

ASSEMBLY BILL

No. 895

Introduced by Assembly Member Rendon

February 26, 2015

An act to amend Section 453.5 of the Public Utilities Code, relating to utility rates.

LEGISLATIVE COUNSEL'S DIGEST

AB 895, as introduced, Rendon. Utility rate refunds: energy crisis litigation.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. When the commission orders rate refunds to be distributed, existing law requires the commission to require the public utility to pay refunds to all current utility customers, and, when practicable, to prior customers, on an equitable pro rata basis without regard as to whether or not the customer is classifiable as a residential or commercial tenant, landlord, homeowner, business, industrial, educational, governmental, nonprofit, agricultural, or any other type of entity.

Existing law establishes the Ratepayer Relief Fund in the State Treasury to benefit electricity and natural gas ratepayers and to fund investigation and litigation costs of the state in pursuing allegations of overcharges and unfair business practices against generators, suppliers, or marketers of electricity or natural gas arising from the energy crisis of 2000–02. Existing law requires that any energy settlement agreement, as defined, entered into by the Attorney General, after reimbursing the Attorney General's litigation and investigation expenses, direct

settlement funds to the following purposes in priority order: (1) to reduce ratepayer costs of those utility ratepayers harmed by the actions of the settling parties; and (2) for deposit in the Ratepayer Relief Fund. Existing law authorizes the moneys deposited in the Ratepayer Relief Fund to be appropriated for certain purposes for the benefit of ratepayers.

This bill would prohibit the Public Utilities Commission from distributing or expending the proceeds of claims in any litigation or settlement to obtain ratepayer recovery for the effects of the 2000–02 energy crisis and would require that the proceeds be deposited into the Ratepayer Relief Fund.

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 453.5 of the Public Utilities Code is
2 amended to read:

3 453.5. ~~Whenever~~ (a) (1) If the commission orders rate refunds
4 to be distributed, the commission shall require public utilities to
5 pay refunds to all current utility customers, and, when practicable,
6 to prior customers, on an equitable pro rata basis without regard
7 as to whether or not the customer is classifiable as a residential or
8 commercial tenant, landlord, homeowner, business, industrial,
9 educational, governmental, nonprofit, agricultural, or any other
10 type of entity.

11 ~~For~~

12 (2) For the purposes of this section, “equitable pro rata basis”
13 ~~shall mean~~ means in proportion to the amount originally paid for
14 the utility service involved, or in proportion to the amount of such
15 the utility service actually received.

16 ~~Nothing in this~~

17 (3) This section shall not prevent the commission from
18 authorizing refunds to residential and other small customers to be
19 based on current usage.

20 (b) (1) The commission shall not distribute or expend the
21 proceeds of claims in any litigation or settlement to obtain
22 ratepayer recovery for the effects of the 2000–02 energy crisis.

23 (2) Proceeds of any claims arising out of the energy crisis of
24 2000–02 shall be deposited into the Ratepayer Relief Fund
25 established pursuant to Article 9.5 (commencing with Section

1 16428.1) of Chapter 2 of Part 2 of Division 4 of Title 2 of the
2 Government Code.

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