

AMENDED IN ASSEMBLY APRIL 14, 2004

AMENDED IN ASSEMBLY MARCH 26, 2004

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 2803

Introduced by Assembly Member Jerome Horton

February 20, 2004

~~An act to amend Section 321.1 of, and to add Section 309.4 to, the Public Utilities Code, relating to the Public Utilities Commission. An act to add Section 1701.7 to the Public Utilities Code, relating to the Public Utilities Commission.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2803, as amended, Jerome Horton. Public Utilities Commission: ~~Office of Economic Development~~ hearings.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities and can establish its own procedures, subject to statutory limitations or directions and constitutional requirements of due process. Existing law requires the commission to determine whether a proceeding requires a quasi-legislative, an adjudication, or a ratesetting hearing.

This bill would require that when the commission determines that a ratesetting or quasi-legislative case requires a hearing, the assigned commissioner or administrative law judge designate in the scoping memorandum the need to perform an economic impact analysis; and if an economic impact analysis is needed, to include the findings of the analysis as a part of the final written decision.

~~Under existing law, the Public Utilities Commission has regulatory authority over public utilities. Existing law establishes a division within the Public Utilities Commission, known as the Office of Ratepayer Advocates, to represent the interests of public utility customers and subscribers, with the goal of obtaining the lowest possible rate for service consistent with reliable and safe service levels. Existing law states the intent of the Legislature that the commission assess the economic effects or consequences of its decisions within existing resources and commission structures, and prohibits the commission from establishing a separate office or department for the purpose of evaluating economic development consequences of commission activities.~~

~~This bill would delete the prohibition upon the commission establishing a separate office or department for the purpose of evaluating economic development consequences of commission activities and would establish the Office of Economic Development as a division within the commission to review and assess the beneficial and adverse economic impacts, as defined, intended and unintended, of commission decisions and orders in commission proceedings. The goal of the office would be to assist the commission in making decisions that will promote economic development and to avoid making decisions that will suppress economic development.~~

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. Section 309.4 is added to the Public Utilities~~
- 2 ~~SECTION 1. Section 1701.7 is added to the Public Utilities~~
- 3 ~~Code, to read:~~
- 4 ~~1701.7. (a) If the commission determines that a ratemaking~~
- 5 ~~or quasi-legislative case requires a hearing pursuant to Section~~
- 6 ~~1701.1, the assigned commissioner or the assigned administrative~~
- 7 ~~law judge shall designate in the scoping memorandum the need to~~
- 8 ~~perform an economic impact analysis. If a determination is made~~
- 9 ~~that an economic impact analysis is required, the findings of the~~
- 10 ~~analysis shall be included as a part of the final written decision.~~
- 11 ~~(b) Any additional cost to the commission resulting from the~~
- 12 ~~implementation of subdivision (a) shall not be borne by ratepayers~~
- 13 ~~or the General Fund.~~

Code, to read:

~~309.4.— (a) There shall be established within the commission, a division named the Office of Economic Development, which shall review and assess the beneficial and adverse economic impacts, intended and unintended, of commission decisions and orders in commission proceedings. The goal of the Office of Economic Development is to assist the commission in making decisions that will promote economic development and to avoid making decisions that will suppress economic development.~~

~~(b) For purposes of this section:~~

~~(1) “Adverse economic impacts” includes increasing costs, raising prices, loss of jobs or employment opportunities, reducing technological innovation or investment in technological innovation, reducing investment in infrastructure to serve consumers, and reducing consumer choices and options.~~

~~(2) “Beneficial economic impacts” include increased efficiency, reduced costs, reduced prices, technological innovation, increased employment, increased consumer choices, and increased information reasonably available to consumers to make informed choices.~~

~~SEC. 2.— Section 321.1 of the Public Utilities Code is amended to read:~~

~~321.1.— It is the intent of the Legislature that the commission assess the economic effects or consequences of its decisions as part of each ratemaking, rulemaking, or other proceeding, and that this be accomplished using existing resources and within existing commission structures.~~