



880822

LEGISLATIVE ACTION

| Senate | . | House |
|------------|---|-------|
| Comm: RCS | . | |
| 04/12/2019 | . | |
| | . | |
| | . | |
| | . | |

The Committee on Appropriations (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



880822

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 from the reduced costs of storm
34 restoration.

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

36 (a) "Public utility" or "utility" has the same meaning as
37 in s. 366.02(1), except that this section does not apply to a
38 gas utility.

39 (b) "Transmission and distribution storm protection plan"



880822

40 or "plan" means a plan for the overhead hardening of electric
41 transmission and distribution facilities, undergrounding of
42 electric distribution facilities, and vegetation management.

43 (c) "Transmission and distribution storm protection plan
44 costs" means the reasonable and prudent costs to implement an
45 approved transmission and distribution storm protection plan.

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

52 (3) Each public utility shall file, pursuant to commission
53 rule and for commission review, a transmission and distribution
54 storm protection plan that covers the utility's immediate 10-
55 year planning period. The commission must approve or modify the
56 plan within 6 months after the public utility files the plan
57 with the commission. The commission must give due consideration
58 to all of the following:

59 (a) Whether the plan enhances reliability, strengthens
60 infrastructure, and reduces restoration costs and outage times
61 in a prudent, practical, and cost-efficient manner, including
62 whether the plan prioritizes areas of lower reliability
63 performance.

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

68 (c) The estimated rate impact that will result from the



880822

69 implementation of the public utility's proposed transmission and
70 distribution storm protection plan during the first 3 years
71 addressed in the plan.

72 (4) Each public utility must submit an updated transmission
73 and distribution storm protection plan at least every 3 years
74 after commission approval of its most recent plan. The
75 commission shall approve or modify each updated plan pursuant to
76 the criteria set forth in subsection (3).

77 (5) After a storm protection plan has been approved,
78 proceeding with actions to implement the plan does not
79 constitute and is not evidence of imprudence. The commission
80 shall conduct an annual proceeding to allow a public utility to
81 recover prudently incurred transmission and distribution storm
82 protection plan costs through a storm protection cost recovery
83 clause. Once the commission determines that the costs were
84 prudently incurred, the costs are not subject to disallowance or
85 further prudence review, except for situations involving fraud,
86 perjury, or the intentional withholding of key information by
87 the public utility.

88 (6) The annual transmission and distribution storm
89 protection plan costs recoverable through the storm protection
90 cost recovery clause do not include costs recovered through the
91 public utility's base rates and must be allocated to customer
92 classes pursuant to the rate design most recently approved by
93 the commission.

94 (7) If a capital expenditure cost is recoverable through a
95 storm protection cost recovery clause, the public utility may
96 recover the annual depreciation on such cost, calculated at the
97 public utility's current approved depreciation rates, and a



98 return on the undepreciated balance of the costs calculated at
99 the public utility's weighted average cost of capital using the
100 return on equity last approved by the commission in a rate case
101 or settlement order.

102 (8) The commission shall adopt rules to implement and
103 administer this section, and shall propose a rule for adoption
104 as soon as practicable after the effective date of this act, but
105 not later than October 31, 2019.

106 Section 2. The Division of Law Revision is directed to
107 replace the phrase "the effective date of this act" wherever it
108 occurs in this act with the date this act becomes a law.

109 Section 3. For the 2019-2020 fiscal year, the sums of
110 \$261,270 in recurring funds and \$15,020 in nonrecurring funds
111 from the Regulatory Trust Fund are appropriated to the Public
112 Service Commission, and 4 full-time equivalent positions with an
113 associated salary rate of 180,583 are authorized for the purpose
114 of implementing this act.

115 Section 4. This act shall take effect upon becoming a law.

116
117 ===== T I T L E A M E N D M E N T =====

118 And the title is amended as follows:

119 Delete everything before the enacting clause
120 and insert:

121 A bill to be entitled
122 An act relating to public utility storm protection
123 plans; creating s. 366.96, F.S.; providing legislative
124 findings; defining terms; requiring public utilities
125 to individually submit to the Public Service
126 Commission, for review and approval, a transmission



880822

127 and distribution storm protection plan; requiring
128 utilities to update their respective plans on a
129 specified basis; requiring the commission to approve
130 or modify submitted plans within a specified
131 timeframe, taking into consideration specified
132 factors; requiring the commission to conduct an annual
133 proceeding to allow utilities to justify and recover
134 certain costs through a storm protection cost recovery
135 clause; providing that utilities may not include
136 certain costs in their base rates; providing for the
137 allocation of such costs; authorizing utilities to
138 recover depreciation on certain capital costs through
139 the recovery clause; requiring the commission to adopt
140 rules; requiring the commission to propose a rule for
141 adoption within a specified timeframe; providing a
142 directive to the Division of Law Revision; providing
143 appropriations and authorizing positions; providing an
144 effective date.