

**Senate Bill No. 900**

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Passed the Senate August 18, 2014

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*Secretary of the Senate*

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Passed the Assembly August 14, 2014

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*Chief Clerk of the Assembly*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2014, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to amend Section 321.1 of, and to add Section 750 to, the Public Utilities Code, relating to public utilities.

## LEGISLATIVE COUNSEL'S DIGEST

SB 900, Hill. Public utilities: rate case application: safety.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, as defined. Existing law authorizes the commission to fix the rates and charges for every public utility and authorizes the commission to establish rules for all public utilities, subject to control by the Legislature. If the commission finds after a hearing that the rules, practices, equipment, appliances, facilities, or service of any public utility, or the methods of manufacture, distribution, transmission, storage, or supply employed by the public utility, are unjust, unreasonable, unsafe, improper, inadequate, or insufficient, the Public Utilities Act requires that the commission determine and, by order or rule, fix the rules, practices, equipment, appliances, facilities, service, or methods to be observed, furnished, constructed, enforced, or employed. Existing law states it is the intent of the Legislature that the commission assess the economic effects or other consequences of its decisions as a part of each ratemaking, rulemaking, or other proceeding.

This bill would require the commission to develop formal procedures, as specified, to consider safety in a rate case application by an electrical corporation or gas corporation. The bill would require the commission to take actions to assess the economic effects of its decisions and to assess and mitigate the impacts of its decisions on customer, public, and employee safety.

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

SECTION 1. Section 321.1 of the Public Utilities Code is amended to read:

321.1. (a) It is the intent of the Legislature that the commission assess the consequences of its decisions, including economic effects, and assess and mitigate the impacts of its decision on

customer, public, and employee safety, as part of each ratemaking, rulemaking, or other proceeding, and that this be accomplished using existing resources and within existing commission structures. The commission shall not establish a separate office or department for the purpose of evaluating and mitigating consequences of commission activities.

(b) The commission shall take all necessary and appropriate actions to assess the economic effects of its decisions and to assess and mitigate the impacts of its decisions on customer, public, and employee safety.

SEC. 2. Section 750 is added to the Public Utilities Code, to read:

750. The commission shall develop formal procedures to consider safety in a rate case application by an electrical corporation or gas corporation. The procedures shall include a means by which safety information acquired by the commission through monitoring, data tracking and analysis, accident investigations, and audits of an applicant's safety programs may inform the commission's consideration of the application.

Approved \_\_\_\_\_, 2014

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*Governor*