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1                   A bill to be entitled  
2           An act relating to public utility storm protection  
3           plans; creating s. 366.96, F.S.; providing legislative  
4           findings; defining terms; requiring public utilities  
5           to submit to the Public Service Commission, for  
6           review, a transmission and distribution storm  
7           protection plan; specifying matters to be considered  
8           in the commission's review of a plan; requiring the  
9           commission to approve, modify, or deny a plan within a  
10          specified timeframe; requiring a utility to update its  
11          plan on a specified basis, subject to commission  
12          review; requiring the commission to conduct an annual  
13          proceeding to allow utilities to recover certain costs  
14          through a storm protection plan cost recovery clause;  
15          providing that utilities may not include costs  
16          recovered through their base rates; providing that  
17          certain costs will not be subject to certain  
18          disallowances or reviews; providing for the allocation  
19          of such costs; authorizing utilities to recover  
20          depreciation and a return on certain capital costs  
21          through the recovery clause; requiring the commission  
22          to submit an annual report to the Governor and  
23          Legislature; requiring rulemaking; providing  
24          appropriations and authorizing positions; providing an  
25          effective date.

26  
27   Be It Enacted by the Legislature of the State of Florida:

28  
29          Section 1. Section 366.96, Florida Statutes, is created to

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30 read:

31 366.96 Storm protection plan cost recovery.-

32 (1) The Legislature finds that:

33 (a) During extreme weather conditions, high winds can cause  
34 vegetation and debris to blow into and damage electrical  
35 transmission and distribution facilities, resulting in power  
36 outages.

37 (b) A majority of the power outages that occur during  
38 extreme weather conditions in the state are caused by vegetation  
39 blown by the wind.

40 (c) It is in the state's interest to strengthen electric  
41 utility infrastructure to withstand extreme weather conditions  
42 by promoting the overhead hardening of electrical transmission  
43 and distribution facilities, the undergrounding of certain  
44 electrical distribution lines, and vegetation management.

45 (d) Protecting and strengthening transmission and  
46 distribution electric utility infrastructure from extreme  
47 weather conditions can effectively reduce restoration costs and  
48 outage times to customers and improve overall service  
49 reliability for customers.

50 (e) It is in the state's interest for each utility to  
51 mitigate restoration costs and outage times to utility customers  
52 when developing transmission and distribution storm protection  
53 plans.

54 (f) All customers benefit from the reduced costs of storm  
55 restoration.

56 (2) DEFINITIONS.-As used in this section, the term:

57 (a) "Public utility" or "utility" has the same meaning as  
58 set forth in s. 366.02(1), except that it does not include a gas

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59 utility.

60 (b) "Transmission and distribution storm protection plan"  
61 or "plan" means a plan for the overhead hardening and increased  
62 resilience of electric transmission and distribution facilities,  
63 undergrounding of electric distribution facilities, and  
64 vegetation management.

65 (c) "Transmission and distribution storm protection plan  
66 costs" means the reasonable and prudent costs to implement an  
67 approved transmission and distribution storm protection plan.

68 (d) "Vegetation management" means the actions a public  
69 utility takes to prevent or curtail vegetation from interfering  
70 with public utility infrastructure. The term includes, but is  
71 not limited to, the mowing of vegetation, application of  
72 herbicides, tree trimming, and removal of trees or brush near  
73 and around electric transmission and distribution facilities.

74 (3) Each public utility shall file, pursuant to commission  
75 rule, a transmission and distribution storm protection plan that  
76 covers the immediate 10-year planning period. Each plan must  
77 explain the systematic approach the utility will follow to  
78 achieve the objectives of reducing restoration costs and outage  
79 times associated with extreme weather events and enhancing  
80 reliability. The commission shall adopt rules to specify the  
81 elements that must be included in a utility's filing for review  
82 of transmission and distribution storm protection plans.

83 (4) In its review of each transmission and distribution  
84 storm protection plan filed pursuant to this section, the  
85 commission shall consider:

86 (a) The extent to which the plan is expected to reduce  
87 restoration costs and outage times associated with extreme

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88 weather events and enhance reliability, including whether the  
89 plan prioritizes areas of lower reliability performance.

90 (b) The extent to which storm protection of transmission  
91 and distribution infrastructure is feasible, reasonable, or  
92 practical in certain areas of the utility's service territory,  
93 including, but not limited to, flood zones and rural areas.

94 (c) The estimated costs and benefits to the utility and its  
95 customers of making the improvements proposed in the plan.

96 (d) The estimated annual rate impact resulting from  
97 implementation of the plan during the first 3 years addressed in  
98 the plan.

99 (5) No later than 180 days after a utility files a  
100 transmission and distribution storm protection plan that  
101 contains all of the elements required by commission rule, the  
102 commission shall determine whether it is in the public interest  
103 to approve, approve with modification, or deny the plan.

104 (6) At least every 3 years after approval of a utility's  
105 transmission and distribution storm protection plan, the utility  
106 must file for commission review an updated transmission and  
107 distribution storm protection plan that addresses each element  
108 specified by commission rule. The commission shall approve,  
109 modify, or deny each updated plan pursuant to the criteria used  
110 to review the initial plan.

111 (7) After a utility's transmission and distribution storm  
112 protection plan has been approved, proceeding with actions to  
113 implement the plan shall not constitute or be evidence of  
114 imprudence. The commission shall conduct an annual proceeding to  
115 determine the utility's prudently incurred transmission and  
116 distribution storm protection plan costs and allow the utility

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117 to recover such costs through a charge separate and apart from  
118 its base rates, to be referred to as the storm protection plan  
119 cost recovery clause. If the commission determines that costs  
120 were prudently incurred, those costs will not be subject to  
121 disallowance or further prudence review except for fraud,  
122 perjury, or intentional withholding of key information by the  
123 public utility.

124 (8) The annual transmission and distribution storm  
125 protection plan costs may not include costs recovered through  
126 the public utility's base rates and must be allocated to  
127 customer classes pursuant to the rate design most recently  
128 approved by the commission.

129 (9) If a capital expenditure is recoverable as a  
130 transmission and distribution storm protection plan cost, the  
131 public utility may recover the annual depreciation on the cost,  
132 calculated at the public utility's current approved depreciation  
133 rates, and a return on the undepreciated balance of the costs  
134 calculated at the public utility's weighted average cost of  
135 capital using the last approved return on equity.

136 (10) Beginning December 1 of the year after the first full  
137 year of implementation of a transmission and distribution storm  
138 protection plan and annually thereafter, the commission shall  
139 submit to the Governor, the President of the Senate, and the  
140 Speaker of the House of Representatives a report on the status  
141 of utilities' storm protection activities. The report shall  
142 include, but is not limited to, identification of all storm  
143 protection activities completed or planned for completion, the  
144 actual costs and rate impacts associated with completed  
145 activities as compared to the estimated costs and rate impacts

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146 for those activities, and the estimated costs and rate impacts  
147 associated with activities planned for completion.

148 (11) The commission shall adopt rules to implement and  
149 administer this section and shall propose a rule for adoption as  
150 soon as practicable after the effective date of this act, but  
151 not later than October 31, 2019.

152 Section 2. For the 2019-2020 fiscal year, the sums of  
153 \$261,270 in recurring funds and \$15,020 in nonrecurring funds  
154 from the Regulatory Trust Fund are appropriated to the Public  
155 Service Commission, and 4 full-time equivalent positions with  
156 associated salary rate of 180,583 are authorized for the purpose  
157 of implementing this act.

158 Section 3. This act shall take effect upon becoming a law.