

AMENDED IN SENATE APRIL 8, 1996
AMENDED IN ASSEMBLY JULY 19, 1995
AMENDED IN ASSEMBLY JULY 11, 1995
AMENDED IN ASSEMBLY JUNE 19, 1995
AMENDED IN ASSEMBLY APRIL 25, 1995

CALIFORNIA LEGISLATURE—1995–96 REGULAR SESSION

ASSEMBLY BILL

No. 1890

**Introduced by Assembly Member ~~Conroy~~ Members *Brulte,*
Conroy, and Martinez
(~~Principal coauthor: Assembly Member Martinez~~)**

February 24, 1995

An act to amend Sections 216 and 218 of, and to add Section 702.1 to, the Public Utilities Code, ~~relating to public utilities, and declaring the urgency thereof, to take effect immediately: relating to public utilities.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1890, as amended, ~~Conroy~~ *Brulte*. Public utilities: restructuring.

Under existing law, the Public Utilities Commission is vested with regulatory authority over public utilities.

~~This bill would require that the commission's decision to restructure the electrical services industry in California, and the orders implementing that decision, comply with specified criteria, and would state findings and declarations in that regard.~~

~~This bill would declare that it is to take effect immediately as an urgency statute.~~

This bill would amend the Public Utilities Act to require that the commission undertake various actions, including the facilitation of the efforts of the state’s electrical corporations to develop and obtain authorization of the federal Energy Regulatory Commission for the creation and operation of an independent system operator and an independent power exchange, and the authorization of direct transactions between electricity suppliers and end use customers, subject to implementation of a nonbypassable charge.

Since a violation of the Public Utilities Act is a misdemeanor, the bill would impose additional duties upon local law enforcement agencies, thereby constituting 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: $\frac{2}{3}$ majority. Appropriation: no. Fiscal committee: ~~no~~ yes. State-mandated local program: ~~no~~ yes.

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

- 1 ~~SECTION 1.—The Legislature finds and declares that:~~
- 2 SECTION 1. *The Legislature finds and declares all of*
- 3 *the following:*
- 4 (a) *The people, businesses, and institutions of*
- 5 *California spend nearly \$23 billion annually on electricity,*
- 6 *so that reductions in the price of electricity would*
- 7 *significantly benefit the economy of the state and its*
- 8 *residents.*
- 9 (b) *The Public Utilities Commission has opened*
- 10 *rulemaking and investigation proceedings with regard to*
- 11 *restructuring California’s electric power industry and*
- 12 *reforming utility regulation.*
- 13 (c) *The commission has found, after an extensive*
- 14 *public review process, that the interests of ratepayers and*



1 *the state as a whole will be best served by moving from*
2 *the regulatory framework existing on January 1, 1997, in*
3 *which retail electricity service is provided principally by*
4 *public utilities subject to an obligation to provide ultimate*
5 *consumers in exclusive service territories with reliable*
6 *electric service at regulated rates, to a framework under*
7 *which competition would be allowed in the supply of*
8 *electric power and customers would be allowed to have*
9 *the right to choose their supplier of electric power.*

10 (d) *Competition in the electric generation market will*
11 *encourage innovation, efficiency, and better service from*
12 *all market participants, and will permit the reduction of*
13 *costly regulatory oversight.*

14 (e) *The delivery of electricity over transmission and*
15 *distribution systems is currently regulated, and will*
16 *continue to be regulated to ensure system safety,*
17 *reliability, environmental protection, and fair access for*
18 *all market participants.*

19 (f) *In order to achieve meaningful wholesale and*
20 *retail competition in the electric generation market, it is*
21 *essential to do all of the following:*

22 (1) *Separate monopoly utility transmission functions*
23 *from competitive generation functions, through*
24 *development of independent, third-party control of*
25 *transmission access and pricing.*

26 (2) *Permit all customers to choose from among*
27 *competing suppliers of electric power.*

28 (3) *Provide customers and suppliers with open,*
29 *nondiscriminatory, and comparable access to*
30 *transmission and distribution services.*

31 (g) *The commission has properly concluded that:*

32 (1) *This competition will best be introduced by the*
33 *creation of an independent system operator, and an*
34 *independent power exchange.*

35 (2) *Generation of electricity should be unregulated*
36 *and utility generation should be transitioned from*
37 *regulated status to unregulated status through means of*
38 *commission-approved market valuation mechanisms.*

39 (3) *There is a need to ensure that no participant in*
40 *these new market institutions has the ability to exercise*



1 significant market power so that operation of the new
2 market institutions would be distorted.

3 (4) These new market institutions should commence
4 simultaneously with the phase-in of customer choice, and
5 the public will be best served if these institutions and the
6 nonbypassable transition cost recovery mechanism
7 referred to in subdivisions (n) through (q), inclusive, are
8 in place simultaneously and no later than January 1, 1998.

9 (h) Opportunities to acquire electric power in the
10 competitive market must be available to California
11 consumers as soon as practicable, but no later than
12 January 1, 1998, so that all customers can share in the
13 benefits of competition.

14 (i) Under the existing regulatory framework,
15 California's electrical corporations were granted
16 franchise rights to provide electricity to consumers in
17 their service territories.

18 (j) At the direction of the commission and consistent
19 with federal and state policies, California electrical
20 corporations invested in power plants and entered into
21 contractual obligations in order to provide reliable
22 electrical service on a nondiscriminatory basis to all
23 consumers within their service territories who requested
24 service.

25 (k) The cost of these investments and contractual
26 obligations are currently being recovered, pursuant to
27 traditional ratemaking methodologies, in electricity rates
28 charged by electric corporations to their consumers.

29 (l) Transmission and distribution of electric power
30 remain essential services imbued with the public interest
31 that are provided over facilities owned and maintained
32 by the state's electric corporations.

33 (m) To ensure that the state's electric corporations are
34 able to provide continued safe, efficient, and
35 cost-effective operation of the transmission and
36 distribution system infrastructure, it is necessary to
37 ensure that the financial viability of the state's electric
38 corporations is not jeopardized as a result of the transition
39 to the new competitive generation marketplace.



1 (n) Moreover, honoring past regulatory decisions
2 approving recovery of these costs is critical to the
3 willingness of market participants to rely upon current
4 and future regulatory decisions in making new long-term
5 investments in the state's economy.

6 (o) Accordingly, it is necessary and proper to allow
7 electric corporations to continue to recover, over a
8 reasonable transition period; those costs incurred for
9 generation related assets and obligations which had been
10 approved by the commission and were being collected in
11 rates on December 20, 1995, and similar costs incurred
12 subsequent to December 20, 1995, that the commission
13 determines to be reasonable, and which may become
14 uneconomic as a result of a more competitive generation
15 market. In determining the costs to be recovered, the
16 commission has properly concluded that it is appropriate
17 to net the negative value of above market assets against
18 the positive value of below market assets.

19 (p) The transition to a competitive generation market
20 should be orderly, protect electric system reliability,
21 protect the financial viability of electric corporations,
22 provide the investors in these electric corporations with
23 a fair opportunity to recover the costs associated with
24 commission approved generation related assets and
25 obligations, and be completed as expeditiously as possible.

26 (q) Charges associated with the transition should be
27 collected over a specific period of time on a
28 nonbypassable basis and in a manner which does not
29 result in an increase in rates.

30 SEC. 2. Section 216 of the Public Utilities Code is
31 amended to read:

32 216. (a) "Public utility" includes every common
33 carrier, toll bridge corporation, pipeline corporation, gas
34 corporation, electrical corporation, telephone
35 corporation, telegraph corporation, water corporation,
36 sewer system corporation, and heat corporation, where
37 the service is performed for, or the commodity is
38 delivered to, the public or any portion thereof.

39 (b) Whenever any common carrier, toll bridge
40 corporation, pipeline corporation, gas corporation,



1 electrical corporation, telephone corporation, telegraph
2 corporation, water corporation, sewer system
3 corporation, or heat corporation performs a service for,
4 or delivers a commodity to, the public or any portion
5 thereof for which any compensation or payment
6 whatsoever is received, that common carrier, toll bridge
7 corporation, pipeline corporation, gas corporation,
8 electrical corporation, telephone corporation, telegraph
9 corporation, water corporation, sewer system
10 corporation, or heat corporation, is a public utility subject
11 to the jurisdiction, control, and regulation of the
12 commission and the provisions of this part.

13 (c) When any person or corporation performs any
14 service for, or delivers any commodity to, any person,
15 private corporation, municipality, or other political
16 subdivision of the state, which in turn either directly or
17 indirectly, mediately or immediately, performs that
18 service for, or delivers that commodity to, the public or
19 any portion thereof, that person or corporation is a public
20 utility subject to the jurisdiction, control, and regulation
21 of the commission and the provisions of this part.

22 (d) Ownership or operation of a facility which
23 employs cogeneration technology or produces power
24 from other than a conventional power source or the
25 ownership or operation of a facility which employs
26 landfill gas technology does not make a corporation or
27 person a public utility within the meaning of this section
28 solely because of the ownership or operation of such a
29 facility.

30 (e) Any corporation or person engaged directly or
31 indirectly in developing, producing, transmitting,
32 distributing, delivering, or selling any form of heat
33 derived from geothermal or solar resources or from
34 cogeneration technology to any privately owned or
35 publicly owned public utility, or to the public or any
36 portion thereof, is not a public utility within the meaning
37 of this section solely by reason of engaging in any of those
38 activities.

39 (f) The ownership or operation of a facility which sells
40 compressed natural gas at retail to the public for use only



1 as a motor vehicle fuel, and the selling of compressed
2 natural gas at retail from such a facility to the public for
3 use only as a motor vehicle fuel, does not make the
4 corporation or person a public utility within the meaning
5 of this section solely because of that ownership, operation,
6 or sale.

7 *(g) The ownership or operation of an electric plant*
8 *used for direct transactions permitted by subdivision (b)*
9 *of Section 702.1, participation directly or indirectly in*
10 *direct transactions as permitted by subdivision (b) of*
11 *Section 702.1, or sales into the power exchange referred*
12 *to in Section 702.1 shall not make a corporation or person*
13 *a public utility within the meaning of this section solely*
14 *because of that ownership, participation, or sale,*
15 *provided, however, that the generation assets owned by*
16 *any public utility prior to January 1, 1997, and subject to*
17 *rate regulation by the commission, shall continue to be*
18 *subject to regulation by the commission until those assets*
19 *have undergone market valuation in accordance with*
20 *procedures established by the commission.*

21 *SEC. 3. Section 218 of the Public Utilities Code is*
22 *amended to read:*

23 218. (a) "Electrical corporation" includes every
24 corporation or person owning, controlling, operating, or
25 managing any electric plant for compensation within this
26 state, except where electricity is generated on or
27 distributed by the producer through private property
28 solely for its own use or the use of its tenants and not for
29 sale or transmission to others.

30 (b) "Electrical corporation" does not include a
31 corporation or person employing cogeneration
32 technology or producing power from other than a
33 conventional power source for the generation of
34 electricity solely for any one or more of the following
35 purposes:

36 (1) Its own use or the use of its tenants.

37 (2) The use of or sale to not more than two other
38 corporations or persons solely for use on the real property
39 on which the electricity is generated or on real property
40 immediately adjacent thereto, unless there is an



1 intervening public street constituting the boundary
2 between the real property on which the electricity is
3 generated and the immediately adjacent property and
4 one or more of the following applies:

5 (A) The real property on which the electricity is
6 generated and the immediately adjacent real property is
7 not under common ownership or control, or that common
8 ownership or control was gained solely for purposes of
9 sale of the electricity so generated and not for other
10 business purposes.

11 (B) The useful thermal output of the facility
12 generating the electricity is not used on the immediately
13 adjacent property for petroleum production or refining.

14 (C) The electricity furnished to the immediately
15 adjacent property is not utilized by a subsidiary or affiliate
16 of the corporation or person generating the electricity.

17 (3) Sale or transmission to an electrical corporation or
18 state or local public agency, but not for sale or
19 transmission to others, unless the corporation or person is
20 otherwise an electrical corporation.

21 (c) “Electrical corporation” does not include a
22 corporation or person employing landfill gas technology
23 for the generation of electricity for any one or more of the
24 following purposes:

25 (1) Its own use or the use of not more than two of its
26 tenants located on the real property on which the
27 electricity is generated.

28 (2) The use of or sale to not more than two other
29 corporations or persons solely for use on the real property
30 on which the electricity is generated.

31 (3) Sale or transmission to an electrical corporation or
32 state or local public agency.

33 ~~(e)~~

34 (d) The amendments made to this section at the 1987
35 portion of the 1987–88 Regular Session of the Legislature
36 do not apply to any corporation or person employing
37 cogeneration technology or producing power from other
38 than a conventional power source for the generation of
39 electricity which physically produced electricity prior to
40 January 1, 1989, and furnished that electricity to



1 immediately adjacent real property for use thereon prior
2 to January 1, 1989.

3 (e) "Electrical corporation" shall not include a
4 corporation or person generating electricity or
5 marketing electricity to end use customers as permitted
6 by subdivision (b) of Section 702.1, solely as a result of this
7 activity, unless the corporation or person owns, manages,
8 or controls electric transmission or distribution facilities
9 dedicated to public use.

10 SEC. 4. Section 702.1 is added to the Public Utilities
11 Code, to read:

12 702.1. Consistent with the findings and declarations
13 contained in Section 1 of the act adding this section to the
14 Public Utilities Code, the commission shall do all of the
15 following:

16 (a) Facilitate the efforts of the state's electrical
17 corporations to develop and obtain authorization of the
18 federal Energy Regulatory Commission for the creation
19 and operation of an independent system operator and an
20 independent power exchange, for the determination of
21 which transmission and distribution facilities are subject
22 to the exclusive jurisdiction of the commission, and for
23 approval of the cost recovery mechanism established as
24 provided in subdivision (e).

25 (b) (1) Authorize direct transactions between
26 electricity suppliers and end use customers, subject to
27 implementation of the nonbypassable charge referred to
28 in subdivisions (d) to (f), inclusive. Implementation of
29 the nonbypassable charge referred to in subdivisions (d)
30 to (f), inclusive, and direct transactions shall commence
31 simultaneously with the start of an independent system
32 operator and power exchange referred to in subdivision
33 (a), and this simultaneous commencement shall occur as
34 soon as practicable, but no later than January 1, 1998. The
35 commission shall develop a phase-in schedule, not to
36 exceed five years, at the conclusion of which all customers
37 shall have the right to engage in direct transactions. Any
38 phase-in of customer eligibility for direct transactions
39 ordered by the commission shall be accomplished as soon
40 as practicable and be equitable to all customer classes,



1 consistent with meter installation and operational,
2 technological, policy, and practical considerations.
3 Notwithstanding any other provision of law, no person,
4 corporation, city, county, district, or public agency shall
5 be found to be a public utility or an electrical corporation
6 subject to the general jurisdiction of the commission
7 solely because it engages in direct transactions permitted
8 by this section.

9 (2) For purposes of paragraph (1), “direct
10 transaction” means a contract between any one or more
11 electric generators, marketers, or brokers of electric
12 power and one or more retail customers providing for the
13 purchase and sale of electric power or any ancillary
14 services.

15 (c) The commission shall only permit voluntary
16 aggregation of electric loads of customers, including, but
17 not limited to, aggregation of loads of residential and
18 small business customers.

19 (d) The commission shall identify and determine
20 those costs for generation related assets and obligations
21 that had been approved by the commission and were
22 being collected in rates on December 20, 1995, and that
23 may become uneconomic as a result of a competitive
24 generation market, and similar costs incurred subsequent
25 to December 20, 1995, that the commission determines
26 are reasonable and should be recovered. These costs shall
27 be recovered from all customers on a nonbypassable basis
28 and shall:

29 (1) Be amortized over a reasonable time period
30 consistent with not increasing rates above the levels in
31 effect on January 1, 1996. Amortization of contractual or
32 regulatory obligations shall be over the remaining life of
33 the contract obligation.

34 (2) Be adjusted periodically, and each public utility
35 shall be allowed to recover a reasonable return.

36 (3) Be allocated among the various classes of
37 customers, rate schedules, and tariff options to ensure
38 that costs are recovered from these classes, rate
39 schedules, and tariff options in substantially the same
40 proportion as similar costs are recovered as of June 1, 1996,



1 through the regulated retail rates of the relevant electric
2 utility. Individual customers shall not experience rate
3 increases as a result of the allocation of transition costs.

4 (e) Establish an effective mechanism that ensures
5 recovery of transition costs referred to in subdivision (b),
6 from all existing and future consumers in the service
7 territory in which the utility provided electricity services
8 as of December 20, 1995.

9 (f) Require, as a prerequisite for any consumer in
10 California to engage in direct transactions permitted in
11 subdivision (b), that beginning with the commencement
12 of direct transactions permitted in subdivision (b), the
13 consumer contract to pay the costs provided in
14 subdivision (d) directly to the electric corporation
15 providing electricity service in the area in which the
16 consumer is located.

17 (g) Continue to regulate the generation assets owned
18 by any public utility prior to January 1, 1997, and subject
19 to commission regulation until those assets have been
20 subject to market valuation in accordance with
21 procedures established by the commission. If, after
22 market valuation, the public utility wishes to retain
23 ownership of generation assets in the same corporation as
24 the distribution utility, the public utility shall
25 demonstrate to the satisfaction of the commission,
26 through a public hearing, that it would be consistent with
27 the public interest and would not confer undue
28 competitive advantage on the public utility to retain that
29 ownership in the same corporation as the distribution
30 utility.

31 SEC. 5. No reimbursement is required by this act
32 pursuant to Section 6 of Article XIII B of the California
33 Constitution because the only costs that may be incurred
34 by a local agency or school district will be incurred
35 because this act creates a new crime or infraction,
36 eliminates a crime or infraction, or changes the penalty
37 for a crime or infraction, within the meaning of Section
38 17556 of the Government Code, or changes the definition
39 of a crime within the meaning of Section 6 of Article
40 XIII B of the California Constitution.



1 *Notwithstanding Section 17580 of the Government*
2 *Code, unless otherwise specified, the provisions of this act*
3 *shall become operative on the same date that the act*
4 *takes effect pursuant to the California Constitution.*

5 ~~(a) The Public Utilities Commission in its Order~~
6 ~~Instituting Rulemaking and Order Instituting~~
7 ~~Investigation (OIR 94-04-031 and OH 94-04-032,~~
8 ~~commonly referred to as “The Blue Book”) set forth a~~
9 ~~proposed policy statement on restructuring California’s~~
10 ~~electric services industry and reforming its regulatory~~
11 ~~policy.~~

12 ~~(b) The Public Utilities Commission determined that~~
13 ~~the people of the State of California pay some of the~~
14 ~~highest energy rates in the nation.~~

15 ~~(c) The high rates paid by California ratepayers are~~
16 ~~primarily due to an existing regulatory structure~~
17 ~~comprised of policies that are fragmented, outdated,~~
18 ~~areane, and overly complex, engendering a lack of~~
19 ~~competitiveness among utilities, providing weak~~
20 ~~incentives to utilities to operate and invest efficiently,~~
21 ~~and is administratively burdensome and acts as a barrier~~
22 ~~to public participation.~~

23 ~~(d) In 1994, the Legislature passed Assembly~~
24 ~~Concurrent Resolution No. 143 (Resolution Chapter 148~~
25 ~~of the Statutes of 1994) which sets forth general terms that~~
26 ~~reflect the state’s ongoing policy concerns with which~~
27 ~~proposed electric restructuring policies should comply.~~
28 ~~The criteria included achieving significant rate~~
29 ~~reductions, establishing performance standards for~~
30 ~~utilities that assure their performance is among the most~~
31 ~~efficient in the nation, promoting fair competition and~~
32 ~~customer choice, protecting public health and complying~~
33 ~~with all federal and state law, reducing regulation costs~~
34 ~~and burdens, and ensuring safety and reliability of the~~
35 ~~utility grid.~~

36 ~~SEC. 2. Section 702.1 is added to the Public Utilities~~
37 ~~Code, to read:~~

38 ~~702.1. (a) The commission’s decision to restructure~~
39 ~~the electric services industry and the order, or orders,~~



1 ~~implementing that decision shall comply with the~~
2 ~~following criteria:~~

3 ~~(1) The order shall establish a definite period for the~~
4 ~~transition to a restructured electrical services industry no~~
5 ~~later than January 1, 1997. The transition period shall~~
6 ~~establish a suitable timeframe for changing the present~~
7 ~~operating practices and conventions of the electric~~
8 ~~services industry to operating practices and conventions~~
9 ~~appropriate to the restructured competitive industry.~~

10 ~~(2) (A) With respect to transition costs the order shall~~
11 ~~establish and implement a methodology for determining~~
12 ~~transition costs associated with the restructuring of the~~
13 ~~electric services industry.~~

14 ~~(B) The methodology shall do all of the following:~~

15 ~~(i) Determine what constitutes a noneconomic utility~~
16 ~~asset.~~

17 ~~(ii) Determine the value of the noneconomic utility~~
18 ~~assets.~~

19 ~~(iii) Prescribe a fair, just, and equitable allocation of~~
20 ~~the value of the noneconomic assets among all consumer~~
21 ~~classes.~~

22 ~~(iv) Prescribe a reasonable amortization period for~~
23 ~~the recovery of the amounts from all consumer classes.~~

24 ~~(v) Prescribe a mechanism to be used to recover the~~
25 ~~costs.~~

26 ~~(3) Transition costs shall be amortized and recovered~~
27 ~~in a manner that, in the judgment of the commission,~~
28 ~~maximizes the public benefits of restructuring.~~
29 ~~Accordingly, the commission may decide either to~~
30 ~~accelerate the recovery of transition costs over a shorter~~
31 ~~period of time or to extend the recovery period for a~~
32 ~~longer period of time. In no event, however, shall annual~~
33 ~~transition costs exceed the estimated reduction in the cost~~
34 ~~of electricity that is attributable to restructuring.~~

35 ~~(b) The commission shall provide that consumer bills~~
36 ~~for electric services be unbundled, and show separately,~~
37 ~~among other items, the cost of electricity, the cost of~~
38 ~~transmission and distribution charges, itemized transition~~
39 ~~cost recovery charges, and charges for public benefit~~
40 ~~programs.~~



1 ~~(c) The commission shall not order the restructuring~~
2 ~~of the electric services industry unless it determines that~~
3 ~~the proposed restructuring shall provide retail consumers~~
4 ~~the opportunity to purchase electricity at prices no~~
5 ~~greater than would have been the case without~~
6 ~~restructuring. This subdivision applies solely to the price~~
7 ~~of electricity and does not include charges for~~
8 ~~transmission and distribution services, for transition costs,~~
9 ~~or for public benefit programs.~~

10 ~~(d) Prior to issuing a restructuring order, the~~
11 ~~commission shall enumerate the various public benefit~~
12 ~~programs currently required by statute or regulation,~~
13 ~~shall identify the cost of each program enumerated, and~~
14 ~~shall separately list the enumerated costs on bills to~~
15 ~~customers. These programs currently authorized by the~~
16 ~~Legislature or the commission, or both, shall be~~
17 ~~reevaluated and reauthorized no later than January 1,~~
18 ~~1999.~~

19 ~~(e) The commission shall establish a methodology that~~
20 ~~shall provide residential and small business consumers~~
21 ~~with the opportunity to share in the benefits of a~~
22 ~~restructured electrical services industry either by~~
23 ~~providing for the relative ease of aggregation for small~~
24 ~~business and residential customers in a geographical area~~
25 ~~consistent with the area of the franchise or other method~~
26 ~~to be determined consistent with the requirements of the~~
27 ~~restructured electric services industry established by~~
28 ~~statute or regulation.~~

29 ~~(f) In conjunction with the commission's ultimate goal~~
30 ~~of implementing direct access, the commission shall~~
31 ~~develop proposed tariffs consistent with this goal. The~~
32 ~~proposed tariffs shall provide for direct~~
33 ~~nondiscriminatory open access transmission to all retail~~
34 ~~buyers of electric energy who choose to purchase~~
35 ~~electricity from any third party power producer.~~

36 ~~(g) For purposes of this section:~~

37 ~~(1) "Public benefit programs" means all social,~~
38 ~~economic, and environmental programs currently~~
39 ~~funded through rates charged to customers receiving~~
40 ~~electrical services in the State of California.~~



1 ~~(2) “Transition period” means the period required for~~
2 ~~the electrical services industry to convert from a~~
3 ~~command and control system to a system employing~~
4 ~~competitive market practices.~~

5 ~~(3) “Transition costs” means those costs determined to~~
6 ~~arise as a result of the restructuring of the electrical~~
7 ~~services industry.~~

8 ~~(h) This section shall become inoperative on January~~
9 ~~1, 2003, and as of that date is repealed, unless a later~~
10 ~~enacted statute that is chaptered on or before January 1,~~
11 ~~2003, deletes or extends that date.~~

12 ~~SEC. 3. This act is an urgency statute necessary for the~~
13 ~~immediate preservation of the public peace, health, or~~
14 ~~safety within the meaning of Article IV of the~~
15 ~~Constitution and shall go into immediate effect. The facts~~
16 ~~constituting the necessity are:~~

17 ~~In order to facilitate the transition of the current~~
18 ~~regulatory utility structure to a new utility structure~~
19 ~~which will have a profound and immediate impact on the~~
20 ~~people and State of California, it is necessary that this act~~
21 ~~take effect immediately.~~

