

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: Communications and Public Utilities Committee

BILL: CS/SB 1872

INTRODUCER: Communications & Public Utilities Committee and Senator Constantine

SUBJECT: Florida Public Service Commission

DATE: March 14, 2006

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wiehle	Caldwell	CU	Fav/CS
2.	_____	_____	RC	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The bill deletes obsolete language relating to the transition from an elected Commission to an appointed one and to the railroad industry, the position of chief internal auditor, and maximum regulatory assessment rates.

The bill substantially amends the following sections of the Florida Statutes: 350.01, 350.011, 350.06, 350.113, and 350.117. The bill also repeals sections 350.051, 350.80, and 361.08 of the Florida Statutes.

II. Present Situation:

In September, 2005, the Auditor General issued an operational audit report on the Florida Public Service Commission, Report Number 2006-021, entitled Public Service Commission Regulatory Audits And Personnel Administration. One of the findings in this report was that some of the sections of Chapter 350, F.S., relating to the railroad industry, the position of chief internal auditor, and maximum regulatory assessment rates were no longer reflective of current Commission practices. Despite the fact that the Commission's jurisdiction over the railroad industry ended with the industry's deregulation in 1985, ss. 350.011, 350.113(3)(a), and 350.117(2), F.S., continue to include references or requirements applicable to the railroad industry. Additionally, s. 350.051, F.S., specifies the qualifications of the chief auditor and directs that the auditor serve as the director of the Commission's accounting department, but the Commission's current organizational structure does not include a Chief Auditor position or an accounting department. Instead, the organizational structure includes a Bureau of Auditing and an Office of Fiscal Services, supervised by a Chief of Auditing and Professional Accounting Specialist, respectively. Finally, s. 350.113(3), F.S., sets out regulatory assessment rate maximums for the telecommunications, gas, and water and wastewater industries that conflict

with the rate assessment maximums specified in individual industry-specific statutes. The report recommended that these statutes be amended to eliminate outdated or inappropriate requirements and change regulatory assessment rate maximums that are inconsistent with industry-specific statutes.

III. Effect of Proposed Changes:

The bill makes the statutory changes recommended in the Auditor General report. It also amends the statute on appointment of Commissioners, deleting obsolete language on the transition from an elected Commission to an appointed one.

Section 1 amends provisions in s. 350.01, F.S., relating to appointment of Commissioners and hearing examiners. The current statute still provides for the transition from an elected Commission to an appointed one, providing for the initial appointments to be made on specified dates from 1979 to 1981. The bill deletes these transitional provisions, preserves the 4-year term language, and specifies that each term begins on January 2 of the year following appointment. The bill also deletes a reference to “the commission’s office of hearing examiners” as the commission no longer has such an office but instead has staff attorneys function as hearing examiners.

Section 2 amends s. 350.011, F.S., deleting references to the transition from the “Florida Railroad and Public Utilities Commission” to the “Florida Public Service Commission,” which was done when railroads were deregulated.

Section 3 amends s. 350.06, F.S., deleting obsolete provisions relating to the Commission’s official reporters. These provisions contain an obsolete salary cap, conflicting provisions on fees for copies of transcripts, and a report not needed for internal fiscal controls. The bill also changes the current provision that the Commission’s fees for activities such as copying, certifying, or providing orders, transcripts and similar documents are to be the same fees that are allowed to be charged by the clerk of the circuit court. The bill provides that these fees are to be no more than the same fees of the court clerk.

Section 4 amends s. 350.113, F.S., to delete provisions for maximum regulatory assessment fees that conflict with the maximums set forth in the industry-specific statutes.

Section 5 amends s. 350.117, F.S., to delete a reference to regulation of railroads.

Section 6 repeals s. 350.051, F.S., which provides the qualifications for a Commission Chief Auditor, which the Commission no longer has.

Section 7 repeals s. 350.80, F.S., which provides for regulation of coal slurry pipelines. According to the Commission, no coal slurry pipeline has ever been proposed in Florida; instead of using such pipelines to bring coal into Florida from Georgia to use to generate electricity, two electric transmission lines were constructed to bring in the electricity itself from Georgia. Additionally, a footnote to this statute states that “Section 5, ch. 79-236, provides that “[t]his act shall take effect when every state in which the coal slurry pipeline will pass en route to Florida has enacted laws granting eminent domain authority to coal slurry pipeline companies or other

entities operating or proposing to operate a coal slurry pipeline, and when the appropriate governmental authority has guaranteed in writing to the Public Service Commission that a continuous source of water shall be available for use in said coal slurry pipeline.”” Commission staff states that Georgia never granted eminent domain authority, so this section never became effective.

Section 8 repeals a related statute, s. 361.08, F.S., which grants eminent domain power to coal pipeline companies. This section has the same conditional effective date as discussed above and has never become effective.

Section 9 provides that the bill takes effect upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Summary of Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
