

## Committee on Communications, Energy, and Public Utilities

### **CS/CS/CS/SB 272 — Water Utilities**

by Appropriations Committee; Community Affairs Committee; Communications, Energy, and Public Utilities Committee; and Senator Simpson

The bill creates a process for customers to petition the Florida Public Service Commission (PSC or commission) to require compliance with secondary water quality standards. If a utility fails to comply with commission orders, the process could result in revocation of the utility's certificate of authority. The bill provides petition criteria and factors the commission must consider in its review of the petition and the action it may take to dispose of the petition. The commission is authorized to adopt rules to administer the provisions. Once a petition has been filed in compliance with the section, a utility is prohibited from filing a rate case until the commission has issued a final order.

The bill adds secondary water quality standards to the criteria that the PSC must consider when setting rates for water service. The bill provides guidelines for the secondary water quality standards. The bill authorizes the commission to reduce the utility's return on equity of up to 100 basis points or deny all or part of a rate increase for a utility's system or part of a system if it determines that the quality of water service is less than satisfactory for the time the system remains unsatisfactory. The bill requires a utility to provide an estimate of the costs and benefits of plausible solutions for each concern that the commission finds, meet with the customers to discuss the costs and solutions, and periodically report on the progress of implementation. The commission may require the utility to resolve certain problems and require benchmarks and periodic progress reporting. The bill authorizes the commission to adopt rules to assess and enforce compliance with the secondary water standards and prescribe penalties for a utility's failure to adequately address each concern.

The bill appropriates \$212,521 in recurring funds and \$12,012 in nonrecurring funds from the General Revenue Fund to the PSC and authorizes three full-time equivalent positions for the 2014-2015 fiscal year to implement the provisions in this act.

If approved by the Governor, these provisions take effect July 1, 2014.

*Vote: Senate 37-0; House 99-15*