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## AB-99 Electrical corporations: rates. (2025-2026)

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Date Published: 03/28/2025 09:00 PM

AMENDED IN ASSEMBLY MARCH 28, 2025

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

### ASSEMBLY BILL

NO. 99

Introduced by Assembly Member Ta

January 08, 2025

An act to add Section 748.3 to the Public Utilities Code, relating to electricity.

### LEGISLATIVE COUNSEL'S DIGEST

AB 99, as amended, Ta. Electrical corporations: rates.

Existing law vests the Public Utilities Commission with regulatory authority over public utilities, including electrical 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.

This bill would prohibit an electrical corporation from ~~proposing, and the commission from approving,~~ *proposing* a rate increase above the rate of inflation, ~~unless the rate increase is approved by a majority of the electrical corporation's customers voting in an election conducted according to specified requirements, and except when~~ *as defined, as a systemwide average for any general rate case cycle, except the bill would expressly authorize the commission to approve a rate increase above the rate of inflation if* the commission determines that the costs underlying the rate increase are directly related to safety enhancements and modernization or to higher commodity or fuel costs.

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 prohibition would be a part of the act, and because a violation of a commission action 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

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

**SECTION 1.** Section 748.3 is added to the Public Utilities Code, to read:

**748.3.** (a) An electrical corporation shall not propose a rate increase above the rate of inflation, as a systemwide average, for any general rate case cycle.

~~(b) Notwithstanding subdivision (a), an electrical corporation may propose a rate increase above the rate of inflation subject to approval by a majority of the electrical corporation's voting customers through an election conducted in accordance with all of the following:~~

~~(1) The electrical corporation shall provide each customer with one ballot.~~

~~(2) The electrical corporation shall provide each customer with information regarding the proposed rate increase.~~

~~(3) The commission may set additional procedures and rules for the election.~~

~~(4) The cost of conducting an election shall be borne exclusively by the shareholders of the electrical corporation.~~

~~(5) The electrical corporation may propose as many rate plans as necessary until one receives the support of a majority of voting customers.~~

~~(6) The commission shall determine an interim rate plan, not to exceed the rate of inflation, until an electrical corporation's proposed rate plan is approved.~~

~~(c) The commission shall not approve or modify a request to increase rates above the rate of inflation without prior approval by the electrical corporation's customers based on the results of an election conducted pursuant to subdivision (b).~~

~~(d)~~

*(b)* Notwithstanding ~~subdivisions (a) to (c), inclusive,~~ *subdivision (a)*, the commission may approve a rate increase above the rate of inflation if the commission determines that the costs underlying the rate increase are directly related to safety enhancements and modernization or to higher commodity or fuel costs.

*(c) For purposes of this section, "rate of inflation" means the annual increase in the California Consumer Price Index.*

**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.