

Introduced by Senator PadillaFebruary 18, 2011

An act to add Section 795.5 to the Public Utilities Code, relating to natural gas.

LEGISLATIVE COUNSEL'S DIGEST

SB 879, as introduced, Padilla. Natural gas pipelines: accounts.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including gas corporations, as defined. The Public Utilities Act authorizes the commission to establish a system of accounts to be kept by public utilities and to prescribe the manner in which accounts are kept, the records and memorandum to be kept, as well as the receipts and expenditures of moneys, and any other forms, records, and memoranda that in the judgment of the commission may be necessary to carry out any of the provisions of the act. The act requires the commission to require a public utility to establish and maintain a reserve account reflecting any positive or negative balance whenever the commission authorizes any change in rates reflecting and passing specific changes in costs through to customers, and requires the commission to take any positive or negative balance remaining into account by appropriate adjustment or other action at the time of any subsequent rate adjustment.

This bill would require that in any ratemaking proceeding in which the commission authorizes a gas corporation to recover expenses for the inspection, maintenance, or repair of transmission pipelines, that the commission require the gas corporation to establish and maintain a one-way balancing account for the recovery of those expenses.

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 are within the act and require action by the commission to implement its requirements, a violation of these provisions would impose a state-mandated local program by creating a new crime.

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. State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 795.5 is added to the Public Utilities
- 2 Code, to read:
- 3 795.5. In any ratemaking proceeding in which the commission
- 4 authorizes a gas corporation to recover expenses for the inspection,
- 5 maintenance, or repair of transmission pipelines, the commission
- 6 shall require the gas corporation to establish and maintain a
- 7 one-way balancing account for the recovery of those expenses.
- 8 SEC. 2. No reimbursement is required by this act pursuant to
- 9 Section 6 of Article XIII B of the California Constitution because
- 10 the only costs that may be incurred by a local agency or school
- 11 district will be incurred because this act creates a new crime or
- 12 infraction, eliminates a crime or infraction, or changes the penalty
- 13 for a crime or infraction, within the meaning of Section 17556 of
- 14 the Government Code, or changes the definition of a crime within
- 15 the meaning of Section 6 of Article XIII B of the California
- 16 Constitution.

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