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AB-2847 Electrical and gas corporations: capital expenditures: request for authorization or recovery.
(2023-2024)

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Assembly Bill No. 2847

CHAPTER 578

An act to add Section 739.15 to the Public Utilities Code, relating to electrical and gas corporations.

[Approved by Governor September 25, 2024. Filed with Secretary of State September 25, 2024.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2847, Addis. Electrical and gas corporations: capital expenditures: request for authorization or recovery.

Existing law vests the Public Utilities Commission with 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, with certain exceptions, prohibits a public utility from changing any rate, except upon a showing before the commission and a finding by the commission that the new rate is justified. With certain exceptions, whenever an electrical corporation or gas corporation files an application to change any rate for the services or commodities furnished by it, existing law requires the corporation to furnish to its affected customers a notice of its application to the commission for approval of the new rate.

This bill would require an electrical corporation's or gas corporation's application requesting authorization for or recovery of capital expenditures to include, if the commission determines these estimates are required, its best estimate of the application's impact on its annual revenue requirement for each year that the capital expenditures described in the application are expected to remain in the application's rate base if the application is approved or conditionally approved and the net present value of those impacts. The bill would require the commission to determine in a scoping ruling or other ruling whether an application from an electrical corporation or gas corporation requesting authorization for or recovery of capital expenditures requires these estimates. The bill would further require the commission to require the electrical corporation or gas corporation to provide supporting workpapers and calculations for these estimates.

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-described requirements would be a part of the act, and because a violation of a commission action implementing the above-described requirements 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

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

SECTION 1. Section 739.15 is added to the Public Utilities Code, to read:

739.15. (a) The commission shall determine in a scoping ruling or other ruling whether an application from an electrical corporation or gas corporation requesting authorization for or recovery of capital expenditures requires the estimates described in subdivision (b).

(b) An application from an electrical corporation or gas corporation requesting authorization for or recovery of capital expenditures, including an application for conditional approval of the costs of an undergrounding plan pursuant to Section 8388.5, shall include, if the commission pursuant to subdivision (a) determines that the estimates are required, the electrical corporation's or gas corporation's best estimate of both of the following:

(1) The application's impact on the electrical corporation's or gas corporation's annual revenue requirement for each year that the capital expenditures described in the application are expected to remain in the application's rate base if the application is approved or conditionally approved.

(2) The net present value of the application's impact on the electrical corporation's or gas corporation's annual revenue requirement provided pursuant to paragraph (1).

(c) The commission shall require the electrical corporation or gas corporation to provide supporting workpapers and calculations for the estimates described in subdivision (b).

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.