

January 18, 2013

Hon. Kamala D. Harris  
Attorney General  
1300 I Street, 17<sup>th</sup> Floor  
Sacramento, California 95814

Attention: Ms. Ashley Johansson  
Initiative Coordinator

Dear Attorney General Harris:

Pursuant to Elections Code Section 9005, we have reviewed a statutory initiative related to electrical utilities in California (A.G. File No. 12-0017).

This measure creates the California Electrical Utility District, which would have the responsibility to provide electricity service to customers within the territory currently served by the three largest electricity investor-owned utilities in the state—Pacific Gas and Electric, Southern California Edison, and San Diego Gas and Electric. This new district would be governed by a board of directors that would have the authority to establish electricity rates, enforce electricity regulations and contracts, condemn for public use privately held property, and issue bonds for certain purposes.

Pursuant to subsection (c) of Section 9005 of the Elections Code, we are informing you that, in our opinion, a reasonable estimate of the net fiscal impact of this proposed initiative measure cannot be prepared within 25 working days from the date this proposed initiative was received. Given that the measure grants such potentially broad authority and discretion, the full scope of the changes this measure would put in place is highly uncertain.

As required by Section 9005, we are informing you that it is our opinion that the measure would result in a substantial net change in state and local finances.

Sincerely,

---

Mac Taylor  
Legislative Analyst

---

Ana J. Matosantos  
Director of Finance