

STORAGE NAME: h0637a.ca

DATE: March 27, 1997

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
COMMUNITY AFFAIRS
BILL ANALYSIS & ECONOMIC IMPACT STATEMENT - LOCAL LEGISLATION**

BILL #: HB 637

RELATING TO: Orlando Utilities Commission

SPONSOR(S): Representative Sindler and others

COMPANION BILL(S): None.

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) COMMUNITY AFFAIRS YEA 5 NAY 0
 - (2) UTILITIES & COMMUNICATIONS
 - (3) FINANCE & TAXATION
 - (4)
 - (5)
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I. SUMMARY:

The bill expands the boundaries within which the Orlando Utilities Commission (the Commission) may acquire, establish, construct, maintain and/or operate electric generating plants, electric lines, and associated facilities, to include any existing municipal electric service territory in Osceola County.

The bill expands the array of services provided to include "energy services," which encompasses: (1) the selling of electricity to other utility companies, (2) giving advice to home owners on methods of electricity conservation; and (3) paying for electricity conservation improvements to houses for homeowners living at poverty level. The expansion of water services to include raw water, potable water, nonpotable water, chilled water and reused water furthers the St. John's River Water Management District policy that cities demonstrate water conservation in order to receive consumptive use permits. The use of these types of water will conserve potable water.

The Economic Impact Statement provided by the Commission states that the City of St. Cloud (the city currently affected by this bill) will experience no additional costs, and will experience savings for administration and a reduction of expenses.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

The Orlando Utilities Commission (the Commission) was established in 1923 by special act, chapter 9861, Laws of Florida. Section 9 of the act has been amended once, in 1961, to expand the boundaries within which the Commission may provide services, to include Brevard County, and allowing it to connect to privately-owned public utilities.

Currently, the Commission is authorized to acquire, establish, construct, maintain and/or operate electric generating plants, electric lines, and associated facilities within the boundaries of Orange County and Brevard County. It is authorized to furnish electricity, power and water to consumers in Orange County, and construct and maintain electric lines and water mains in, along, and under all public highways and streets throughout Orange County for the purpose of conveying water or electric current. It may contract with any municipality in Orange County to furnish electric power and water. With limited exception, the Commission may not serve any consumer outside the boundaries of Orange and Brevard Counties.

The Commission may connect with, and enter into contracts with, one or more privately owned public utilities.

Contractual negotiations are ongoing between the City of St. Cloud and the Orlando Utilities Commission for the provision of power services to the City of St. Cloud. However, the contract will not be consummated unless savings are realized by the City of St. Cloud.

B. EFFECT OF PROPOSED CHANGES:

The bill expands the boundaries within which the Commission may acquire, establish, construct, maintain and/or operate electric generating plants, electric lines, and associated facilities, to include any existing municipal electric service territory in Osceola County. It expands the array of services provided to include "energy services," which encompasses: (1) the selling of electricity to other utility companies, (2) giving advice to home owners on methods of electricity conservation; and (3) paying for electricity conservation improvements to houses for homeowners living at poverty level. The expansion of water services to include raw water, potable water, nonpotable water, chilled water and reused water furthers the St. John's River Water Management District policy that cities demonstrate water conservation in order to receive consumptive use permits. The use of these types of water will conserve potable water.

The Commission may connect to, and contract with, one or more electric utilities which include municipal electric utilities, investor-owned utilities, rural electric cooperatives, cogeneration facilities, nonutility generators, and any other form of electric producer or marketer. The bill expands the area within which the Commission is authorized to construct and maintain electric lines and water mains to include Osceola County. It expands the area within which the Commission may provide services to include any existing municipal electric service territory within Osceola County.

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C. LAWS OF FLORIDA/FLORIDA STATUTES AFFECTED:

Chapter 9861, Laws of Florida, 1923, as amended.
Chapter 61-2589, Laws of Florida

D. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

No.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced:

Not Applicable

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

(2) what is the cost of such responsibility at the new level/agency?

(3) how is the new agency accountable to the people governed?

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

No.

- c. Does the bill reduce total taxes, both rates and revenues?

No.

- d. Does the bill reduce total fees, both rates and revenues?

The Economic Impact Statement provided by the Commission states the City of St. Cloud's general fund will receive the same revenues they are currently receiving from their customers. However, the Economic Impact Statement also states there will be a savings for electric customers of the City of St. Cloud.

- e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

Not Applicable.

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

Not Applicable.

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

Not Applicable.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

Not Applicable.

(2) Who makes the decisions?

Not Applicable.

(3) Are private alternatives permitted?

Not Applicable.

(4) Are families required to participate in a program?

Not Applicable.

(5) Are families penalized for not participating in a program?

Not Applicable.

b. Does the bill directly affect the legal rights and obligations between family members?

Not Applicable.

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

Not Applicable.

(1) parents and guardians?

(2) service providers?

(3) government employees/agencies?

E. SECTION-BY-SECTION ANALYSIS:

Section 1. Amends Section 9 of chapter 9861, Laws of Florida, 1923, as amended by chapter 61-2589, Laws of Florida, as follows:

Section 9(1). Expands the boundaries within which the Commission is authorized to acquire, establish, construct, maintain and/or operate electric generating plants to include Osceola County. It expands the services the Commission is authorized to provide to include energy services, raw water, potable water, nonpotable water, chilled water, and reused water to customers within any existing municipal electric services territory in Osceola County. It also expands the authority to construct and maintain facilities associated with energy services, throughout Osceola County. It expands the Commission's authority to contract with municipalities in Osceola County, and expands services contracted for to include energy services, and raw

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water, potable water, nonpotable water, chilled water, and reused water. It further expands the boundaries of consumers allowed to be served to include any existing municipal electric service territory in Osceola County.

Section 9(1)(b) - Increases the facilities with which the Commission may connect to and contract with, by deleting "privately owned public utilities" and inserting "municipal electric utilities, investor-owned utilities, rural electric cooperatives, cogeneration facilities, nonutility generators, and any other form of electric producer or marketer."

III. NOTICE/REFERENDUM AND OTHER REQUIREMENTS:

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? January 22 & 24, 1997

WHERE? The Orlando Sentinel, Orange County, Osceola County, and Brevard County, Florida

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

IV. COMMENTS:

None.

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On March 27, 1997, the House Committee on Community Affairs adopted one amendment that was also agreed upon by the Orange County Legislative Delegation. That amendment clarifies the boundaries within which the Commission may provide electric, power, water and energy services.

VI. SIGNATURES:

COMMITTEE ON COMMUNITY AFFAIRS:
Prepared by:

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