

AMENDED IN ASSEMBLY APRIL 26, 2016

AMENDED IN ASSEMBLY APRIL 4, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1800

Introduced by Assembly Member Hadley

February 8, 2016

An act to add Chapter 6 (commencing with Section 8390) to Division 4.1 of the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1800, as amended, Hadley. Utility outage compensation claims: annual posting.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, while local publicly owned electric utilities are under the direction of their governing boards. Existing law requires each electrical corporation to report annually on its compliance with specified standards or rules adopted by the commission, including, but not limited to, standards for operation, reliability, and safety during periods of emergency and disaster. Existing law requires the commission to adopt inspection, maintenance, repair, and replacement standards for the distribution systems of electrical corporations in order to provide high-quality, safe, and reliable service. Existing law requires the commission to conduct a review to determine whether the standards have been met and to perform the review after every major outage.

The existing restructuring of the electrical industry within the Public Utilities Act provides for the establishment of an Independent System Operator, or ISO, as a nonprofit public benefit corporation and requires

the ISO to ensure efficient use and reliable operation of the electrical transmission grid consistent with achieving planning and operating reserve criteria no less stringent than those established by the Western Electricity Coordinating Council and the North American Electric Reliability Council. Existing law requires the ISO to perform a review after any major outage that affects at least 10% of the customers of the entity providing the local distribution service. If the ISO finds that the operation and maintenance practices of the transmission facility owner or operator prolonged the response time or was responsible for the outage, the ISO is authorized to order appropriate sanctions, subject to the Federal Energy Regulatory Commission approving that authority.

This bill would require each electrical corporation and local publicly owned electric utility to annually post on its Internet Web site specified information relating to utility outage compensation claims for the previous year. The bill would make these requirements applicable to those outages that the ISO, the commission, or the utility has determined are the fault of the ~~utility~~. *utility, or those claims relating to outages that the utility has determined to pay.* By adding reporting requirements that are applicable to local publicly owned electric utilities, the bill would impose a state-mandated local program. *The bill would prohibit information relating to utility outage compensation claims from being admitted as evidence in any action for damages against an electrical corporation or local publicly owned electric utility arising out of an outage.*

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. Chapter 6 (commencing with Section 8390) is
- 2 added to Division 4.1 of the Public Utilities Code, to read:

1 CHAPTER 6. ELECTRICAL UTILITY OUTAGE COMPENSATION
2 CLAIMS
3

4 8390. The reporting requirements of this chapter apply only
5 to those outages that the Independent System Operator, the
6 commission, or the electrical corporation or local publicly owned
7 electric utility has determined are the fault of the ~~utility~~, *utility, or*
8 *those claims relating to outages that the utility has determined to*
9 *pay.*

10 8391. Each electrical corporation and local publicly owned
11 electric utility shall annually post on its Internet Web site all of
12 the following information relating to utility outage compensation
13 claims for the previous year:

- 14 (a) The number of claims still open from the previous year.
- 15 (b) The number of new claims received.
- 16 (c) The total number of applicants awaiting determination or
17 judgment at the end of the year.
- 18 (d) The median time taken to process claims once the outage
19 was determined to be the fault of the ~~utility~~, *utility, or once the*
20 *utility has determined to pay.*
- 21 (e) The number of claims approved.
- 22 (f) The number of claims denied.

23 8392. *Information relating to utility outage compensation*
24 *claims shall not be admitted as evidence in any action for damages*
25 *against an electrical corporation or local publicly owned electric*
26 *utility arising out of an outage.*

27 SEC. 2. No reimbursement is required by this act pursuant to
28 Section 6 of Article XIII B of the California Constitution because
29 a local agency or school district has the authority to levy service
30 charges, fees, or assessments sufficient to pay for the program or
31 level of service mandated by this act, within the meaning of Section
32 17556 of the Government Code.

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