

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

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

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

20           367.0819 Recovery of costs for system improvement  
 21 projects.-

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

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

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

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

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

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

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

53        (c) Reset at zero as of the effective date of new base  
54 rates that provide for prospective recovery of the annual costs  
55 that had previously been recovered under the surcharge.  
56 Thereafter, only the fixed costs of new eligible projects that

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57 have not previously been reflected in the base rate of the  
58 utility shall be reflected in the quarterly updates of the  
59 surcharge.

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

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

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

80 (5) Upon approval of the surcharge, the utility shall  
81 maintain and make available for public inspection during normal  
82 business hours at each utility location a detailed schedule for  
83 each completed project, including the plant account number and  
84 title, the category of the project, the project name and

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85 description, the cost of the project in the month of closing,  
86 and the month and year of closing. Notice of the availability of  
87 the schedules for public inspection shall be posted in each  
88 office of the utility.

89 Section 2. This act shall take effect July 1, 2011.