

By the Committee on Utilities & Communications and
 Representatives Thrasher, Logan and Wasserman Schultz

1 A bill to be entitled
 2 An act relating to the Public Service
 3 Commission; amending s. 367.081, F.S.; limiting
 4 the commission's consideration of
 5 contributions-in-aid-of-construction under
 6 certain circumstances; providing construction;
 7 requiring the commission to approve rates for
 8 certain services under certain circumstances;
 9 providing construction; providing an effective
 10 date.

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

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 14 Section 1. Paragraph (a) of subsection (2) of section
 15 367.081, Florida Statutes, is amended to read:

16 367.081 Rates; procedure for fixing and changing.--

17 (2)(a)1. The commission shall, either upon request or
 18 upon its own motion, fix rates which are just, reasonable,
 19 compensatory, and not unfairly discriminatory. In every such
 20 proceeding, the commission shall consider the value and
 21 quality of the service and the cost of providing the service,
 22 which shall include, but not be limited to, debt interest; the
 23 requirements of the utility for working capital; maintenance,
 24 depreciation, tax, and operating expenses incurred in the
 25 operation of all property used and useful in the public
 26 service; and a fair return on the investment of the utility in
 27 property used and useful in the public service. However, the
 28 commission shall not allow the inclusion of
 29 contributions-in-aid-of-construction in the rate base of any
 30 utility during a rate proceeding, nor shall the commission
 31 impute prospective future contributions-in-aid-of-construction

1 against the utility's investment in property used and useful
2 in the public service; and accumulated depreciation on such
3 contributions-in-aid-of-construction shall not be used to
4 reduce the rate base, nor shall depreciation on such
5 contributed assets be considered a cost of providing utility
6 service.

7 2. For purposes of such proceedings, the commission
8 shall consider utility property, including land acquired or
9 facilities constructed or to be constructed, to be used and
10 useful in the public service, if:

11 a. Such property is needed to serve current customers;
12 b. Such property is needed to serve customers 5 years
13 after the expected date of the commission's entry of a final
14 order on a rate request as provided in subsection (6); or
15 c. Such property is needed to serve customers more
16 than 5 full years after the expected date of the commission's
17 entry of a final order on a rate request as provided in
18 subsection (6) only to the extent the utility presents clear
19 and convincing evidence to justify such consideration.

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21 Notwithstanding the provisions of this paragraph, the
22 commission shall approve rates for service that allow a
23 utility to recover from customers the full amount of
24 environmental compliance costs. Such rates shall not include
25 charges for allowances for funds prudently invested or similar
26 charges. For purposes of this requirement, the term
27 "environmental compliance costs" includes all reasonable
28 expenses and fair return on any prudent investment incurred by
29 a utility in complying with the requirements or conditions
30 contained in any permitting, enforcement, or similar decisions
31 of the United States Environmental Protection Agency, the

1 Department of Environmental Protection, a water management
2 district, or any other governmental entity with similar
3 regulatory jurisdiction.~~The commission shall also consider~~
4 ~~the investment of the utility in land acquired or facilities~~
5 ~~constructed or to be constructed in the public interest within~~
6 ~~a reasonable time in the future, not to exceed, unless~~
7 ~~extended by the commission, 24 months from the end of the~~
8 ~~historical test period used to set final rates.~~

9 Section 2. This act shall take effect upon becoming a
10 law.

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