

By Senator Bennett

21-00638-10

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1 A bill to be entitled
2 An act relating to water and wastewater utilities;
3 creating s. 367.0819, F.S.; providing for recovery
4 through a surcharge of certain costs relating to water
5 and wastewater system improvement projects; requiring
6 utilities to submit tariffs reflecting the surcharge
7 for recovery of such costs to the Florida Public
8 Service Commission for approval and to provide
9 specified notice of such tariff filings; specifying a
10 limitation for the surcharge amount; providing
11 requirements for billing, reconciliation, and
12 adjustment of the surcharge; providing project
13 eligibility criteria; providing requirements for
14 notice, maintenance, and availability of certain
15 records; providing an effective date.

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

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19 Section 1. Section 367.0819, Florida Statutes, is created
20 to read:

21 367.0819 Recovery of costs for system improvement
22 projects.-

23 (1) To promote utility investment in system improvement
24 projects, the commission shall allow for recovery through a
25 surcharge of prudently incurred capital costs related to
26 projects to enhance water quality, fire protection reliability,
27 and long-term system viability pursuant to this section.

28 (2) A utility seeking to establish a surcharge pursuant to
29 this section must:

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30 (a) Submit, for commission approval, tariffs establishing a
31 formula for calculation of rates reflecting the surcharge, which
32 rates provide for recovery of depreciation and return on
33 investment for each eligible project. For any rate class, the
34 surcharge may not exceed 8 percent of otherwise applicable rates
35 and charges approved by the commission.

36 (b) Provide notice of the initial tariff filing to each
37 customer in the affected service area and publish notice of the
38 filing within the affected service area pursuant to commission
39 rule.

40 (3) A surcharge established pursuant to this section shall
41 be:

42 (a) Presented as a separate line item on the customer bill.
43 Any changes in the surcharge must be reflected on the first bill
44 the customer receives following such change.

45 (b) Subject to an annual reconciliation based on a
46 reconciliation period of 12 months ending December 31 of each
47 year. The revenue received under the surcharge for the
48 reconciliation period shall be compared to the eligible costs of
49 the utility for that period. The difference between revenue and
50 costs shall be recovered or refunded, as appropriate, over a 12-
51 month period beginning on April 1 of each year. Revenues in
52 excess of system improvement costs shall be refunded with
53 interest to customers.

54 (c) Reset at zero as of the effective date of new base
55 rates that provide for prospective recovery of the annual costs
56 that had previously been recovered under the surcharge.
57 Thereafter, only the fixed costs of new eligible projects that
58 have not previously been reflected in the base rate of the

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59 utility shall be reflected in the quarterly updates of the
60 surcharge.

61 (4) A project is eligible for recovery of costs through the
62 surcharge if:

63 (a) It is completed and placed into service after the test
64 year upon which base rates were last established for the utility
65 by the commission; and

66 (b) It is a construction and improvement project that is
67 used for the production, treatment, transmission, storage,
68 distribution, or provision of potable or recycled water to the
69 public or for the collection, transportation, or disposal of
70 sewage for the public. Such projects include, but are not
71 limited to, water quality improvement projects designed to
72 achieve primary or secondary water standards as determined by
73 the department; wastewater quality improvement projects; main,
74 service line, and valve replacement; main cleaning and relining;
75 fire and flushing hydrant installation, maintenance, and
76 replacement; main extension to eliminate dead ends;
77 interconnection projects; water, wastewater, and reuse meter
78 installation, maintenance, and replacement; collection sewer
79 cleaning and relining; and manhole replacement, cleaning, and
80 rehabilitation.

81 (5) Upon approval of the surcharge, the utility shall
82 maintain and make available for public inspection during normal
83 business hours at each utility location a detailed schedule for
84 each completed project, including the plant account number and
85 title, the category of the project, the project name and
86 description, the cost of the project in the month of closing,
87 and the month and year of closing. Notice of the availability of

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88 the schedules for public inspection shall be posted in each
89 office of the utility.

90 Section 2. This act shall take effect July 1, 2010.