

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 appropriations
21 and authorizing positions; providing an effective
22 date.

23
24 Be It Enacted by the Legislature of the State of Florida:
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26 Section 1. Section 366.96, Florida Statutes, is created to
 27 read:

28 366.96 Storm protection plan cost recovery.-

29 (1) The Legislature finds that:

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

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

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

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

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

51 (f) It is in the public interest for each utility to
52 mitigate additional costs to utility customers when developing
53 transmission and distribution storm hardening plans.

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

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

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

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

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

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

74 (3) Each public utility shall file, for commission review,
75 a transmission and distribution storm protection plan that

76 covers the immediate 10-year planning period. The commission
77 must approve or modify the plan within 6 months after the public
78 utility files the plan with the commission. The commission must
79 give due consideration to:

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

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

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

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

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

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

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

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

125 (8) The commission shall adopt rules to implement and

126 | administer this section.

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

133 | Section 3. This act shall take effect July 1, 2019.