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LEGISLATIVE ACTION

| Senate     | . | House |
|------------|---|-------|
| Comm: RCS  | . |       |
| 12/11/2025 | . |       |
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|            | . |       |

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The Committee on Regulated Industries (Gaetz) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause  
and insert:

Section 1. Subsection (1) of section 350.01, Florida  
Statutes, is amended to read:

350.01 Florida Public Service Commission; terms of  
commissioners; vacancies; election and duties of chair; quorum;  
proceedings; public records and public meetings exemptions.—

(1) The Florida Public Service Commission shall be composed



132210

11 ~~consist~~ of seven ~~five~~ commissioners appointed pursuant to s.  
12 350.031. One member must be a certified public accountant, and  
13 one member must be a chartered financial analyst.

14 Section 2. Section 350.0615, Florida Statutes, is created  
15 to read:

16 350.0615 Public Counsel; requirement to negotiate.—For  
17 proceedings before the commission in which the Public Counsel is  
18 participating as a party, any other group of parties to the  
19 proceeding, before presenting a settlement of the proceeding to  
20 the commission, must negotiate in good faith with the Public  
21 Counsel the terms of such settlement.

22 Section 3. Section 350.129, Florida Statutes, is created to  
23 read:

24 350.129 Orders of the Florida Public Service Commission.—

25 (1) All orders issued by the commission must contain  
26 adequate support and rationale for the commission's conclusions,  
27 including the specific facts and factors on which the  
28 conclusions are based. While the commission may make conclusions  
29 based upon the public interest, it shall specify in its orders a  
30 rationale for such conclusions.

31 (2) For commission orders that affect substantial interests  
32 pursuant to s. 120.569, when issuing an order accepting or  
33 denying a settlement agreement reached by any of the parties to  
34 a proceeding, all of the following requirements apply:

35 (a) The commission shall provide a reasoned explanation,  
36 citing the specific facts and factors on which it relied. The  
37 commission shall provide in its order a discussion of the major  
38 elements of the settlement and a rationale for its conclusions.

39 (b) The Public Counsel is not a required party to such a



132210

40 settlement. However, the commission may not approve a settlement  
41 presented by parties that have not negotiated the terms of such  
42 settlement in good faith with the Public Counsel.

43 Section 4. Section 350.130, Florida Statutes, is created to  
44 read:

45 350.130 Intervention into commission proceedings.—Persons  
46 other than the original parties to a pending commission  
47 proceeding, whose substantial interest will be affected by the  
48 commission proceeding and who desire to become parties to the  
49 proceeding, may make a motion to the commission for leave to  
50 intervene in the proceeding pursuant to chapter 120.

51 (1) Any trade, professional, or similar association seeking  
52 to intervene in a commission proceeding on the basis of the  
53 impact of such proceeding on the association's membership must  
54 include in such motion the nature of the association's  
55 membership, the manner in which such membership will be  
56 substantially impacted by the proceeding, and the number and  
57 percentage of total members who will be substantially impacted  
58 by the proceeding.

59 (2) In order to avoid any unnecessary rate case expense  
60 resulting from a party participating in a proceeding in which it  
61 does not have standing, the commission shall rule on any  
62 challenge to a party's intervention in a proceeding on the basis  
63 of standing on a timely basis and, at minimum, within 30 days  
64 after receiving such challenge.

65 Section 5. Section 350.131, Florida Statutes, is created to  
66 read:

67 350.131 Affordability.—The commission must consider and  
68 address affordability in any proceeding before it that has the



132210

69 potential to impact utility rates.

70 Section 6. Present subsection (4) of section 366.06,  
71 Florida Statutes, is redesignated as subsection (5), a new  
72 subsection (4) is added to that section, and subsections (1) and  
73 (2) of that section are amended, to read:

74 366.06 Rates; procedure for fixing and changing.—

75 (1) A public utility shall not, directly or indirectly,  
76 charge or receive any rate not on file with the commission for  
77 the particular class of service involved, and no change shall be  
78 made in any schedule. All applications for changes in rates  
79 shall be made to the commission in writing under rules and  
80 regulations prescribed, and the commission shall have the  
81 authority to determine and fix affordable, fair, just, and  
82 reasonable rates that may be requested, demanded, charged, or  
83 collected by any public utility for its service. Any application  
84 for a change in rates which also includes a request for a change  
85 in return on equity must be made according to the schedule and  
86 procedure established by the commission pursuant to s. 366.07.

87 The commission shall investigate and determine the actual  
88 legitimate costs of the property of each utility company,  
89 actually used and useful in the public service, and shall keep a  
90 current record of the net investment of each public utility  
91 company in such property which value, as determined by the  
92 commission, shall be used for ratemaking purposes and shall be  
93 the money honestly and prudently invested by the public utility  
94 company in such property used and useful in serving the public,  
95 less accrued depreciation, and shall not include any goodwill or  
96 going-concern value or franchise value in excess of payment made  
97 therefor. In fixing affordable, fair, just, and reasonable rates



132210

98 for each customer class, the commission shall, to the extent  
99 practicable, consider the cost of providing service to the  
100 class, as well as the rate history, value of service, and  
101 experience of the public utility; the consumption and load  
102 characteristics of the various classes of customers; and public  
103 acceptance of rate structures.

104 (2) Whenever the commission finds, upon request made or  
105 upon its own motion, that the rates demanded, charged, or  
106 collected by any public utility for public utility service, or  
107 that the rules, regulations, or practices of any public utility  
108 affecting such rates, are unaffordable, unjust, unreasonable,  
109 unjustly discriminatory, or in violation of law; that such rates  
110 are insufficient to yield reasonable compensation for the  
111 services rendered; that such rates yield excessive compensation  
112 for services rendered; or that such service is inadequate or  
113 cannot be obtained, the commission shall order and hold a public  
114 hearing, giving notice to the public and to the public utility,  
115 and shall thereafter determine affordable, just, and reasonable  
116 rates to be thereafter charged for such service and promulgate  
117 rules and regulations affecting equipment, facilities, and  
118 service to be thereafter installed, furnished, and used. Any  
119 request made by a public utility pursuant to this section which  
120 involves a request for a change in return on equity must be made  
121 according to the schedule and procedure established by the  
122 commission pursuant to s. 366.07.

123 (4) In setting and evaluating the return on equity for a  
124 public utility as part of a rate proceeding:

125 (a) Any financial model used by the commission must be:

126 1. Financially logical; and



132210

127           2. Generally used and accepted by finance practitioners  
128 both within and outside of the regulated utility industry; and

129           (b) The commission shall specifically consider and address  
130 the financial benefits and the reduction in regulatory, weather,  
131 disaster, and general financial risk to the public utility  
132 provided by all of the following which are relevant to the  
133 public utility:

134           1. Environmental cost recovery under s. 366.8255.

135           2. Storm-recovery financing under s. 366.8260.

136           3. Interim storm-recovery cost recovery under s. 366.8261.

137           4. Cost recovery for the siting, design, licensing, and  
138 construction of nuclear and integrated gasification combined  
139 cycle power plants under s. 366.93.

140           5. Financing for certain nuclear generating asset  
141 retirement or abandonment costs under s. 366.95.

142           6. Storm protection plan cost recovery under s. 366.96.

143           7. Public utility liability arising out of emergencies and  
144 disasters under s. 366.98.

145           8. Natural gas facilities relocation costs under s. 366.99.

146           Section 7. Section 366.07, Florida Statutes, is amended to  
147 read:

148           366.07 Rates; adjustment.—

149           (1) Whenever the commission, after public hearing either  
150 upon its own motion or upon complaint, shall find the rates,  
151 rentals, charges or classifications, or any of them, proposed,  
152 demand, observed, charged or collected by any public utility  
153 for any service, or in connection therewith, or the rules,  
154 regulations, measurements, practices or contracts, or any of  
155 them, relating thereto, are unaffordable, unjust, unreasonable,



132210

156 insufficient, excessive, or unjustly discriminatory or  
157 preferential, or in anywise in violation of law, or any service  
158 is inadequate or cannot be obtained, the commission shall  
159 determine and by order fix the affordable, fair, and reasonable  
160 rates, rentals, charges or classifications, and reasonable  
161 rules, regulations, measurements, practices, contracts or  
162 service, to be imposed, observed, furnished or followed in the  
163 future.

164 (2) The commission shall establish a schedule by which  
165 requests for changes to a public utility's return on equity may  
166 be submitted to the commission by each public utility. The  
167 commission may not accept a request from a public utility to  
168 modify its return on equity outside of this established  
169 schedule, except as provided in subsection (3).

170 (3) A public utility may petition the commission to deviate  
171 from the return on equity revision schedule established by the  
172 commission under subsection (2). The commission shall grant such  
173 petition if:

174 (a) The public utility's rates are insufficient to yield  
175 reasonable compensation for the services it is rendering;

176 (b) This insufficiency is due to circumstances that are  
177 outside of the control of the public utility; and

178 (c) Such circumstances were not reasonably foreseeable by  
179 the public utility during the last proceeding in which its  
180 return on equity was approved by the commission.

181 (4) The commission shall adopt rules to implement this  
182 section.

183 Section 8. Section 366.077, Florida Statutes, is created to  
184 read:



132210

185       366.077 Report on rates.—The commission shall submit an  
186 annual report to the Governor and the Legislature by March 1.

187       (1) The report must include all of the following:

188       (a) An investigation of contemporary economic analyses  
189 related to rate changes in this state.

190       (b) An analysis of potential cost impacts to utility  
191 customers in this state if excess returns on equity have  
192 occurred and, if such excess returns have not occurred at a  
193 significant rate, any resulting cost savings to such customers.

194       (c) An analysis of returns on equity models presented by  
195 public utilities and used by the commission to determine  
196 approved returns on equity for public utilities in this state.

197 Such analysis must:

198       1. Compare models used by federal agencies and other state  
199 utility regulatory bodies with those used by the commission;

200       2. Determine whether the models used are generally  
201 financially logical; and

202       3. Determine whether the models used comport with generally  
203 accepted economic theory both inside and outside of the utility  
204 industry.

205       (d) An assessment of long-term impacts, including the  
206 economic repercussions of rising rates of returns on equity, to  
207 utilities and their future customers.

208       (e) A summary providing detailed information regarding the  
209 compensation of the executive officers of each public utility  
210 providing service to the residents of this state, or the  
211 executive officers of a public utility's affiliated companies or  
212 parent company. Such information must include, but need not be  
213 limited to, salaries, benefits, stock options, bonuses, stock



132210

214 buybacks, and other taxable payments, expressed both as dollar  
215 amounts and as a percentage of the entity's total revenue. The  
216 summary must include the profits and losses of each entity as  
217 reported in its financial statements and highlight any  
218 compensation that exceeds the industry average. The commission  
219 shall also include any rationale provided by a public utility  
220 justifying compensation exceeding the industry average and, for  
221 each public utility, an explanation as to the manner in which  
222 specific data gathered during the compiling of information  
223 informed the commission's decisions on the public utility's rate  
224 change requests.

225 (2) The report must provide benchmarking, comparing public  
226 utilities providing service to the residents of this state with  
227 public utilities providing service to the residents of other  
228 states, and include commentary on all findings.

229 Section 9. Section 366.8261, Florida Statutes, is created  
230 to read:

231 366.8261 Interim storm-recovery cost.-

232 (1) As used in this section, the term:

233 (a) "Electric utility" has the same meaning as in s.

234 366.8255.

235 (b) "Storm" has the same meaning as in s. 366.8260.

236 (c) "Storm-recovery charge" has the same meaning as in s.

237 366.8260.

238 (d) "Storm-recovery costs" has the same meaning as in s.

239 366.8260.

240 (2) The commission shall permit an electric utility to  
241 implement a storm-recovery charge to recover reasonably  
242 estimated storm-recovery costs within 60 days after filing a



132210

243 petition with the commission for the recovery from one or more  
244 storms, subject to all of the following conditions:

245 (a) Such charge must be on an interim basis. The  
246 commission's approval of interim storm-recovery costs and a  
247 related storm-recovery charge must be on a preliminary basis and  
248 is subject to refund pending further review once the total  
249 actual storm-recovery costs are known. After the actual costs  
250 are reviewed for prudence and reasonableness and are compared to  
251 the actual amount recovered through the interim storm-recovery  
252 charge, the commission shall determine whether any over or under  
253 recovery has occurred. The disposition of any over or under  
254 recovery, and associated interest, must be considered by the  
255 commission at a separate true-up proceeding.

256 (b) Storm-recovery costs may not include any expenses  
257 already being recovered by the utility in its base rates.

258 (c) The commission may require a utility to secure funds  
259 collected pursuant to this section to ensure timely refund to  
260 customers in the event of over recovery.

261 (3) In approving an application for interim storm-recovery  
262 costs pursuant to subsection (2), the commission shall also  
263 establish a recovery period for such interim costs. This  
264 recovery period shall be based upon a reasonable balancing of  
265 all of the following factors:

266 (a) The financial impact of the length of the recovery  
267 period on the utility.

268 (b) Timeliness of recovery.

269 (c) Affordability to ratepayers.

270 (d) Avoiding sudden substantial bill increases to  
271 ratepayers.



132210

272       (4) Funds collected pursuant to this section are subject to  
273 true-up. The commission shall require that any refund to or  
274 additional collection from ratepayers made as a part of the  
275 true-up include interest.

276       (5) Nothing in this section shall be construed to prevent a  
277 public utility from applying for, or the commission approving,  
278 storm-recovery financing pursuant to s. 366.8260.

279       (6) The commission shall adopt rules to implement this  
280 section as soon as practicable, but no later than January 1,  
281 2027.

282       Section 10. Paragraph (a) of subsection (2) and subsection  
283 (3) of section 367.081, Florida Statutes, are amended to read:

284       367.081 Rates; procedure for fixing and changing.—

285       (2)(a)1. The commission shall, either upon request or upon  
286 its own motion, fix rates which are affordable, just,  
287 reasonable, compensatory, and not unfairly discriminatory. In  
288 every such proceeding, the commission shall consider the value  
289 and quality of the service and the cost of providing the  
290 service, which shall include, but not be limited to, debt  
291 interest; the requirements of the utility for working capital;  
292 maintenance, depreciation, tax, and operating expenses incurred  
293 in the operation of all property used and useful in the public  
294 service; and a fair return on the investment of the utility in  
295 property used and useful in the public service. However, the  
296 commission shall not allow the inclusion of contributions-in-  
297 aid-of-construction in the rate base of any utility during a  
298 rate proceeding, nor shall the commission impute prospective  
299 future contributions-in-aid-of-construction against the  
300 utility's investment in property used and useful in the public



132210

301 service; and accumulated depreciation on such contributions-in-  
302 aid-of-construction shall not be used to reduce the rate base,  
303 nor shall depreciation on such contributed assets be considered  
304 a cost of providing utility service.

305 2. For purposes of such proceedings, the commission shall  
306 consider utility property, including land acquired or facilities  
307 constructed or to be constructed within a reasonable time in the  
308 future, not to exceed 24 months after the end of the historic  
309 base year used to set final rates unless a longer period is  
310 approved by the commission, to be used and useful in the public  
311 service, if:

312 a. Such property is needed to serve current customers;

313 b. Such property is needed to serve customers 5 years after  
314 the end of the test year used in the commission's final order on  
315 a rate request as provided in subsection (6) at a growth rate  
316 for equivalent residential connections not to exceed 5 percent  
317 per year; or

318 c. Such property is needed to serve customers more than 5  
319 full years after the end of the test year used in the  
320 commission's final order on a rate request as provided in  
321 subsection (6) only to the extent that the utility presents  
322 clear and convincing evidence to justify such consideration.

323  
324 Notwithstanding the provisions of this paragraph, the commission  
325 shall approve rates for service which allow a utility to recover  
326 from customers the full amount of environmental compliance  
327 costs. Such rates may not include charges for allowances for  
328 funds prudently invested or similar charges. For purposes of  
329 this requirement, the term "environmental compliance costs"



132210

330 includes all reasonable expenses and fair return on any prudent  
331 investment incurred by a utility in complying with the  
332 requirements or conditions contained in any permitting,  
333 enforcement, or similar decisions of the United States  
334 Environmental Protection Agency, the Department of Environmental  
335 Protection, a water management district, or any other  
336 governmental entity with similar regulatory jurisdiction.

337 (3) The commission, in fixing rates, may determine the  
338 prudent cost of providing service during the period of time the  
339 rates will be in effect following the entry of a final order  
340 relating to the rate request of the utility and may use such  
341 costs to determine the revenue requirements that will allow the  
342 utility to earn a fair rate of return on its rate base. Any  
343 financial model used by the commission in setting and evaluating  
344 the return on equity for a utility as part of a proceeding  
345 fixing rates must be:

- 346 (a) Financially logical; and  
347 (b) Generally used and accepted by finance practitioners  
348 both within and outside of the regulated utility industry.

349 Section 11. Paragraph (b) of subsection (5) of section  
350 377.814, Florida Statutes, is amended to read:

351 377.814 Municipal Solid Waste-to-Energy Program.—

352 (5) FUNDING.—

353 (b) Funds awarded under the grant programs set forth in  
354 this section may not be used to support, subsidize, or enable  
355 the sale of electric power generated by a municipal solid waste-  
356 to-energy facility to any small electric utility eligible to  
357 petition the commission under s. 366.06(5) ~~s. 366.06(4)~~.

358 Section 12. This act shall take effect July 1, 2026.



132210

359 ===== T I T L E A M E N D M E N T =====

360 And the title is amended as follows:

361 Delete everything before the enacting clause

362 and insert:

363 A bill to be entitled

364 An act relating to the Florida Public Service  
365 Commission; amending s. 350.01, F.S.; revising the  
366 membership of the Florida Public Service Commission;  
367 creating s. 350.0615, F.S.; requiring a group of  
368 parties to certain proceedings to negotiate the terms  
369 of a settlement with the Public Counsel before  
370 presenting such settlement to the commission; creating  
371 s. 350.129, F.S.; requiring that orders issued by the  
372 commission contain adequate support and rationale for  
373 any conclusions made by the commission; requiring the  
374 commission to provide an explanation and a discussion  
375 of major elements and rationale of the settlement when  
376 the commission issues an order accepting or denying  
377 certain settlement agreements; providing that the  
378 Public Counsel is not a required party to any such  
379 settlements; prohibiting the commission from approving  
380 certain settlements that are not negotiated with the  
381 Public Counsel; creating s. 350.130, F.S.; authorizing  
382 certain persons to make a motion to intervene in a  
383 pending commission proceeding; providing requirements  
384 for an association's motion to intervene in certain  
385 commission proceedings; requiring the commission to  
386 make certain rulings in a specified timeframe to avoid  
387 certain expenses; creating s. 350.131, F.S.; requiring



132210

388 the commission to consider and address the  
389 affordability of proceedings that have certain  
390 potential impacts; amending s. 366.06, F.S.;  
391 authorizing the commission to fix affordable, in  
392 addition to fair, just, and reasonable, rates;  
393 requiring that certain applications for changes in  
394 rates be made according to a certain schedule and  
395 procedure; requiring that certain requests for a  
396 change in return on equity be made according to a  
397 certain schedule and procedure; conforming provisions  
398 to changes made by the act; providing requirements for  
399 any financial model used by the commission to set and  
400 evaluate the return on equity for a public utility;  
401 requiring the commission to consider and address  
402 certain financial benefits and reductions of certain  
403 risks provided by specified cost financing systems or  
404 other processes when setting and evaluating the return  
405 on equity for a public utility; amending s. 366.07,  
406 F.S.; conforming provisions to changes made by the  
407 act; requiring the commission to establish a schedule  
408 by which requests for changes to a public utility's  
409 return on equity may be submitted to the commission by  
410 each public utility company; prohibiting the  
411 commission from accepting certain requests from a  
412 public utility to modify its return on equity outside  
413 of its schedule; providing an exception; authorizing a  
414 public utility to petition the commission to deviate  
415 from the return on equity revision schedule; requiring  
416 the commission to grant the petition under certain



417 circumstances; requiring the commission to adopt  
418 rules; creating s. 366.077, F.S.; requiring the  
419 commission to provide a report to the Governor and the  
420 Legislature by a specified date annually; providing  
421 requirements for the report; creating s. 366.8261,  
422 F.S.; defining terms; requiring the commission to  
423 permit an electric utility to implement a certain  
424 charge within a specified timeframe after the electric  
425 utility files a certain petition, subject to specified  
426 conditions; requiring the commission to establish a  
427 recovery period for interim storm-recovery costs,  
428 based upon a reasonable balancing of certain factors;  
429 subjecting certain funds to true-up; providing  
430 construction; requiring the commission to adopt rules;  
431 amending s. 367.081, F.S.; providing requirements for  
432 financial models used by the commission in setting and  
433 evaluating the return on equity for a utility;  
434 conforming provisions to changes made by the act;  
435 amending s. 377.814, F.S.; conforming a cross-  
436 reference; providing an effective date.