

1 A bill to be entitled
2 An act relating to the Florida Public Service
3 Commission; amending s. 350.01, F.S.; revising the
4 membership of the Florida Public Service Commission;
5 creating s. 350.129, F.S.; requiring that orders
6 issued by the commission contain adequate support and
7 rationale for any conclusions made by the commission;
8 requiring the commission to provide an explanation and
9 a discussion of major elements of the settlement when
10 issuing an order accepting or denying certain
11 settlement agreements; amending s. 366.06, F.S.;
12 requiring the commission to ensure that the allowable
13 return on equity does not exceed the national average
14 authorized return on equity for comparable public
15 utilities; amending s. 366.07, F.S.; requiring the
16 commission to establish a schedule by which rate
17 change requests may be submitted to the commission by
18 each public utility company; creating s. 366.077,
19 F.S.; requiring the commission to provide a report to
20 the Governor and the Legislature by a specified date
21 annually; providing requirements for the report;
22 amending s. 377.814, F.S.; conforming a cross-
23 reference; providing an effective date.

24
25 Be It Enacted by the Legislature of the State of Florida:

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

29 350.01 Florida Public Service Commission; terms of
30 commissioners; vacancies; election and duties of chair; quorum;
31 proceedings; public records and public meetings exemptions.—

32 (1) The Florida Public Service Commission shall be
33 composed ~~consist~~ of seven ~~five~~ commissioners appointed pursuant
34 to s. 350.031. One member must be a certified public accountant,
35 and one member must be a chartered financial analyst.

36 **Section 2. Section 350.129, Florida Statutes, is created**
37 **to read:**

38 350.129 Orders of the Florida Public Service Commission.—

39 (1) All orders issued by the commission must contain
40 adequate support and rationale for the commission's conclusions,
41 including the specific facts and factors on which the
42 conclusions are based. While the commission may make conclusions
43 based upon the public interest, as provided in chapters 350-368,
44 it shall specify in its orders a rationale for such conclusions.

45 (2) For commission orders that affect substantial
46 interests pursuant to s. 120.569, when issuing an order
47 accepting or denying a settlement agreement reached by any of
48 the parties to a proceeding, the commission shall provide a
49 reasoned explanation, citing the specific facts and factors on
50 which it relied. In addition, the commission shall provide in

51 its order a discussion of the major elements of the settlement
52 and a rationale for its conclusions.

53 **Section 3. Present subsection (4) of section 366.06,**
54 **Florida Statutes, is redesignated as subsection (5), and a new**
55 **subsection (4) is added to that section, to read:**

56 366.06 Rates; procedure for fixing and changing.—

57 (4) In order to best meet the needs of Florida households,
58 the commission shall ensure that the allowable return on equity
59 for public utilities does not exceed the national average
60 authorized return on equity for comparable public utilities
61 across the country.

62 **Section 4. Section 366.07, Florida Statutes, is amended to**
63 **read:**

64 366.07 Rates; adjustment.—

65 (1) Whenever the commission, after public hearing either
66 upon its own motion or upon complaint, shall find the rates,
67 rentals, charges or classifications, or any of them, proposed,
68 demanded, observed, charged or collected by any public utility
69 for any service, or in connection therewith, or the rules,
70 regulations, measurements, practices or contracts, or any of
71 them, relating thereto, are unjust, unreasonable, insufficient,
72 excessive, or unjustly discriminatory or preferential, or in
73 anywise in violation of law, or any service is inadequate or
74 cannot be obtained, the commission shall determine and by order
75 fix the fair and reasonable rates, rentals, charges or

76 classifications, and reasonable rules, regulations,
77 measurements, practices, contracts or service, to be imposed,
78 observed, furnished or followed in the future.

79 (2) The commission shall establish a schedule by which
80 rate change requests may be submitted to the commission by each
81 public utility company.

82 **Section 5. Section 366.077, Florida Statutes, is created**
83 **to read:**

84 366.077 Report on rates.—The commission shall submit an
85 annual report to the Governor and the Legislature by March 1.

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

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

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

93 (c) An analysis of returns on equity models presented by
94 public utilities and used by the commission to determine
95 approved returns on equity for public utilities in this state.
96 Such analysis must:

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

99 2. Determine whether the models used are generally
100 financially logical; and

101 3. Determine whether the models used comport with
102 generally accepted economic theory both inside and outside of
103 the utility industry.

104 (d) An assessment of long-term impacts, including the
105 economic repercussions of rising rates of returns on equity, to
106 utilities and their customers in the future.

107 (e) A summary providing detailed information regarding the
108 compensation of the executive officers of each public utility
109 providing service to the residents of this state, or the
110 executive officers of a public utility's affiliated companies or
111 parent company. Such information must include, but need not be
112 limited to, salaries, benefits, stock options, bonuses, stock
113 buybacks, and other taxable payments, expressed both as dollar
114 amounts and as a percentage of the entity's total revenue. The
115 summary must include the profits and losses of each entity as
116 reported in its financial statements and highlight any
117 compensation that exceeds the industry average. The commission
118 shall also include any rationale provided by a public utility
119 justifying compensation exceeding the industry average and, for
120 each public utility, an explanation as to how specific data
121 gathered during the compiling of information informed the
122 commission's decisions on the public utility's rate change
123 requests.

124 (2) The report must provide benchmarking, comparing public
125 utilities providing service to the residents of this state with

126 public utilities providing service to the residents of other
127 states, and include commentary on all findings.

128 **Section 6. Paragraph (b) of subsection (5) of section**
129 **377.814, Florida Statutes, is amended to read:**

130 377.814 Municipal Solid Waste-to-Energy Program.—

131 (5) FUNDING.—

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

137 **Section 7.** This act shall take effect July 1, 2026.