

By Senator Fasano

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1 A bill to be entitled

2 An act relating to cost recovery regarding nuclear and
3 integrated gasification combined cycle power plants;
4 amending s. 366.93, F.S.; authorizing a utility to
5 recover costs through rates upon a determination by
6 the Public Service Commission that the costs are
7 prudent under certain conditions; authorizing the
8 adjustment of rates that are not deemed prudent by the
9 commission; requiring the utility to issue credits to
10 its customers; deleting a provision authorizing the
11 commission to allow for the recovery of the net book
12 value of a retired generating plant under certain
13 circumstances; conforming a provision to changes made
14 by the act; requiring the commission to terminate
15 rates approved for an abandoned project and order the
16 utility to refund customers; deleting provisions that
17 authorize the utility to recover preconstruction and
18 construction costs; providing an effective date.

19
20 Be It Enacted by the Legislature of the State of Florida:

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22 Section 1. Subsections (3), (4), (5), and (6) of section
23 366.93, Florida Statutes, are amended to read:

24 366.93 Cost recovery for the siting, design, licensing, and
25 construction of nuclear and integrated gasification combined
26 cycle power plants.—

27 (3) After a petition for determination of need is granted,
28 a utility may petition the commission for ~~cost~~ recovery of
29 prudently incurred costs as permitted by this section and

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30 commission rules. The utility may begin recovery of such costs
31 through rates upon a determination by the commission that the
32 costs are prudent if the approved rates do not become effective
33 before January 1, 2011. Any rate currently in effect which
34 permits recovery of costs subject to this section which the
35 commission has not deemed prudent, shall be adjusted to remove
36 the impact of such costs, and the utility shall refund to its
37 customers an amount equal to the costs removed, plus appropriate
38 interest, through a credit on customer bills.

39 (4) When the nuclear or integrated gasification combined
40 cycle power plant is placed in commercial service, the utility
41 shall be allowed to increase its base rate charges by the
42 projected annual revenue requirements of the nuclear or
43 integrated gasification combined cycle power plant based on the
44 jurisdictional annual revenue requirements of the plant for the
45 first 12 months of operation. The rate of return on capital
46 investments shall be calculated using the utility's rate of
47 return last approved by the commission prior to the commercial
48 inservice date of the nuclear or integrated gasification
49 combined cycle power plant. ~~If any existing generating plant is~~
50 ~~retired as a result of operation of the nuclear or integrated~~
51 ~~gasification combined cycle power plant, the commission shall~~
52 ~~allow for the recovery, through an increase in base rate~~
53 ~~charges, of the net book value of the retired plant over a~~
54 ~~period not to exceed 5 years.~~

55 (5) The utility shall report to the commission annually the
56 budgeted and actual costs as compared to the estimated inservice
57 cost of the nuclear or integrated gasification combined cycle
58 power plant provided by the utility pursuant to s. 403.519(4),

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59 until the commercial operation of the nuclear or integrated
60 gasification combined cycle power plant. The utility shall
61 provide such information on an annual basis following the final
62 order by the commission approving the determination of need for
63 the nuclear or integrated gasification combined cycle power
64 plant, ~~with the understanding that some costs may be higher than~~
65 ~~estimated and other costs may be lower.~~

66 (6) If the utility elects not to complete ~~or is precluded~~
67 ~~from completing~~ construction of the nuclear power plant,
68 including new, expanded, or relocated electrical transmission
69 lines or facilities necessary thereto, or of the integrated
70 gasification combined cycle power plant, the commission shall
71 terminate the rates approved pursuant to this section with
72 respect to the abandoned project, and order the utility shall be
73 allowed to refund to customers, as credits on customer bills,
74 all amounts recovered for the abandoned project. Credits shall
75 be provided in the same manner, at the same rate, and over the
76 same period of time in which the amounts were recovered ~~recover~~
77 ~~all prudent preconstruction and construction costs incurred~~
78 ~~following the commission's issuance of a final order granting a~~
79 ~~determination of need for the nuclear power plant and electrical~~
80 ~~transmission lines and facilities necessary thereto or for the~~
81 ~~integrated gasification combined cycle power plant. The utility~~
82 ~~shall recover such costs through the capacity cost recovery~~
83 ~~clause over a period equal to the period during which the costs~~
84 ~~were incurred or 5 years, whichever is greater. The unrecovered~~
85 ~~balance during the recovery period will accrue interest at the~~
86 ~~utility's weighted average cost of capital as reported in the~~
87 ~~commission's earnings surveillance reporting requirement for the~~

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88 ~~prior year.~~

89 Section 2. This act shall take effect July 1, 2009.