

Senate Bill No. 418

Passed the Senate September 10, 1999

Secretary of the Senate

Passed the Assembly September 8, 1999

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 1999, at _____ o'clock ____M.

Private Secretary of the Governor

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CHAPTER _____

An act to add Section 846.2 to the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 418, Polanco. Public utilities: transition property.

Existing law authorizes the issuance of rate reduction bonds by a financing order of the Public Utilities Commission if the commission determines that the issuance of those bonds in relationship to transition costs, would reduce rates that certain customers would have paid if the financing order had not been adopted. Existing law also makes financing orders in relation to rate reduction bonds binding on the commission.

This bill would authorize the commission to order a fair and reasonable credit to ratepayers of any excess rate reduction bond proceeds, as defined.

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

SECTION 1. Section 846.2 is added to the Public Utilities Code, to read:

846.2. (a) Notwithstanding subdivision (c) of Section 841, for any electrical corporation that ended its rate freeze period described in subdivision (a) of Section 368 prior to July 15, 1999, the commission may order a fair and reasonable credit to ratepayers of any excess rate reduction bond proceeds.

(b) "Excess rate reduction bond proceeds," as used in this section, means proceeds from the sale of rate reduction bonds authorized by commission financing orders issued pursuant to this article that are subsequently determined by the commission to be in excess of the amounts necessary to provide the 10-percent rate reduction during the period when the rates were frozen pursuant to subdivision (a) of Section 368.



Approved _____, 1999

Governor

