

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative Smith offered the following:

2
3 **Substitute Amendment for Amendment (513329) (with directory**
4 **and title amendments)**

5 Remove lines 64-186 and insert:

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

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

20 (4)

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

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

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

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

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- 66 b. The rates or fees that the utility is charged for
67 electric power.
- 68 c. The amount of ad valorem taxes assessed against the
69 utility's used and useful property.
- 70 d. The fees charged by the Department of Environmental
71 Protection in connection with the National Pollutant Discharge
72 Elimination System Program.
- 73 e. The regulatory assessment fees imposed upon the utility
74 by the commission.
- 75 f. Costs incurred for water quality or wastewater quality
76 testing required by the Department of Environmental Protection.
- 77 g. The fees charged for wastewater biosolids disposal.
- 78 h. Costs incurred for any tank inspection required by the
79 Department of Environmental Protection or a local governmental
80 authority.
- 81 i. Treatment plant operator and water distribution system
82 operator license fees required by the Department of
83 Environmental Protection or a local governmental authority.
- 84 j. Water or wastewater operating permit fees charged by
85 the Department of Environmental Protection or a local
86 governmental authority.
- 87 k. Consumptive or water use permit fees charged by a water
88 management district.
- 89 2. A utility may not use this procedure to increase its
90 rates as a result of an increase in a specific expense item
91 which occurred ~~water quality or wastewater quality testing or an~~

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92 ~~increase in the cost of purchased water services, sewer~~
93 ~~services, or electric power or in assessed ad valorem taxes,~~
94 ~~which increase was initiated~~ more than 12 months before the
95 filing by the utility.

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

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

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

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

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118 Section 4. Subsection (3) of section 367.0814, Florida
119 Statutes, is amended to read:

120 367.0814 Staff assistance in changing rates and charges;
121 interim rates.—

122 (3) The provisions of s. 367.081(1), (2)(a), and (3) shall
123 apply in determining the utility's rates and charges. However,
124 the commission may not award rate case expenses to recover
125 attorney fees or fees of other outside consultants who are
126 engaged for the purpose of preparing or filing the case if a
127 utility receives staff assistance in changing rates and charges
128 pursuant to this section, unless the Office of Public Counsel or
129 interested parties have intervened. The commission may award
130 rate case expenses for attorney fees or fees of other outside
131 consultants if such fees are incurred for the purpose of
132 providing consulting or legal services to the utility after the
133 initial staff report is made available to customers and the
134 utility. If there is a protest or appeal by a party other than
135 the utility, the commission shall award rate case expenses to
136 the utility for attorney fees or fees of other outside
137 consultants for costs incurred after the protest or appeal. By
138 December 31, 2016, the commission must propose rules to
139 administer this subsection.

140 Section 5. Section 367.0816, Florida Statutes, is
141 repealed.

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

145 Remove lines 60-61 and insert:
146 section 367.081, Florida Statutes, paragraph (b) of subsection
147 (4) is amended, subsection (8) is renumbered as subsection (10),
148 and new subsections (8) and (9) are added to that section, to
149 read:

150

151 -----

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

153 Remove lines 12-24 and insert:
154 amending s. 367.081, F.S.; providing that the
155 commission may authorize a utility to create a utility
156 reserve fund under certain circumstances; requiring
157 the commission to adopt rules to govern the
158 implementation, management, and use of the fund;
159 establishing criteria for adjusted rates; specifying
160 expense items that may be the basis for an automatic
161 increase or decrease of a utility's rates; authorizing
162 the commission to establish by rule additional
163 specified expense items; specifying the time period
164 over which rate case expenses may be apportioned if a
165 public utility is authorized to recover those expenses
166 through its rates; prohibiting a utility from earning
167 a return on the unamortized balance of the rate case
168 expense; amending s. 367.0814, F.S.; requiring the
169 commission to award rate case expenses to recover

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170 attorney fees or fees of other outside consultants in
171 certain circumstances; requiring the commission to
172 propose rules by a certain date; repealing s.
173 367.0816, F.S., relating to the recovery of rate case
174 expenses; amending
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