

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u> </u>	(Y/N)
ADOPTED AS AMENDED	<u> </u>	(Y/N)
ADOPTED W/O OBJECTION	<u> </u>	(Y/N)
FAILED TO ADOPT	<u> </u>	(Y/N)
WITHDRAWN	<u> </u>	(Y/N)
OTHER	<u> </u>	

1 Committee/Subcommittee hearing bill: Energy & Utilities
 2 Subcommittee

3 Representative Fine offered the following:

4

5 **Amendment (with title amendment)**

6 Remove everything after the enacting clause and insert:

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

9 366.96 Storm protection plan cost recovery.-

10 (1) The Legislature finds that:

11 (a) During extreme weather conditions, high winds can
 12 cause vegetation and debris to blow into and damage electrical
 13 transmission and distribution facilities, resulting in power
 14 outages.

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

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

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

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

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

35 (g) All customers benefit from the reduced costs of storm
36 restoration.

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

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38 (a) "Public utility" or "utility" shall have the same
39 definition as in s. 366.02(1), except that the provisions of
40 this section shall not apply to a natural gas utility.

41 (b) "Transmission and distribution storm protection plan"
42 or "plan" means a plan for the overhead hardening of electric
43 transmission and distribution facilities, undergrounding of
44 electric distribution facilities, and increased vegetation
45 management.

46 (c) "Transmission and distribution storm protection plan
47 costs" means the reasonable and prudent costs to implement an
48 approved transmission and distribution storm protection plan.

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

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

61 (a) Whether the plan enhances reliability, strengthens
62 infrastructure, and reduces restoration costs and outage times

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63 in a prudent, practical and cost-efficient manner, including
64 whether the plan prioritizes areas of lower reliability
65 performance.

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

70 (c) The estimated rate impact resulting from
71 implementation of the public utility's proposed transmission and
72 distribution storm protection plan during the first three years
73 addressed in the plan.

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

79 (5) After a storm protection plan has been approved, costs
80 to implement the plan shall not be subject to challenge unless
81 and only to the extent the commission finds that certain costs
82 were imprudently incurred. Proceeding with actions to implement
83 the plan shall not constitute or be evidence of imprudence. The
84 commission shall conduct an annual proceeding to allow a public
85 utility to recover prudently incurred transmission and
86 distribution storm protection plan costs through a storm
87 protection cost recovery charge. Once the commission determines

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88 that costs were prudently incurred, those costs shall not be
89 subject to disallowance or further prudence review except for
90 fraud, perjury, or intentional withholding of key information by
91 the public utility.

92 (6) The annual transmission and distribution storm
93 protection plan costs recoverable through the storm protection
94 cost recovery charge shall not include costs recovered through
95 the public utility's base rates and must be allocated to
96 customer classes pursuant to the rate design most recently
97 approved by the commission.

98 (7) If a capital expenditure cost is recoverable through a
99 storm protection cost recovery clause, the public utility may
100 recover the annual depreciation on such cost, calculated at the
101 public utility's current approved depreciation rates, and a
102 return on the undepreciated balance of the costs calculated at
103 the public utility's weighted average cost of capital using the
104 return on equity last approved by the commission in a rate case
105 or settlement order.

106 (8) The commission shall adopt rules to implement and
107 administer this section.

108 Section 2. This act shall take effect July 1, 2019.
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112 **T I T L E A M E N D M E N T**

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113 Remove everything before the enacting clause and insert:
114 An act relating to public utility storm protection plans;
115 creating s. 366.96, F.S.; providing legislative findings;
116 defining terms; requiring public utilities to individually
117 submit to the Public Service Commission, for review and
118 approval, a transmission and distribution storm protection plan;
119 requiring utilities to update their respective plans on a
120 specified basis; requiring the commission to approve or modify
121 submitted plans within a specified timeframe, taking into
122 consideration specified factors; requiring the commission to
123 conduct an annual proceeding to allow utilities to justify and
124 recover certain costs through a storm protection cost recovery
125 clause; providing that a party may challenge the prudence of
126 certain costs; providing that utilities may not include costs
127 recovered through their base rates; providing for the allocation
128 of such costs; authorizing utilities to recover depreciation on
129 certain capital costs through the recovery clause; requiring
130 rulemaking; providing an effective date.

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