

AMENDED IN SENATE JUNE 20, 2000

AMENDED IN SENATE JUNE 6, 2000

AMENDED IN SENATE APRIL 13, 2000

AMENDED IN ASSEMBLY MAY 12, 1999

AMENDED IN ASSEMBLY MAY 6, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 1082

Introduced by Assembly Members Calderon and Maddox

February 25, 1999

An act to amend Section 829 of the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1082, as amended, Calderon. Public utilities: stocks and security transactions.

The Public Utilities Act generally exempts from certain provisions of the act governing stocks and security transactions any person or corporation that transacts no business subject to regulation under the act, except performing services or delivering commodities for or to public utilities or municipal or other public corporations primarily for resale or use in serving the public or any portion thereof. Notwithstanding that general exemption, those provisions of the act governing stocks and security transactions apply to any public utility if the Public Utilities Commission finds that the application of those provisions is

required by the public interest. The act authorizes the commission to exempt any public utility or class of public utility from those stock and security transaction provisions if it finds that their application is not necessary in the public interest.

This bill, except as specified, would exempt from those stock and security transaction provisions a telephone corporation that is regulated under a price-cap regulatory structure, as defined, unless the corporation secures the financing by pledging a plant or assets. The bill would make a related statement of legislative intent.

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 that the
2 amendments to Section 829 of the Public Utilities Code
3 made by this act not hinder the commission's existing
4 authority to disallow imprudent expenses or capital
5 expenditures of the utilities under its jurisdiction, or the
6 commission's authority to impute a capital structure or
7 cost of capital for utilities under its jurisdiction.

8 SEC. 2. Section 829 of the Public Utilities Code is
9 amended to read:

10 829. (a) This article does not apply to a person or
11 corporation that transacts no business subject to
12 regulation under this part, except performing services or
13 delivering commodities for or to public utilities or
14 municipal or other public corporations primarily for
15 resale or use in serving the public or any portion thereof
16 but shall, nevertheless, apply to any public utility if the
17 commission finds, in a proceeding to which the public
18 utility is or may become a party, that the application of
19 this article is required by the public interest.

20 (b) (1) The requirements in this article for
21 commission approval of utility financing do not apply to
22 a telephone corporation that is regulated under a
23 price-cap regulatory structure if the corporation does not
24 pledge a plant or assets to secure the financing. *However,*



1 *this article shall continue to apply to any telephone*
 2 *corporation that is also an electric or gas corporation that*
 3 *is a public utility, as defined in Section 216.* The term
 4 “price-cap regulatory structure,” as used in this
 5 paragraph, is a system under which rates are not set by
 6 means of a rate base or rate-of-return form of regulation,
 7 but, instead, are limited by a maximum ~~amount~~ *price* that
 8 may be charged for a specific service, or are not limited.

9 (2) Notwithstanding paragraph (1), these utilities
 10 shall remain subject to Section 817, that provision of
 11 Section 820 regarding contracts, Section 824, ~~and~~ those
 12 provisions of Section 826 and subdivision (a) of Section
 13 827 that impose penalties for disobeying statutory and
 14 constitutional requirements, *and Section 830.*

15 (3) Notwithstanding paragraph (1), the commission
 16 may reimpose any or all of the requirements of this article
 17 for commission approval of utility financing if the
 18 commission finds, in a proceeding to which the public
 19 utility is or may become a party, that the application of
 20 any or all of those requirements is required by the public
 21 interest.

22 (c) The commission may from time to time by order
 23 or rule, and subject to those terms and conditions that
 24 may be prescribed in the order or rule, exempt any public
 25 utility or class of public utility from this article, or any
 26 portion of this article, if it finds that the application of this
 27 article to a public utility or class of public utility is not
 28 necessary in the public interest.