

AMENDED IN SENATE JUNE 30, 2003

AMENDED IN ASSEMBLY APRIL 22, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1157

Introduced by Assembly Member Canciamilla

February 21, 2003

An act to amend Section 455.2 of, *and to add Section 455.4 to*, the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1157, as amended, Canciamilla. Public utilities: water *and* gas rates.

Existing law requires the Public Utilities Commission to establish rates for *gas corporations and* water corporations and requires the commission to issue a final decision, within a specified timeframe, on a water corporation's application, involving a water corporation with greater than 10,000 service connections, for a general rate increase pursuant to the commission's rate case plan for general rate increase applications.

This bill would require that the commission issue a final decision in an application by a water corporation with greater than 10,000 service connections, without regard to when the application is filed or was previously filed.

This bill would require the commission to issue a final decision in a general rate case application by a gas corporation with less than 250,000 service connections, so that the rate becomes effective on the first day of the first test year in the application. The bill would authorize

the applicant to file a tariff implementing interim rates that may be increased by an amount equal to the rate of inflation as compared to existing rates if the commission decision is not effective in accordance with this requirement. The bill would require the commission to establish a schedule to require every gas corporation with less than 250,000 service connections to file an application pursuant to the rate case plan for general rate increase every 3 years. The bill would provide that its provisions may be waived at any time by mutual consent of the executive director of the commission and the gas corporation.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

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

1 SECTION 1. Section 455.2 of the Public Utilities Code is
2 amended to read:
3 455.2. (a) The commission shall issue its final decision on a
4 general rate case application of a water corporation with greater
5 than 10,000 service connections in a manner that ensures that the
6 commission's decision becomes effective on the first day of the
7 first test year in the general rate increase application.
8 (b) If the commission's decision is not effective in accordance
9 with subdivision (a), the applicant may file a tariff implementing
10 interim rates that may be increased by an amount equal to the rate
11 of inflation as compared to existing rates. The interim rates shall
12 be effective on the first day of the first test year in the general rate
13 case application. These interim rates shall be subject to refund and
14 shall be adjusted upward or downward back to the interim rate
15 effective date, consistent with the final rates adopted by the
16 commission. The commission may authorize a lesser increase in
17 interim rates if the commission finds the rates to be in the public
18 interest. If the presiding officer in the case determines that the
19 commission's decision cannot become effective on the first day of
20 the first test year due to actions by the water corporation, the
21 presiding officer or commission may require a different effective
22 date for the interim rates or final rates.
23 (c) The commission shall establish a schedule to require every
24 water corporation subject to the rate case plan for water
25 corporations to file an application pursuant to the plan every three
26 years. The plan shall include a provision to allow the filing



1 requirement to be waived upon mutual agreement of the
2 commission and the water corporation.

3 (d) The requirements of subdivisions (a) and (b) may be waived
4 at any time by mutual consent of the executive director of the
5 commission and the water corporation.

6 (e) This section applies to every pending general rate case
7 application of a water corporation with greater than 10,000 service
8 connections, without regard to when the application is filed or was
9 previously filed. This subdivision does not constitute a change in,
10 but is declaratory of, the intent of the Legislature in adding this
11 section by enacting Chapter 1147 of the Statutes of 2002.

12 SEC. 2. *Section 455.4 is added to the Public Utilities Code, to*
13 *read:*

14 455.4. (a) *The commission shall issue its final decision on a*
15 *general rate case application of a gas corporation with less than*
16 *250,000 service connections in a manner that ensures that the*
17 *commission's decision becomes effective on the first day of the first*
18 *test year in the general rate increase application.*

19 (b) *If the commission's decision is not effective in accordance*
20 *with subdivision (a), the applicant may file a tariff implementing*
21 *interim rates that may be increased by an amount equal to the rate*
22 *of inflation as compared to existing rates. The interim rates shall*
23 *be effective on the first day of the first test year in the general rate*
24 *case application. These interim rates shall be subject to refund and*
25 *shall be adjusted upward or downward back to the interim rate*
26 *effective date, consistent with the final rates adopted by the*
27 *commission. The commission may authorize a lesser increase in*
28 *interim rates if the commission finds the rates to be in the public*
29 *interest. If the presiding officer in the case determines that the*
30 *commission's decision cannot become effective on the first day of*
31 *the first test year due to actions by the gas corporation, the*
32 *presiding officer or commission may require a different effective*
33 *date for the interim rates or final rates.*

34 (c) *The commission shall establish a schedule to require every*
35 *gas corporation subject to the rate case plan for gas corporations*
36 *to file an application pursuant to the plan every three years. The*
37 *plan shall include a provision to allow the filing requirement to be*
38 *waived upon mutual agreement of the commission and the gas*
39 *corporation.*

1 (d) *The requirements of subdivisions (a) and (b) may be waived*
2 *at any time by mutual consent of the executive director of the*
3 *commission and the gas corporation.*

4 (e) *This section applies to every pending general rate case*
5 *application of a gas corporation with less than 250,000 service*
6 *connections, without regard to when the application is filed or was*
7 *previously filed.*

8 SEC. 3. *By adding Section 2, it is the intent of the Legislature*
9 *to extend the time requirements for the commission to issue a final*
10 *decision on a general rate case application of a water corporation*
11 *with greater than 10,000 service connections, enacted in Chapter*
12 *1147 of the Statutes of 2002, to a general rate case application of*
13 *a gas corporation with less than 250,000 service connections.*

