

Bill No. SB 1202

Barcode 652690

CHAMBER ACTION

Senate

House

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04/26/2007 03:39 PM

Senator Bennett moved the following amendment:

Senate Amendment (with title amendment)

On page 2, line 20 through page 4, line 20, delete those lines

and insert:

(2) Within 6 months after the enactment of this act, the commission shall establish, by rule, alternative cost recovery mechanisms for the recovery of costs incurred in the siting, design, licensing, and construction of a nuclear or advanced technology coal power plant. Such mechanisms shall be designed to promote utility investment in nuclear or advanced technology coal power plants and allow for the recovery in rates of all prudently incurred costs, and shall include, but are not limited to:

(a) Recovery through the capacity cost recovery clause of any preconstruction costs.

(b) Recovery through an incremental increase in the utility's capacity cost recovery clause rates of the carrying costs on the utility's projected construction cost balance

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1 associated with the nuclear or advanced technology coal power
 2 plant. To encourage investment and provide certainty, for
 3 nuclear or advanced technology coal power plant need petitions
 4 submitted on or before December 31, 2010, associated carrying
 5 costs shall be equal to the pretax AFUDC in effect upon this
 6 act becoming law. For nuclear or advanced technology coal
 7 power plants for which need petitions are submitted after
 8 December 31, 2010, the utility's existing pretax AFUDC rate is
 9 presumed to be appropriate unless determined otherwise by the
 10 commission in the determination of need for the nuclear or
 11 advanced technology coal power plant.

12 (3) After a petition for determination of need is
 13 granted, a utility may petition the commission for cost
 14 recovery as permitted by this section and commission rules.

15 (4) When the nuclear or advanced technology coal power
 16 plant is placed in commercial service, the utility shall be
 17 allowed to increase its base rate charges by the projected
 18 annual revenue requirements of the nuclear or advanced
 19 technology coal power plant based on the jurisdictional annual
 20 revenue requirements of the plant for the first 12 months of
 21 operation. The rate of return on capital investments shall be
 22 calculated using the utility's rate of return last approved by
 23 the commission prior to the commercial inservice date of the
 24 nuclear or advanced technology coal power plant. If any
 25 existing generating plant is retired as a result of operation
 26 of the nuclear or advanced technology coal power plant, the
 27 commission shall allow for the recovery, through an increase
 28 in base rate charges, of the net book value of the retired
 29 plant over a period not to exceed 5 years.

30 (5) The utility shall report to the commission
 31 annually the budgeted and actual costs as compared to the

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1 estimated inservice cost of the nuclear or advanced technology
 2 coal power plant provided by the utility pursuant to s.
 3 403.519(4), until the commercial operation of the nuclear or
 4 advanced technology coal power plant. The utility shall
 5 provide such information on an annual basis following the
 6 final order by the commission approving the determination of
 7 need for the nuclear or advanced technology coal power plant,
 8 with the understanding that some costs may be higher than
 9 estimated and other costs may be lower.

10 (6) In the event the utility elects not to complete or
 11 is precluded from completing construction of the nuclear or
 12 advanced technology coal power plant, the utility shall be
 13 allowed to recover all prudent preconstruction and
 14 construction costs incurred following the commission's
 15 issuance of a final order granting a determination of need for
 16 the nuclear or advanced technology coal power plant. The
 17 utility shall recover such costs through the capacity cost
 18 recovery clause over a period equal to the period during which
 19 the costs were incurred or 5 years, whichever is greater. The
 20 unrecovered balance during the recovery period will accrue
 21 interest at the utility's weighted average cost of capital as
 22 reported in the commission's earnings surveillance reporting
 23 requirement for the prior year.

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26 ===== T I T L E A M E N D M E N T =====

27 And the title is amended as follows:

28 On page 1, lines 1-9, delete those lines

29

30 and insert:

31 A bill to be entitled

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1 An act relating to power plants; amending s.
2 366.93, F.S., revising definitions relating to
3 certain power plants; requiring the Florida
4 Public Service Commission to implement rules
5 relating to cost recovery; requiring a report;
6 amending s.

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