

1 A bill to be entitled
2 An act relating to public utility storm protection
3 plans; creating s. 366.96, F.S.; providing legislative
4 findings; defining terms; requiring each public
5 utility to submit to the Public Service Commission,
6 for review, a transmission and distribution storm
7 protection plan; requiring each utility to update its
8 respective plan on a specified basis; requiring the
9 commission to approve or modify submitted plans within
10 a specified timeframe, taking into consideration
11 specified factors; requiring the commission to conduct
12 an annual proceeding to allow utilities to recover
13 certain costs through a storm protection cost recovery
14 clause; providing circumstances under which certain
15 costs may be challenged; providing that utilities may
16 not include costs recovered through their base rates;
17 providing for the allocation of such costs;
18 authorizing utilities to recover depreciation and a
19 return on certain capital costs through the recovery
20 clause; requiring rulemaking; providing an effective
21 date.

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

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25 Section 1. Section 366.96, Florida Statutes, is created to

26 read:

27 366.96 Storm protection plan cost recovery.—

28 (1) The Legislature finds that:

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

33 (b) A majority of the power outages that occurred during
34 the recent extreme weather conditions in the state were caused
35 by vegetation blown by the wind.

36 (c) It is in the public interest to promote overhead
37 hardening of electrical transmission and distribution
38 facilities, the undergrounding of certain electrical
39 distribution lines, and vegetation management in this state.

40 (d) Protecting and strengthening transmission and
41 distribution electric utility infrastructure from extreme
42 weather conditions will reduce restoration costs and outage
43 times to customers and improve overall service reliability for
44 customers.

45 (e) When considering costs, reliability, storm protection
46 and restoration, and the public convenience, it is in the
47 state's best interest that utilities focus primarily on
48 distribution laterals when undergrounding electric distribution
49 lines.

50 (f) It is in the public interest for each utility to

51 mitigate additional costs to utility customers when developing
52 transmission and distribution storm hardening plans.

53 (g) All customers benefit from the reduced costs of storm
54 restoration.

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

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

59 (b) "Transmission and distribution storm protection plan"
60 or "plan" means a plan for the overhead hardening of electric
61 transmission and distribution facilities, undergrounding of
62 electric distribution facilities, and increased vegetation
63 management.

64 (c) "Transmission and distribution storm protection plan
65 costs" means the reasonable and prudent costs to implement an
66 approved transmission and distribution storm protection plan.

67 (d) "Vegetation management" means the actions a public
68 utility takes to prevent or curtail vegetation from interfering
69 with public utility infrastructure. The term includes the mowing
70 of vegetation, application of herbicides, tree trimming, and
71 removal of trees or brush near and around electric transmission
72 and distribution facilities.

73 (3) Each public utility shall file, for commission review,
74 a transmission and distribution storm protection plan that
75 covers the immediate 10-year planning period. The commission

76 must approve or modify the plan within 6 months after the public
77 utility files the plan with the commission. The commission must
78 give due consideration to:

79 (a) Whether the plan enhances reliability, strengthens
80 infrastructure, and reduces restoration costs and outage times
81 in a prudent, practical, and cost-efficient manner, including
82 whether the plan prioritizes areas of lower reliability
83 performance.

84 (b) Whether storm protection of transmission and
85 distribution infrastructure is feasible, reasonable, or
86 practical in certain areas of the utility's service territory,
87 including in flood zones and rural areas.

88 (c) The estimated rate impact resulting from
89 implementation of the public utility's proposed transmission and
90 distribution storm protection plan during the first 3 years
91 addressed in the plan.

92 (4) Each public utility must submit an updated
93 transmission and distribution storm protection plan at least
94 every 3 years after commission approval of its most recent plan.
95 The commission shall approve or modify each updated plan
96 pursuant to the criteria set forth in subsection (3).

97 (5) After a storm protection plan has been approved, costs
98 to implement the plan may not be challenged unless and only to
99 the extent the commission finds that certain costs were
100 imprudently incurred. Proceeding with actions to implement the

101 plan shall not constitute or be evidence of imprudence. The
102 commission shall conduct an annual proceeding to allow a public
103 utility to recover prudently incurred transmission and
104 distribution storm protection plan costs through the storm
105 protection cost recovery clause. Once the commission determines
106 that costs were prudently incurred, those costs will not be
107 subject to disallowance or further prudence review except for
108 fraud, perjury, or intentional withholding of key information by
109 the public utility.

110 (6) The annual transmission and distribution storm
111 protection plan costs recoverable through the storm protection
112 cost recovery clause do not include costs recovered through the
113 public utility's base rates and must be allocated to customer
114 classes pursuant to the rate design most recently approved by
115 the commission.

116 (7) If a capital expenditure cost is recoverable through a
117 storm protection cost recovery clause, the public utility may
118 recover the annual depreciation on the cost, calculated at the
119 public utility's current approved depreciation rates, and a
120 return on the undepreciated balance of the costs calculated at
121 the public utility's weighted average cost of capital using the
122 return on equity last approved by the commission in a rate case
123 or settlement order.

124 (8) The commission shall adopt rules to implement and
125 administer this section.

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126 | Section 2. This act shall take effect July 1, 2019. |