

Committee on Communications, Energy, And Public Utilities

CS/HB 7109 — Florida Public Service Commission

by Regulatory Affairs Committee; Energy and Utilities Subcommittee; and Reps. La Rosa, Peters, and others (CS/CS/CS/SB 288 by Appropriations Committee; Communications, Energy, and Public Utilities Committee; Communications, Energy, and Public Utilities Committee; and Senator Latvala)

This bill creates requirements for regulated electric utilities, for the entity that regulates them, the Florida Public Service Commission (PSC or commission), and for the entity that nominates members to the PSC, the Florida Public Service Commission Nominating Council (council).

Regulated Electric Utilities

The bill creates a new financing mechanism, referred to as securitization, by which a regulated electric utility can petition the PSC for issuance of a financing order authorizing the utility to issue bonds through a separate legal entity to obtain funding to pay the costs of early retirement of a nuclear power plant. The mechanism is based on an existing statute authorizing use of such bonds to pay storm recovery costs and replenish depleted storm reserve funds. At the heart of the mechanism is a monthly charge to the utility's customers that is dedicated to repayment of the bonds, which is projected to achieve reduced interest rates and result in \$600 million in savings to Duke Energy Florida ratepayers in connection with the early retirement of its Crystal River 3 nuclear power plant.

The bill prohibits a public utility that is authorized both to charge tiered rates based upon levels of usage and to vary its regular billing period from charging a customer a higher rate solely because of an increase in usage attributable to an extension of the billing period. However, the bill establishes an exclusion allowing the regular meter reading date to be advanced or postponed for 5 days for routine operating reasons without prorating the billing for the period.

Effective January 1, 2016, the bill prohibits a utility from charging or receiving a deposit in excess of amounts that are determined by formulas set forth in the bill.

The bill requires a utility that has more than one rate for any customer class to notify each customer in that class of the available rates and explain how the rate is charged to the customer. If a customer contacts the utility seeking assistance in selecting the most advantageous rate, the utility must provide good faith assistance to the customer. The customer is responsible for charges for service provided under the selected rate.

The bill requires that new tariffs and changes to an existing tariff, other than an administrative change that does not substantially change the meaning or operation of the tariff, be approved by majority vote of the commission, except as otherwise specifically provided by law.

The bill requires that moneys received by a regulated electric utility pursuant to the Florida Energy Efficiency and Conservation Act for the purpose of implementing measures to encourage the development of demand-side renewable energy systems be used solely for that purpose and

related administrative costs.

Public Service Commission

The bill establishes a term limit for PSC commissioners appointed after July 1, 2015, of not more than three consecutive (four-year) terms.

The bill requires that specified commission meetings be streamed live on the Internet and a recorded copy of the meeting be made available on the commission's website. The requirement applies to:

- each internal affairs meeting, workshop, hearing, or other proceeding attended by two or more commissioners; and
- each meeting, workshop, hearing, or other proceeding where a decision that concerns the rights or obligations of any person is made.

The bill requires that, beginning January 1, 2016, each PSC commissioner annually complete at least 4 hours of ethics training that addresses, at a minimum, s. 8, Art. II of the State Constitution, the Code of Ethics for Public Officers and Employees, and the public records and public meetings laws of this state. This requirement may be satisfied by completion of a continuing legal education class or other continuing professional education class, seminar, or presentation, if the required subjects are covered.

The bill applies the current prohibition on ex parte communications to any ex parte communications concerning the merits, threat, or offer of reward in any proceeding under ss. 120.569 or 120.57, F.S., (proceedings in which a party has a substantial affected interest involved) that is currently pending before the commission or that he or she knows or reasonably expects will be filed with the commission within 180 days (as opposed to the current 90 days) after the date of any such communication (as opposed to the current 90 days). This prohibition remains in effect at all times at meetings that are scheduled by organizations that sponsor such educational or informational sessions, programs, conferences, and similar events and that are duly noticed and open to the public, wherever such meetings are located. While participating in such meetings, a commissioner must refrain from commenting on or discussing any proceeding in a manner covered by the prohibition, and must use reasonable care to ensure that the content of the educational session or other session in which the commissioner participates is not designed to address or create a forum to influence the commissioner on any proceeding under s. 120.569 or s. 120.57, F.S., which is currently pending before the commission or that he or she knows or reasonably expects will be filed with the commission within 180 days after the meeting. The bill authorizes the Governor to remove from office a commissioner who is found by the Commission on Ethics to have willfully and knowingly violated this prohibition, and requires the Governor to remove from office a commissioner who is found by the Commission on Ethics to have willfully and knowingly violated the prohibition after a previous finding by the Commission on Ethics that the commissioner willfully and knowingly violated it in a separate matter.

Public Service Commission Nominating Council

The bill requires that any person who is employed and receives payment, or who contracts for economic consideration, for the purpose of influencing or attempting to influence action of the council through oral or written communication or through an attempt to obtain the goodwill of a legislator or nonlegislator member of the council, or a person who is principally employed for governmental affairs by another person or governmental entity to act on behalf of that other person or entity for this purpose, must register as a lobbyist pursuant to s. 11.045, F.S., and otherwise comply with the requirements of that section. The Legislature is to implement this requirement by joint rule.

If approved by the Governor, these provisions take effect July 1, 2015.

Vote: Senate 40-0; House 116-0