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SB-1410 Public utilities: inspection and audit of books and records. (2017-2018)

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Senate Bill No. 1410

CHAPTER 361

An act to amend Section 314.5 of the Public Utilities Code, relating to public utilities.

[Approved by Governor September 11, 2018. Filed with Secretary of State September 11, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1410, Morrell. Public utilities: inspection and audit of books and records.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, gas corporations, heat corporations, telegraph corporations, telephone corporations, and water corporations. The California Constitution authorizes the commission to establish rules, examine records, and prescribe a uniform system of accounts for all public utilities. The Public Utilities Act requires the commission to inspect and audit the books and records of electrical corporations, gas corporations, heat corporations, telegraph corporations, telephone corporations, and water corporations for regulatory and tax purposes. An inspection and audit is required to be done at least every 3 years if the utility has over 1,000 customers and at least once every 5 years if the utility has 1,000 or fewer customers.

This bill would require the more frequent inspection and audit only for a utility with more than 10,000 customers. The bill would, for those utilities, alternatively authorize the commission to inspect and audit the books and records of those utilities in accordance with the commission authorized general rate case cycle, if that cycle provides for a rate case no less frequently than once every five years.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 314.5 of the Public Utilities Code is amended to read:

314.5. (a) The commission shall inspect and audit the books and records for regulatory and tax purposes as follows:

(1) At least once every three years in the case of every electrical, gas, heat, telegraph, telephone, and water corporation serving over 10,000 customers or in accordance with the commission authorized general rate case cycle, if that cycle provides for a rate case no less frequently than once every five years.

(2) At least once every five years in the case of every electrical, gas, heat, telegraph, telephone, and water corporation serving 10,000 or fewer customers.

(b) An audit conducted in connection with a rate proceeding shall be deemed to fulfill the requirements of this section.

(c) The commission shall post reports of the inspections and audits and other pertinent information on its Internet Web site.

