of customers until December 31, 2001, with specified exceptions.

This bill would provide that upon the termination of the 10% rate reduction for residential and small commercial customers, as described above, rates shall not increase to the levels that existed prior to that reduction. The bill would prohibit the Public Utilities Commission from raising rates for residential and small commercial customers upon the termination date of the 10% rate reduction for residential and small commercial customers solely for the purposes of restoring rates to the

levels that existed prior to the 10% rate reduction. The bill would provide that its provisions do not affect the authority of the commission to raise rates for purposes other than the restoration of rates to the levels that existed prior to the 10% rate reduction. The bill would provide that its provisions do not further extend the authority to impose fixed transition amounts on customers or further authorize or extend rate reduction bonds. The bill would provide that to the extent its provisions conflict with any other provision of the Public Utilities Code, the provisions of this bill shall prevail.

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, in enacting the
2 act adding this section, to not usurp the authority of the Public
3 Utilities Commission to set rates for electrical corporations.

4 SEC. 2. Section 368.5 is added to the Public Utilities Code, to
5 read:

6 368.5. (a) Upon the termination date of the 10 percent rate
7 reduction for residential and small commercial customers set forth
8 in subdivision (a) of Section 368, rates shall not increase to the
9 levels that existed prior to the 10 percent rate reduction. The
10 commission shall not raise rates for residential and small
11 commercial customers upon the termination date of the 10 percent
12 rate reduction for residential and small commercial customers set
13 forth in subdivision (a) of Section 368 solely for the purpose of
14 restoring rates to the levels that existed prior to the 10 percent rate
15 reduction.

16 (b) The provisions of subdivision (a) shall not affect the
17 authority of the commission to raise rates for purposes other than
18 the restoration of rates to the levels that existed prior to the 10
19 percent rate reduction.

20 (c) Nothing in this section shall further extend the authority to
21 impose fixed transition amounts, as defined in subdivision (d) of
22 Section 840, or further authorize or extend rate reduction bonds,
23 as defined in subdivision (e) of Section 840.



1 SEC. 3. To the extent the provisions of this act conflict with
2 any other provision of the Public Utilities Code, the provisions of
3 this act shall prevail.

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