

By Senator Gaetz

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A bill to be entitled
An act relating to the Florida Public Service
Commission; amending s. 350.01, F.S.; revising the
membership of the Florida Public Service Commission;
creating s. 350.129, F.S.; requiring that orders
issued by the commission contain adequate support and
rationale for any conclusions made by the commission;
requiring the commission to provide an explanation and
a discussion of major elements of the settlement when
issuing an order accepting or denying certain
settlement agreements; amending s. 366.06, F.S.;
requiring the commission to ensure that the allowable
return on equity does not exceed the national average
authorized return on equity for comparable public
utilities; amending s. 366.07, F.S.; requiring the
commission to establish a schedule by which rate
change requests may be submitted to the commission by
each public utility company; creating s. 366.077,
F.S.; requiring the commission to provide a report to
the Governor and the Legislature by a specified date
annually; providing requirements for the report;
amending s. 377.814, F.S.; conforming a cross-
reference; providing an effective date.

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

Section 1. Subsection (1) of section 350.01, Florida
Statutes, is amended to read:

350.01 Florida Public Service Commission; terms of

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commissioners; vacancies; election and duties of chair; quorum; proceedings; public records and public meetings exemptions.—

(1) The Florida Public Service Commission shall be composed ~~consist~~ of seven ~~five~~ commissioners appointed pursuant to s. 350.031. One member must be a certified public accountant, and one member must be a chartered financial analyst.

Section 2. Section 350.129, Florida Statutes, is created to read:

350.129 Orders of the Florida Public Service Commission.—

(1) All orders issued by the commission must contain adequate support and rationale for the commission's conclusions, including the specific facts and factors on which the conclusions are based. While the commission may make conclusions based upon the public interest, as provided in chapters 350-368, it shall specify in its orders a rationale for such conclusions.

(2) For commission orders that affect substantial interests pursuant to s. 120.569, when issuing an order accepting or denying a settlement agreement reached by any of the parties to a proceeding, the commission shall provide a reasoned explanation, citing the specific facts and factors on which it relied. In addition, the commission shall provide in its order a discussion of the major elements of the settlement and a rationale for its conclusions.

Section 3. Present subsection (4) of section 366.06, Florida Statutes, is redesignated as subsection (5), and a new subsection (4) is added to that section, to read:

366.06 Rates; procedure for fixing and changing.—

(4) In order to best meet the needs of Florida households, the commission shall ensure that the allowable return on equity

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for public utilities does not exceed the national average
authorized return on equity for comparable public utilities
across the country.

Section 4. Section 366.07, Florida Statutes, is amended to
read:

366.07 Rates; adjustment.—

(1) Whenever the commission, after public hearing either
upon its own motion or upon complaint, shall find the rates,
rentals, charges or classifications, or any of them, proposed,
demanded, observed, charged or collected by any public utility
for any service, or in connection therewith, or the rules,
regulations, measurements, practices or contracts, or any of
them, relating thereto, are unjust, unreasonable, insufficient,
excessive, or unjustly discriminatory or preferential, or in
anywise in violation of law, or any service is inadequate or
cannot be obtained, the commission shall determine and by order
fix the fair and reasonable rates, rentals, charges or
classifications, and reasonable rules, regulations,
measurements, practices, contracts or service, to be imposed,
observed, furnished or followed in the future.

(2) The commission shall establish a schedule by which rate
change requests may be submitted to the commission by each
public utility company.

Section 5. Section 366.077, Florida Statutes, is created to
read:

366.077 Report on rates.—The commission shall submit an
annual report to the Governor and the Legislature by March 1.

(1) The report must include all of the following:

(a) An investigation of contemporary economic analyses

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related to rate changes in this state.

(b) An analysis of potential cost impacts to utility customers in this state if excess returns on equity have occurred and, if such excess returns have not occurred at a significant rate, any resulting cost savings to such customers.

(c) An analysis of returns on equity models presented by public utilities and used by the commission to determine approved returns on equity for public utilities in this state. Such analysis must:

1. Compare models used by federal agencies and other state utility regulatory bodies with those used by the commission;

2. Determine whether the models used are generally financially logical; and

3. Determine whether the models used comport with generally accepted economic theory both inside and outside of the utility industry.

(d) An assessment of long-term impacts, including the economic repercussions of rising rates of returns on equity, to utilities and their customers in the future.

(e) A summary providing detailed information regarding the compensation of the executive officers of each public utility providing service to the residents of this state, or the executive officers of a public utility's affiliated companies or parent company. Such information must include, but need not be limited to, salaries, benefits, stock options, bonuses, stock buybacks, and other taxable payments, expressed both as dollar amounts and as a percentage of the entity's total revenue. The summary must include the profits and losses of each entity as reported in its financial statements and highlight any

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117 compensation that exceeds the industry average. The commission
118 shall also include any rationale provided by a public utility
119 justifying compensation exceeding the industry average and, for
120 each public utility, an explanation as to how specific data
121 gathered during the compiling of information informed the
122 commission's decisions on the public utility's rate change
123 requests.

124 (2) The report must provide benchmarking, comparing public
125 utilities providing service to the residents of this state with
126 public utilities providing service to the residents of other
127 states, and include commentary on all findings.

128 Section 6. Paragraph (b) of subsection (5) of section
129 377.814, Florida Statutes, is amended to read:

130 377.814 Municipal Solid Waste-to-Energy Program.—

131 (5) FUNDING.—

132 (b) Funds awarded under the grant programs set forth in
133 this section may not be used to support, subsidize, or enable
134 the sale of electric power generated by a municipal solid waste-
135 to-energy facility to any small electric utility eligible to
136 petition the commission under s. 366.06(5) ~~s. 366.06(4)~~.

137 Section 7. This act shall take effect July 1, 2026.