

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 individually submit to the Public Service  
6           Commission, for review and approval, a transmission  
7           and distribution storm protection plan as part of the  
8           storm hardening plan required by the commission;  
9           requiring utilities to update their respective plans  
10          on a specified basis; requiring the commission to  
11          approve or modify submitted plans within a specified  
12          timeframe, taking into consideration specified  
13          factors; requiring the commission to conduct an annual  
14          proceeding to allow utilities to justify and recover  
15          certain costs through a storm protection cost recovery  
16          clause; providing that a party may challenge the  
17          prudence of certain costs; providing that utilities  
18          may not include certain costs in their base rates;  
19          providing for the allocation of such costs;  
20          authorizing utilities to recover depreciation on  
21          certain capital costs through the recovery clause;  
22          requiring rulemaking; providing an effective date.

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24   Be It Enacted by the Legislature of the State of Florida:  
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26 Section 1. Section 366.96, Florida Statutes, is created to  
27 read:

28 366.96 Storm protection plan cost recovery.-

29 (1) The Legislature finds that:

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

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

37 (c) It is in the public interest to promote overhead  
38 hardening of electrical transmission and distribution  
39 facilities, the undergrounding of certain electrical  
40 distribution lines, and vegetation management in this state.

41 (d) Protecting and strengthening transmission and  
42 distribution electric utility infrastructure from extreme  
43 weather conditions will reduce restoration costs and outage  
44 times to customers and improve overall service reliability for  
45 customers.

46 (e) When considering costs, reliability, storm protection  
47 and restoration, and the public convenience, it is in the  
48 state's best interest that utilities focus primarily on  
49 distribution laterals when undergrounding electric distribution  
50 lines.

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

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

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

57 (a) "Transmission and distribution storm protection plan"  
58 or "plan" means a plan for the overhead hardening of electric  
59 transmission and distribution facilities, undergrounding of  
60 electric distribution facilities, and increased vegetation  
61 management.

62 (b) "Transmission and distribution storm protection plan  
63 costs" means the reasonable and prudent costs to implement an  
64 approved transmission and distribution storm protection plan.

65 (c) "Vegetation management" means the actions a public  
66 utility takes to prevent or curtail vegetation from interfering  
67 with public utility infrastructure. The term includes the mowing  
68 of vegetation, application of herbicides, tree trimming, and  
69 removal of trees or brush near and around electric transmission  
70 and distribution facilities.

71 (3) Each public utility shall file for commission review,  
72 as part of its storm hardening plan required by the commission  
73 under s. 366.04(2)(c), a transmission and distribution storm  
74 protection plan that covers 30 years. The commission must  
75 approve or modify the plan within 6 months after the public

76 | utility files the plan with the commission. The commission must  
77 | give due consideration to whether:

78 |     (a) The plan enhances reliability, strengthens  
79 | infrastructure, and reduces restoration costs and outage times  
80 | in a prudent, practical and cost-efficient manner. The plan  
81 | should prioritize areas in order to generate the highest impact  
82 | on system resiliency and efficiency and should focus on areas  
83 | with large numbers of customers, high frequency outages, and  
84 | lengthy outages.

85 |     (b) Storm protection of transmission and distribution  
86 | infrastructure is feasible, reasonable, or practical in certain  
87 | areas of the utility's service territory, including in flood  
88 | zones and rural areas.

89 |     (4) Each public utility must submit an updated  
90 | transmission and distribution storm protection plan at least  
91 | every 3 years after commission approval of its most recent plan.

92 |     (5) (a) The commission shall conduct an annual proceeding  
93 | to allow a public utility to justify and recover transmission  
94 | and distribution storm protection plan costs through a storm  
95 | protection cost recovery clause.

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

100 |     (6) The annual transmission and distribution storm

101 protection plan costs recoverable through the storm protection  
102 cost recovery clause must be stated separately from the public  
103 utility's base rates and must be allocated to customer classes  
104 pursuant to the rate design most recently approved by the  
105 commission.

106 (7) If a capital expenditure cost is recoverable through a  
107 storm protection cost recovery clause, the public utility may  
108 recover the annual depreciation on such cost, calculated at the  
109 public utility's current approved depreciation rates, and a  
110 return on the depreciated balance of the costs calculated at the  
111 public utility's weighted average cost of capital using the  
112 return on equity last approved by the commission in a rate case  
113 or settlement order.

114 (8) The commission shall adopt rules to implement and  
115 administer this section.

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