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AB-1017 Energy: electrical and gas corporations: general rate cases. (2025-2026)

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Assembly Bill No. 1017

CHAPTER 177

An act to add Section 740.23 to the Public Utilities Code, relating to energy.

[Approved by Governor October 01, 2025. Filed with Secretary of State October 01, 2025.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1017, Boerner. Energy: electrical and gas corporations: general rate cases.

Existing law authorizes the Public Utilities Commission to fix the rates and charges for public utilities, including electrical corporations and gas corporations, and requires the rates and charges to be just and reasonable. Existing law requires the commission, following the approval of a general rate case of an electrical corporation or gas corporation, to review which costs, if any, differed from the general rate case forecasts and to adjust the revenue requirements in the subsequent general rate case based on the actual past costs in the corporation records.

This bill would require an electrical corporation or gas corporation, as a part of its general rate case, to provide to the commission certain information, including, among other things, the authorized and actual rate of return and return on equity for the past 10 years and projects related to the corporation's distribution capacity that include the forecast submitted in the prior general rate case of the corporation.

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 provisions of this bill would be a part of the act, and because a violation of a commission action implementing the bill's 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 740.23 is added to the Public Utilities Code, to read:

740.23. (a) For purposes of this section, "utility" means an electrical corporation or a gas corporation.

(b) As a part of its general rate case, a utility shall report to the commission all of the following:

(1) For any work category, the amount authorized for the test year in the last general rate case and the amount authorized based on escalation for the last year of the prior general rate case.

(2) For any work category, the actual recorded amounts during the past 10 years split between labor and nonlabor costs and between capital and expenses.

(3) For any asset repair, installation, or replacement work, the number of units installed, repaired, or replaced during the past 10 years.

(4) The authorized and actual rate of return and return on equity for the past 10 years.

(5) For distribution capacity, all of the following:

(A) The projects included in the forecast submitted in the prior general rate case.

(B) The projects actually conducted so far in the prior general rate case or planned to be started during the prior general rate case cycle.

(C) Which projects included in the forecast submitted in the prior general rate case are included in the forecast for the pending general rate case.

(D) Which projects included in the prior general rate case have been canceled or indefinitely delayed and the reasons for the cancellation or delay.

(6) A breakdown by program of any capital costs included in the pending general rate case that exceed previously authorized levels or that have not been previously found to be reasonable.

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.