

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative Smith offered the following:

2
3 **Amendment (with directory and title amendments)**

4 Remove lines 64-164 and insert:

5 (c) In establishing rates for a utility, upon its own
6 motion or upon the request of a utility, the commission may
7 authorize a utility to create a utility reserve fund for
8 infrastructure repair and replacement for a utility for existing
9 distribution and collection infrastructure that is nearing the
10 end of its useful life or is detrimental to water quality or
11 reliability of service, to be funded by a portion of the rates
12 charged by the utility, by a secured escrow account, or through
13 a letter of credit. The commission shall adopt rules to govern
14 the implementation, management, and use of the fund, including,

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15 but not limited to, rules related to expenses for which the fund
16 may be used, segregation of reserve account funds, requirements
17 for a capital improvement plan, and requirements for commission
18 authorization before disbursements are made from the fund.

19 (4)

20 (b) ~~The approved rates of any utility which receives all~~
21 ~~or any portion of its utility service from a governmental~~
22 ~~authority or from a water or wastewater utility regulated by the~~
23 ~~commission and which redistributes that service to its utility~~
24 ~~customers shall be automatically increased or decreased without~~
25 ~~hearing, upon verified notice to the commission 45 days prior to~~
26 ~~its implementation of the increase or decrease that the~~
27 utility's costs for any specified expense item ~~rates charged by~~
28 ~~the governmental authority or other utility have changed. The~~
29 ~~approved rates of any utility which is subject to an increase or~~
30 ~~decrease in the rates or fees that it is charged for electric~~
31 ~~power, the amount of ad valorem taxes assessed against its used~~
32 ~~and useful property, the fees charged by the Department of~~
33 ~~Environmental Protection in connection with the National~~
34 ~~Pollutant Discharge Elimination System Program, or the~~
35 ~~regulatory assessment fees imposed upon it by the commission~~
36 ~~shall be increased or decreased by the utility, without action~~
37 ~~by the commission, upon verified notice to the commission 45~~
38 ~~days prior to its implementation of the increase or decrease~~
39 ~~that the rates charged by the supplier of the electric power or~~
40 ~~the taxes imposed by the governmental authority, or the~~

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41 ~~regulatory assessment fees imposed upon it by the commission~~
42 ~~have changed. The new rates authorized shall reflect the amount~~
43 ~~of the change of the ad valorem taxes or rates imposed upon the~~
44 ~~utility by the governmental authority, other utility, or~~
45 ~~supplier of electric power, or the regulatory assessment fees~~
46 ~~imposed upon it by the commission. The approved rates of any~~
47 ~~utility shall be automatically increased, without hearing, upon~~
48 ~~verified notice to the commission 45 days prior to~~
49 ~~implementation of the increase that costs have been incurred for~~
50 ~~water quality or wastewater quality testing required by the~~
51 ~~Department of Environmental Protection.~~

52 1. The new rates authorized shall reflect, on an amortized
53 or annual basis, as appropriate, the cost of, or the amount of
54 change in the cost of the specified expense item, ~~required water~~
55 ~~quality or wastewater quality testing performed by laboratories~~
56 ~~approved by the Department of Environmental Protection for that~~
57 ~~purpose.~~ The new rates, however, shall not reflect the costs of
58 any specified expense item ~~required water quality or wastewater~~
59 ~~quality testing~~ already included in a utility's rates. Specified
60 expense items that are eligible for automatic increase or
61 decrease of a utility's rates include, but are not limited to:

62 a. The rates charged by a governmental authority or other
63 water or wastewater utility regulated by the commission which
64 provides utility service to the utility.

65 b. The rates or fees that the utility is charged for
66 electric power.

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67 c. The amount of ad valorem taxes assessed against the
68 utility's used and useful property.

69 d. The fees charged by the Department of Environmental
70 Protection in connection with the National Pollutant Discharge
71 Elimination System Program.

72 e. The regulatory assessment fees imposed upon the utility
73 by the commission.

74 f. Costs incurred for water quality or wastewater quality
75 testing required by the Department of Environmental Protection.

76 g. The fees charged for wastewater biosolids disposal.

77 h. Costs incurred for any tank inspection required by the
78 Department of Environmental Protection or a local governmental
79 authority.

80 i. Treatment plant operator and water distribution system
81 operator license fees required by the Department of
82 Environmental Protection or a local governmental authority.

83 j. Water or wastewater operating permit fees charged by
84 the Department of Environmental Protection or a local
85 governmental authority.

86 k. Consumptive or water use permit fees charged by a water
87 management district.

88 2. A utility may not use this procedure to increase its
89 rates as a result of an increase in a specific expense item
90 which occurred ~~water quality or wastewater quality testing or an~~
91 ~~increase in the cost of purchased water services, sewer~~
92 ~~services, or electric power or in assessed ad valorem taxes,~~

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93 ~~which increase was initiated~~ more than 12 months before the
94 filing by the utility.

95 3. The commission may establish by rule additional
96 specific expense items that are outside the control of the
97 utility and have been imposed upon the utility by a federal,
98 state, or local law, rule, order, or notice. If the commission
99 establishes such a rule, the commission shall review the rule at
100 least once every 5 years and determine if each expense item
101 should continue to be cause for an automatic increase or
102 decrease and whether additional items should be included.

103 4. ~~The provisions of~~ This subsection does ~~de~~ not prevent a
104 utility from seeking a change in rates pursuant to ~~the~~
105 ~~provisions of~~ subsection (2).

106 (8) The amount of rate case expense that the commission
107 determines a public utility may recover through its rates
108 pursuant to this chapter shall be apportioned for recovery over
109 4 years unless a longer period can be justified and is in the
110 public interest. At the conclusion of the recovery period, the
111 public utility shall immediately reduce its rates by the amount
112 of the rate case expense previously included in rates.

113 (9) A public utility may not earn a return on the
114 unamortized balance of the rate case expense. Any unamortized
115 balance of rate case expense shall be excluded in calculating
116 the utility's rate base.

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119 **D I R E C T O R Y A M E N D M E N T**

120 Remove lines 60-61 and insert:
121 section 367.081, Florida Statutes, paragraph (b) of subsection
122 (4) is amended, subsection (8) is renumbered as subsection (10),
123 and new subsections (8) and (9) are added to that section, to
124 read:

125

126 -----

127 **T I T L E A M E N D M E N T**

128 Remove lines 12-20 and insert:
129 amending s. 367.081, F.S.; providing that the
130 commission may authorize a utility to create a utility
131 reserve fund under certain circumstances; requiring
132 the commission to adopt rules to govern the
133 implementation, management, and use of the fund;
134 establishing criteria for adjusted rates; specifying
135 expense items that may be the basis for an automatic
136 increase or decrease of a utility's rates; authorizing
137 the commission to establish by rule additional
138 specified expense items; specifying the time period
139 over which rate case expenses may be apportioned if a
140 public utility is authorized to recover those expenses
141 through its rates; prohibiting a utility from earning
142 a return on the unamortized balance of the rate case
143 expense; amending s. 367.0814, F.S.;

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