

By the Committee on Communications and Public Utilities; and
Senator Constantine

579-1916-05

1 A bill to be entitled

2 An act relating to the regulation of telephone

3 rates; amending s. 364.051, F.S.; providing

4 that damage to the equipment and facilities of

5 a local exchange telecommunications as a result

6 of a named tropical system constitutes a

7 compelling showing of changed circumstances to

8 justify a rate increase; allows such companies

9 to petition for recover of such costs and

10 expenses; requiring the Public Service

11 Commission to verify the intrastate costs and

12 expenses for repairing, restoring, or replacing

13 damaged lines, plants, or facilities; requiring

14 the commission to determine whether the

15 intrastate costs and expenses are reasonable;

16 requiring a company to exhaust any

17 storm-reserve funds prior to recovery from

18 customers; providing that the commission may

19 authorize adding an equal line-item charge per

20 access line for certain customers; providing

21 for a rate cap and providing the maximum number

22 of months the rate may be imposed; providing a

23 12-month limit for the application; allowing

24 recovery for more than one storm within the

25 limit; providing an effective date.

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

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29 Section 1. Subsection (4) of section 364.051, Florida

30 Statutes, is amended to read:

31 364.051 Price regulation.--

1 (4)(a) ~~Notwithstanding the provisions of~~ subsection
2 (2), any local exchange telecommunications company that
3 believes circumstances have changed substantially to justify
4 any increase in the rates for basic local telecommunications
5 services may petition the commission for a rate increase, but
6 the commission shall grant the ~~such~~ petition only after an
7 opportunity for a hearing and a compelling showing of changed
8 circumstances. The costs and expenses of any government
9 program or project required in part II ~~may shall~~ not be
10 recovered under this subsection unless the ~~such~~ costs and
11 expenses are incurred in the absence of a bid and subject to
12 carrier-of-last-resort obligations as provided for in part II.
13 The commission shall act upon the ~~any such~~ petition within 120
14 days after ~~of~~ its filing.

15 (b) For purposes of this section, evidence of damage
16 occurring to the lines, plants, or facilities of a local
17 exchange telecommunications company that is subject to the
18 carrier-of-last-resort obligations, which damage is the result
19 of a tropical system occurring after June 1, 2005, and named
20 by the National Hurricane Center, constitutes a compelling
21 showing of changed circumstances.

22 1. A company may file a petition to recover its
23 intrastate costs and expenses relating to repairing,
24 restoring, or replacing the lines, plants, or facilities
25 damaged by a named tropical system.

26 2. The commission shall verify the intrastate costs
27 and expenses submitted by the company in support of its
28 petition.

29 3. The company must show and the commission shall
30 determine whether the intrastate costs and expenses are
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1 reasonable under the circumstances for the named tropical
2 system.

3 4. A company having a storm-reserve fund may recover
4 tropical-system-related costs and expenses from its customers
5 only in excess of any amount available in the storm-reserve
6 fund.

7 5. The commission may determine the amount of any
8 increase that the company may charge its customers, but the
9 charge per line item may not exceed 50 cents per month per
10 customer line for a period of not more than 12 months.

11 6. The commission may order the company to add an
12 equal line-item charge per access line to the billing
13 statement of the company's retail basic local
14 telecommunications service customers, its retail nonbasic
15 telecommunications service customers, and its wholesale loop
16 unbundled network element customers. At the end of the
17 collection period, the commission shall verify that the
18 collected amount does not exceed the amount authorized by the
19 order. If collections exceed the ordered amount, the
20 commission shall order the company to refund the excess.

21 7. In order to qualify for filing a petition under
22 this paragraph, a company with one million or more access
23 lines, but fewer than three million access lines, must have
24 tropical-system-related costs and expenses exceeding \$1.5
25 million, and a company with three million or more access lines
26 must have tropical-system-related costs and expenses of \$5
27 million or more. A company with fewer than one million access
28 lines is not required to meet a minimum damage threshold in
29 order to qualify to file a petition under this paragraph.

30 8. A company may file only one petition for storm
31 recovery in any 12-month period for the previous storm season,

1 but the application may cover damages from more than one named
2 tropical system.

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4 This paragraph is not intended to adversely affect the
5 commission's consideration of any petition for an increase in
6 basic rates to recover costs related to storm damage which was
7 filed before the effective date of this act.

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

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11 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
12 COMMITTEE SUBSTITUTE FOR
13 SB 2232

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14 The committee substitute limits recovery to damage which is
15 the result of a tropical system occurring after June 1, 2205,
16 and is named by the National Hurricane Center. The company
17 must incur a certain threshold level of intrastate costs and
18 expenses before filing its petition. A company having a
19 storm-reserve fund may only recover intrastate costs and
20 expenses in excess of amounts available in the fund. The
21 commission may determine the amount of any increase, but the
22 charge per line item may not exceed 50 center per month per
23 customer line for a period of not more than 12 months. The
24 commission may order the company to add an equal line-item
25 charge per access line to the billing statement of certain
26 customers. The commission must true-up the collections and
27 order refunds if the collection exceeds the amount authorized
28 in the order. The company may only file one petition per 12
29 month period for the previous storm season. The bill does not
30 affect petitions that may be filed prior to the effective date
31 of the act.

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