

Amendment No. 1

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

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

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

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

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

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

37 (b) "Transmission and distribution storm protection plan"
38 or "plan" means a plan for the overhead hardening and increased
39 resilience of electric transmission and distribution facilities,
40 undergrounding of electric distribution facilities, and
41 vegetation management.

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

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

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

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

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

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

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

74 (d) The estimated annual rate impact resulting from
75 implementation of the plan during the first three years
76 addressed in the plan.

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

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

90 (7) After a utility's transmission and distribution storm
91 protection plan has been approved, proceeding with actions to

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

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

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

115 (10) Beginning December 1 of the year following the first
116 full year of implementation of a transmission and distribution

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117 storm protection plan and annually thereafter, the commission
118 shall submit to the President of the Senate, the Speaker of the
119 House of Representatives, and the Governor a report on the
120 status of utilities' storm protection activities. The report
121 shall include, but is not limited to, identification of all
122 storm protection activities completed or planned for completion,
123 the actual costs and rate impacts associated with completed
124 activities as compared to the estimated costs and rate impacts
125 for those activities, and the estimated costs and rate impacts
126 associated with activities planned for completion.

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

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

137 Section 3. This act shall take effect upon becoming law.
138

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

141 Remove everything before the enacting clause and insert:

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142 An act relating to public utility storm protection plans;
143 creating s. 366.96, F.S.; providing legislative findings;
144 defining terms; requiring public utilities to submit to the
145 Public Service Commission, for review, a transmission and
146 distribution storm protection plan; specifying matters to be
147 considered in the commission's review of a plan; requiring the
148 commission to approve, modify, or deny a plan within a specified
149 timeframe; requiring a utility to update its plan on a specified
150 basis, subject to commission review; requiring the commission to
151 conduct an annual proceeding to allow utilities to recover
152 certain costs through a storm protection plan cost recovery
153 clause; providing that utilities may not include costs recovered
154 through their base rates; providing for the allocation of such
155 costs; authorizing utilities to recover depreciation and a
156 return on certain capital costs through the recovery clause;
157 requiring the commission to submit an annual report to the
158 Legislature and Governor; requiring rulemaking; providing
159 appropriations and authorizing positions; providing an effective
160 date.