

AMENDED IN SENATE JUNE 19, 1995  
AMENDED IN ASSEMBLY MAY 10, 1995  
AMENDED IN ASSEMBLY APRIL 4, 1995

CALIFORNIA LEGISLATURE—1995–96 REGULAR SESSION

**ASSEMBLY BILL**

**No. 515**

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**Introduced by Assembly Member Alpert**

February 17, 1995

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An act to add Section 455.3 to the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 515, as amended, Alpert. Public utilities: oil pipeline corporations: rates.

Existing law authorizes the Public Utilities Commission to supervise and regulate every public utility in the state and to do all things necessary and convenient in the exercise of its power and jurisdiction, including the approval of utility expenses and the establishment of rates.

Existing law also provides that unless the commission otherwise orders, no change shall be made by any public utility in any rate or classification, or in any rule or contract relating to or affecting any rate, classification, or service, or in any privilege or facility, except after 30 days' notice to the commission and to the public.

This bill would require the commission to adopt rules and regulations that substantially revise the manner in which oil

pipeline corporations may change and use rates according to designated criteria.

Since violations of orders, decisions, rules, or other requirements of the Public Utilities Commission are misdemeanors, this bill would impose a state-mandated local program by creating new crimes.

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 455.3 is added to the Public
- 2 Utilities Code, to read:
- 3 455.3. (a) Notwithstanding any other provision of
- 4 law, including, but not limited to Section 454, no later
- 5 than January 1, 1998, the commission shall adopt rules and
- 6 regulations that substantially revise the manner in which
- 7 oil pipeline corporations may change and use rates.
- 8 (b) The revised rules and regulations shall adhere to
- 9 the following criteria:
- 10 (1) Pipeline corporations shall be required to give the
- 11 commission and all shippers no less than 30 days' notice
- 12 of rate changes.
- 13 (2) After the 30-day notice of rate change, pipeline
- 14 corporations shall be permitted to change rates and use
- 15 those rates prior to commission approval.
- 16 (3) The commission shall have the authority to
- 17 suspend a rate change and use of the changed rate for a
- 18 period of time not to exceed 30 days from expiration of the
- 19 30-day notice period specified in paragraph (1).
- 20 (4) Pipeline corporations shall refund, with interest,
- 21 any portion of the rate change that is subsequently
- 22 disallowed by the commission to all shippers within 30



1 days of the commission's decision becoming final. Interest  
2 shall accrue from the date the new rate is first charged.

3 ~~(e) In addition to the provisions in subdivision (b), the~~  
4 ~~revised regulations shall also contain the following:~~

5 ~~(1) Provisions requiring strict compliance with~~  
6 ~~timeframes and deadlines applicable to filing protests and~~  
7 ~~other documents.~~

8 ~~(2) Provisions requiring dismissal of protests that are~~  
9 ~~frivolous or do not comply with the commission's~~  
10 ~~regulations concerning content of protests or the~~  
11 ~~timeliness of protests.~~

12 ~~(3) Penalties for parties that file late protests, frivolous~~  
13 ~~protests, or noncompliant protests.~~

14 ~~(d)~~

15 (c) It is the intent of the Legislature that oil pipeline  
16 corporations be permitted to use new rates after the  
17 period of the suspension of a rate change, if any, by the  
18 commission pursuant to paragraph (3) of subdivision (b)  
19 prior to commission approval, provided any disallowed  
20 portion of the new rate is fully refunded with interest.

21 SEC. 2. No reimbursement is required by this act  
22 pursuant to Section 6 of Article XIII B of the California  
23 Constitution because the only costs that may be incurred  
24 by a local agency or school district will be incurred  
25 because this act creates a new crime or infraction,  
26 eliminates a crime or infraction, or changes the penalty  
27 for a crime or infraction, within the meaning of Section  
28 17556 of the Government Code, or changes the definition  
29 of a crime within the meaning of Section 6 of Article  
30 XIII B of the California Constitution.

31 Notwithstanding Section 17580 of the Government  
32 Code, unless otherwise specified, the provisions of this act  
33 shall become operative on the same date that the act  
34 takes effect pursuant to the California Constitution.

