

Amendment No.

CHAMBER ACTION

Senate

House



1 Representative Fine offered the following:

2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12

**Amendment (with title amendment)**

Remove everything after the enacting clause and insert:

Section 1. Section 366.96, Florida Statutes, is created to read:

366.96 Storm protection plan cost recovery.-

(1) The Legislature finds that:

(a) During extreme weather conditions, high winds can cause vegetation and debris to blow into and damage electrical transmission and distribution facilities, resulting in power outages.

690185

Approved For Filing: 4/29/2019 5:59:10 PM

Amendment No.

13 (b) A majority of the power outages that occur during  
14 extreme weather conditions in the state are caused by vegetation  
15 blown by the wind.

16 (c) It is in the state's interest to strengthen electric  
17 utility infrastructure to withstand extreme weather conditions  
18 by promoting the overhead hardening of electrical transmission  
19 and distribution facilities, the undergrounding of certain  
20 electrical distribution lines, and vegetation management.

21 (d) Protecting and strengthening transmission and  
22 distribution electric utility infrastructure from extreme  
23 weather conditions can effectively reduce restoration costs and  
24 outage times to customers and improve overall service  
25 reliability for customers.

26 (e) It is in the state's interest for each utility to  
27 mitigate restoration costs and outage times to utility customers  
28 when developing transmission and distribution storm protection  
29 plans.

30 (f) All customers benefit from the reduced costs of storm  
31 restoration.

32 (2) DEFINITIONS.- As used in this section, the term:

33 (a) "Public utility" or "utility" has the same meaning as  
34 set forth in s. 366.02(1), except that it does not include a gas  
35 utility.

36 (b) "Transmission and distribution storm protection plan"  
37 or "plan" means a plan for the overhead hardening and increased

690185

Approved For Filing: 4/29/2019 5:59:10 PM

Amendment No.

38 resilience of electric transmission and distribution facilities,  
39 undergrounding of electric distribution facilities, and  
40 vegetation management.

41 (c) "Transmission and distribution storm protection plan  
42 costs" means the reasonable and prudent costs to implement an  
43 approved transmission and distribution storm protection plan.

44 (d) "Vegetation management" means the actions a public  
45 utility takes to prevent or curtail vegetation from interfering  
46 with public utility infrastructure. The term includes, but is  
47 not limited to, the mowing of vegetation, application of  
48 herbicides, tree trimming, and removal of trees or brush near  
49 and around electric transmission and distribution facilities.

50 (3) Each public utility shall file, pursuant to commission  
51 rule, a transmission and distribution storm protection plan that  
52 covers the immediate 10-year planning period. Each plan must  
53 explain the systematic approach the utility will follow to  
54 achieve the objectives of reducing restoration costs and outage  
55 times associated with extreme weather events and enhancing  
56 reliability. The commission shall adopt rules to specify the  
57 elements that must be included in a utility's filing for review  
58 of transmission and distribution storm protection plans.

59 (4) In its review of each transmission and distribution  
60 storm protection plan filed pursuant to this section, the  
61 commission shall consider:

690185

Approved For Filing: 4/29/2019 5:59:10 PM

Amendment No.

62 (a) The extent to which the plan is expected to reduce  
63 restoration costs and outage times associated with extreme  
64 weather events and enhance reliability, including whether the  
65 plan prioritizes areas of lower reliability performance.

66 (b) The extent to which storm protection of transmission  
67 and distribution infrastructure is feasible, reasonable, or  
68 practical in certain areas of the utility's service territory,  
69 including, but not limited to, flood zones and rural areas.

70 (c) The estimated costs and benefits to the utility and  
71 its customers of making the improvements proposed in the plan.

72 (d) The estimated annual rate impact resulting from  
73 implementation of the plan during the first 3 years addressed in  
74 the plan.

75 (5) No later than 180 days after a utility files a  
76 transmission and distribution storm protection plan that  
77 contains all of the elements required by commission rule, the  
78 commission shall determine whether it is in the public interest  
79 to approve, approve with modification, or deny the plan.

80 (6) At least every 3 years after approval of a utility's  
81 transmission and distribution storm protection plan, the utility  
82 must file for commission review an updated transmission and  
83 distribution storm protection plan that addresses each element  
84 specified by commission rule. The commission shall approve,  
85 modify, or deny each updated plan pursuant to the criteria used  
86 to review the initial plan.

690185

Approved For Filing: 4/29/2019 5:59:10 PM

Amendment No.

87 (7) After a utility's transmission and distribution storm  
88 protection plan has been approved, proceeding with actions to  
89 implement the plan shall not constitute or be evidence of  
90 imprudence. The commission shall conduct an annual proceeding to  
91 determine the utility's prudently incurred transmission and  
92 distribution storm protection plan costs and allow the utility  
93 to recover such costs through a charge separate and apart from  
94 its base rates, to be referred to as the storm protection plan  
95 cost recovery clause. If the commission determines that costs  
96 were prudently incurred, those costs will not be subject to  
97 disallowance or further prudence review except for fraud,  
98 perjury, or intentional withholding of key information by the  
99 public utility.

100 (8) The annual transmission and distribution storm  
101 protection plan costs may not include costs recovered through  
102 the public utility's base rates and must be allocated to  
103 customer classes pursuant to the rate design most recently  
104 approved by the commission.

105 (9) If a capital expenditure is recoverable as a  
106 transmission and distribution storm protection plan cost, the  
107 public utility may recover the annual depreciation on the cost,  
108 calculated at the public utility's current approved depreciation  
109 rates, and a return on the undepreciated balance of the costs  
110 calculated at the public utility's weighted average cost of  
111 capital using the last approved return on equity.

690185

Approved For Filing: 4/29/2019 5:59:10 PM

Amendment No.

112       (10) Beginning December 1 of the year after the first full  
113 year of implementation of a transmission and distribution storm  
114 protection plan and annually thereafter, the commission shall  
115 submit to the Governor, the President of the Senate, and the  
116 Speaker of the House of Representatives a report on the status  
117 of utilities' storm protection activities. The report shall  
118 include, but is not limited to, identification of all storm  
119 protection activities completed or planned for completion, the  
120 actual costs and rate impacts associated with completed  
121 activities as compared to the estimated costs and rate impacts  
122 for those activities, and the estimated costs and rate impacts  
123 associated with activities planned for completion.

124       (11) The commission shall adopt rules to implement and  
125 administer this section and shall propose a rule for adoption as  
126 soon as practicable after the effective date of this act, but  
127 not later than October 31, 2019.

128       Section 2. For the 2019-2020 fiscal year, the sums of  
129 \$261,270 in recurring funds and \$15,020 in nonrecurring funds  
130 from the Regulatory Trust Fund are appropriated to the Public  
131 Service Commission, and 4 full-time equivalent positions with  
132 associated salary rate of 180,583 are authorized for the purpose  
133 of implementing this act.

134       Section 3. This act shall take effect upon becoming a law.

135 -----  
136 -----

690185

Approved For Filing: 4/29/2019 5:59:10 PM

Amendment No.

**T I T L E   A M E N D M E N T**

Remove everything before the enacting clause and insert:

A bill to be entitled

An act relating to public utility storm protection plans; creating s. 366.96, F.S.; providing legislative findings; defining terms; requiring public utilities to submit to the Public Service Commission, for review, a transmission and distribution storm protection plan; specifying matters to be considered in the commission's review of a plan; requiring the commission to approve, modify, or deny a plan within a specified timeframe; requiring a utility to update its plan on a specified basis, subject to commission review; requiring the commission to conduct an annual proceeding to allow utilities to recover certain costs through a storm protection plan cost recovery clause; providing that utilities may not include costs recovered through their base rates; providing that certain costs will not be subject to certain disallowances or reviews; providing for the allocation of such costs; authorizing utilities to recover depreciation and a return on certain capital costs through the recovery clause; requiring the commission to submit an annual report to the Governor and Legislature; requiring rulemaking; providing

690185

Approved For Filing: 4/29/2019 5:59:10 PM

Amendment No.

162 | appropriations and authorizing positions; providing an  
163 | effective date.

690185

Approved For Filing: 4/29/2019 5:59:10 PM