3-990-06

1	A bill to be entitled
2	An act relating to electric utilities;
3	requiring the Public Service Commission to
4	consider whether an electric utility should be
5	required to absorb a portion of an increase in
6	fuel costs under certain circumstances;
7	requiring the Public Service Commission to make
8	certain considerations in determining the
9	amount of an increase in fuel costs which an
10	electric utility is required to absorb;
11	providing that a customer who is without power
12	for a certain number of days due to a natural
13	disaster is exempt from an increase in rates;
14	requiring an electric utility to absorb an
15	increase in rates for certain customers who are
16	without power; prohibiting the Public Service
17	Commission from considering certain costs as
18	lost revenue in determining a rate increase;
19	providing an effective date.
20	
21	WHEREAS, the State of Florida has seen a significant
22	increase in the cost of electricity during the past 2 years,
23	and
24	WHEREAS, the significant increase in the cost of
25	electricity has been extremely burdensome to the residents of
26	this state due to the damages caused by the series of
27	hurricanes that have struck this state during the last 2 years
28	and the hardships that the residents have had to endure, and
29	WHEREAS, the Legislature wishes to provide the
30	residents of this state with some relief from the significant
31	increase in the cost of electricity, NOW, THEREFORE,

Be It Enacted by the Legislature of the State of Florida: 2 Section 1. Notwithstanding any other provision of law, 3 4 when the fuel costs for an electric utility exceed the fuel 5 costs for the preceding calendar year by more than 25 percent, 6 the Public Service Commission shall consider whether the electric utility should be required to absorb a portion of the increase in fuel costs. In determining the amount of the 8 increase in fuel costs which the electric utility is required 9 10 to absorb, the Public Service Commission shall consider the prudence and efficiency of the requirement and the burdens 11 12 that the increase in fuel costs may impose on the customers of 13 the electric utility, giving great weight to the testimony of 14 the customers. Section 2. (1) In the event of a natural disaster, a 15 customer of an electric utility who is without power for more 16 than 21 days is exempt from an increase in rates resulting 18 from the costs attributed to the natural disaster. The electric utility shall absorb the increase in rates for these 19 customers. 2.0 21 (2) The Public Service Commission may not consider the costs attributed to a natural disaster or the increased cost 2.2 23 of fuel as lost revenue in determining a rate increase. Section 3. This act shall take effect upon becoming a 2.4 law. 2.5 26 27 2.8 29 30 31

********** SENATE SUMMARY Requires the Public Service Commission to consider whether an electric utility should be required to absorb a portion of an increase in fuel costs under certain circumstances. Requires the Public Service Commission to make certain considerations in determining the amount of an increase in fuel costs which an electric utility is required to absorb. Provides that a customer who is without power for a certain number of days due to a natural disaster is exempt from an increase in rates. Requires an electric utility to absorb an increase in rates for certain customers who are without power. Prohibits the Public Service Commission from considering certain costs as lost revenue in determining a rate increase.