AB-2083 Public utilities: rates. (2021-2022)

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Assembly Bill No. 2083

CHAPTER 689

An act to add Section 748.2 to the Public Utilities Code, relating to public utilities.

[Approved by Governor September 28, 2022. Filed with Secretary of State September 28, 2022.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2083, Bauer-Kahan. Public utilities: rates.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations and gas corporations. 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. Existing law prohibits electrical corporations and gas corporations from recovering fines and penalties through rates approved by the commission.

This bill would prohibit an electrical corporation or gas corporation from recovering, through a rate approved by the commission, costs arising directly from new or additional activities expressly agreed to by the corporation, or any direct payment, fine, or penalty paid by the corporation, in a settlement agreement resolving a criminal or civil inquiry, investigation, or prosecution, except when the commission determines that those costs were just and reasonably incurred, as specified.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the above requirements would be a part of the act, and because a violation of an action of the commission implementing the above prohibition would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

SECTION 1. Section 748.2 is added to the Public Utilities Code, to read:

748.2. (a) Except as specified in subdivision (b), an electrical corporation or gas corporation shall not recover, through a rate approved by the commission, costs arising directly from new or additional activities expressly agreed to by the corporation, or any direct payment, fine, or penalty paid by the corporation, in a settlement agreement resolving a criminal or civil inquiry, investigation, or prosecution for a violation of law, conducted by the Attorney General or a district attorney, county counsel, city attorney, or city prosecutor, and in exchange for the inquiry, investigation, or prosecution to be terminated or concluded.

(b) Notwithstanding subdivision (a), the commission shall only approve an electrical corporation or gas corporation to recover, through a rate, costs described in subdivision (a) if the commission determines that those costs were just and reasonably incurred.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.