

Senate Bill No. 85

CHAPTER 7

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

[Approved by Governor September 28, 2001. Filed with Secretary of State October 1, 2001.]

LEGISLATIVE COUNSEL'S DIGEST

SB 85, Burton. Electrical restructuring: rates.

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 prohibit the Public Utilities Commission from raising rates for residential and small commercial customers upon the termination of the 10% rate reduction for residential and small commercial customers, as described above, solely as a result of the termination of the 10% rate reduction. The bill would provide that its provisions do not affect the authority of the commission to raise rates for other reasons. 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.

The people of the State of California do enact as follows:

SECTION 1. It is the intent of the Legislature, in enacting the act adding this section, to not usurp the authority of the Public Utilities Commission to set rates for electrical corporations.

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



368.5. (a) Notwithstanding any other provision of law, upon the termination of the 10-percent rate reduction for residential and small commercial customers set forth in subdivision (a) of Section 368, the commission may not subject those residential and small commercial customers to any rate increases or future rate obligations solely as a result of the termination of the 10-percent rate reduction.

(b) The provisions of subdivision (a) do not affect the authority of the commission to raise rates for reasons other than the termination of the 10-percent rate reduction set forth in subdivision (a) of Section 368.

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

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

