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LEGISLATIVE ACTION

Senate

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House

The Committee on Innovation, Industry, and Technology (Gruters) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Section 366.96, Florida Statutes, is created to
read:

366.96 Storm protection plan cost recovery.-

(1) The Legislature finds that:

(a) During extreme weather conditions, high winds can cause
vegetation and debris to blow into and damage electrical



352908

11 transmission and distribution facilities, resulting in power
12 outages.

13 (b) A majority of the power outages that occurred during
14 the recent extreme weather conditions in the state were caused
15 by vegetation blown by the wind.

16 (c) It is in the public interest to promote overhead
17 hardening of electrical transmission and distribution
18 facilities, the undergrounding of certain electrical
19 distribution lines, and vegetation management in this state.

20 (d) Protecting and strengthening transmission and
21 distribution electric utility infrastructure from extreme
22 weather conditions will reduce restoration costs and outage
23 times to customers and improve overall service reliability for
24 customers.

25 (e) When considering costs, reliability, storm protection
26 and restoration, and the public convenience, it is in the
27 state's best interest that utilities focus primarily on
28 distribution laterals when undergrounding electric distribution
29 lines.

30 (f) It is in the public interest for each utility to
31 mitigate additional costs to utility customers when developing
32 transmission and distribution storm hardening plans.

33 (g) All customers benefit the reduced costs of storm
34 restoration.

35 (2) As used in this section, the term:

36 (a) "Transmission and distribution storm protection plan"
37 or "plan" means a plan for the overhead hardening of electric
38 transmission and distribution facilities, undergrounding of
39 electric distribution facilities, and increased vegetation



352908

40 management.

41 (b) "Transmission and distribution storm protection plan
42 costs" means the reasonable and prudent costs to implement an
43 approved transmission and distribution storm protection plan.

44 (c) "Vegetation management" means the actions a public
45 utility takes to prevent or curtail vegetation from interfering
46 with public utility infrastructure. The term includes the mowing
47 of vegetation, application of herbicides, trimming of trees, and
48 removal of trees or brush near and around electric transmission
49 and distribution facilities.

50 (3) Each public utility shall file for commission review,
51 as part of its storm hardening plan required by the commission
52 under s. 366.04(2) (c), a transmission and distribution storm
53 protection plan that covers 30 years. The commission must
54 approve or modify the plan within 6 months after the public
55 utility files the plan with the commission. The commission must
56 give due consideration to whether:

57 (a) The plan enhances reliability, strengthens
58 infrastructure, and reduces restoration costs and outage times
59 in a prudent, practical and cost-efficient manner. The plan
60 should prioritize areas in order to generate the highest impact
61 on system resiliency and efficiency and should focus on areas
62 with large numbers of customers, high frequency outages, and
63 lengthy outages.

64 (b) Storm protection of transmission and distribution
65 infrastructure is feasible, reasonable, or practical in certain
66 areas of the utility's service territory, including in flood
67 zones and rural areas.

68 (4) Each public utility must submit an updated transmission



352908

69 and distribution storm protection plan at least every 3 years
70 after commission approval of its most recent plan.

71 (5) (a) The commission shall conduct an annual proceeding to
72 allow a public utility to justify and recover transmission and
73 distribution storm protection plan costs through a storm
74 protection cost recovery clause.

75 (b) Action taken by a public utility for storm protection
76 of transmission and distribution facilities pursuant to a
77 commission-approved plan is deemed prudent, but a party may
78 challenge the commission's determination of prudence.

79 (6) The annual transmission and distribution storm
80 protection plan costs recoverable through the storm protection
81 cost recovery clause must be stated separately from the public
82 utility's base rates and must be allocated to customer classes
83 pursuant to the rate design most recently approved by the
84 commission.

85 (7) If a capital expenditure cost is recoverable through a
86 storm protection cost recovery clause, the public utility may
87 recover the annual depreciation on such cost, calculated at the
88 public utility's current approved depreciation rates, and a
89 return on the depreciated balance of the costs calculated at the
90 public utility's weighted average cost of capital using the
91 return on equity last approved by the commission in a rate case
92 or settlement order.

93 (8) The commission shall adopt rules to implement and
94 administer this section.

95 Section 2. This act shall take effect July 1, 2019.

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97 ===== T I T L E A M E N D M E N T =====



352908

98 And the title is amended as follows:

99 Delete everything before the enacting clause

100 and insert:

101 A bill to be entitled

102 An act relating to public utility storm protection
103 plans; creating s. 366.96, F.S.; providing legislative
104 findings; defining terms; requiring public utilities
105 to individually submit to the Public Service
106 Commission, for review and approval, a transmission
107 and distribution storm protection plan as part of the
108 storm hardening plan required by the commission;
109 requiring utilities to update their respective plans
110 on a specified basis; requiring the commission to
111 approve or modify submitted plans within a specified
112 timeframe, taking into consideration specified
113 factors; requiring the commission to conduct an annual
114 proceeding to allow utilities to justify and recover
115 certain costs through a storm protection cost recovery
116 clause; providing that a party may challenge the
117 prudence of certain costs; providing that utilities
118 may not include certain costs in their base rates;
119 providing for the allocation of such costs;
120 authorizing utilities to recover depreciation on
121 certain capital costs through the recovery clause;
122 requiring the commission to adopt rules; providing an
123 effective date.