

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 public utilities
5 to submit to the Public Service Commission, for
6 review, a transmission and distribution storm
7 protection plan; specifying matters to be considered
8 in the commission's review of a plan; requiring the
9 commission to approve, modify, or deny a plan within a
10 specified timeframe; requiring a utility to update its
11 plan on a specified basis, subject to commission
12 review; requiring the commission to conduct an annual
13 proceeding to allow utilities to recover certain costs
14 through a storm protection plan cost recovery clause;
15 providing that utilities may not include costs
16 recovered through their base rates; providing that
17 certain costs will not be subject to certain
18 disallowances or reviews; providing for the allocation
19 of such costs; authorizing utilities to recover
20 depreciation and a return on certain capital costs
21 through the recovery clause; requiring the commission
22 to submit an annual report to the Governor and
23 Legislature; requiring rulemaking; providing
24 appropriations and authorizing positions; providing an
25 effective date.

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

Section 1. Section 366.96, Florida Statutes, is created to read:

366.96 Storm protection plan cost recovery.—

(1) The Legislature finds that:

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

(b) A majority of the power outages that occur during extreme weather conditions in the state are caused by vegetation blown by the wind.

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

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

(e) It is in the state's interest for each utility to

51 mitigate restoration costs and outage times to utility customers
52 when developing transmission and distribution storm protection
53 plans.

54 (f) 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 and increased
62 resilience of electric transmission and distribution facilities,
63 undergrounding of electric distribution facilities, and
64 vegetation 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, but is
71 not limited to, the mowing of vegetation, application of
72 herbicides, tree trimming, and removal of trees or brush near
73 and around electric transmission and distribution facilities.

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

76 | covers the immediate 10-year planning period. Each plan must
77 | explain the systematic approach the utility will follow to
78 | achieve the objectives of reducing restoration costs and outage
79 | times associated with extreme weather events and enhancing
80 | reliability. The commission shall adopt rules to specify the
81 | elements that must be included in a utility's filing for review
82 | of transmission and distribution storm protection plans.

83 | (4) In its review of each transmission and distribution
84 | storm protection plan filed pursuant to this section, the
85 | commission shall consider:

86 | (a) The extent to which the plan is expected to reduce
87 | restoration costs and outage times associated with extreme
88 | weather events and enhance reliability, including whether the
89 | plan prioritizes areas of lower reliability performance.

90 | (b) The extent to which storm protection of transmission
91 | and distribution infrastructure is feasible, reasonable, or
92 | practical in certain areas of the utility's service territory,
93 | including, but not limited to, flood zones and rural areas.

94 | (c) The estimated costs and benefits to the utility and
95 | its customers of making the improvements proposed in the plan.

96 | (d) The estimated annual rate impact resulting from
97 | implementation of the plan during the first 3 years addressed in
98 | the plan.

99 | (5) No later than 180 days after a utility files a
100 | transmission and distribution storm protection plan that

101 contains all of the elements required by commission rule, the
102 commission shall determine whether it is in the public interest
103 to approve, approve with modification, or deny the plan.

104 (6) At least every 3 years after approval of a utility's
105 transmission and distribution storm protection plan, the utility
106 must file for commission review an updated transmission and
107 distribution storm protection plan that addresses each element
108 specified by commission rule. The commission shall approve,
109 modify, or deny each updated plan pursuant to the criteria used
110 to review the initial plan.

111 (7) After a utility's transmission and distribution storm
112 protection plan has been approved, proceeding with actions to
113 implement the plan shall not constitute or be evidence of
114 imprudence. The commission shall conduct an annual proceeding to
115 determine the utility's prudently incurred transmission and
116 distribution storm protection plan costs and allow the utility
117 to recover such costs through a charge separate and apart from
118 its base rates, to be referred to as the storm protection plan
119 cost recovery clause. If the commission determines that costs
120 were prudently incurred, those costs will not be subject to
121 disallowance or further prudence review except for fraud,
122 perjury, or intentional withholding of key information by the
123 public utility.

124 (8) The annual transmission and distribution storm
125 protection plan costs may not include costs recovered through

126 the public utility's base rates and must be allocated to
127 customer classes pursuant to the rate design most recently
128 approved by the commission.

129 (9) If a capital expenditure is recoverable as a
130 transmission and distribution storm protection plan cost, the
131 public utility may recover the annual depreciation on the cost,
132 calculated at the public utility's current approved depreciation
133 rates, and a return on the undepreciated balance of the costs
134 calculated at the public utility's weighted average cost of
135 capital using the last approved return on equity.

136 (10) Beginning December 1 of the year after the first full
137 year of implementation of a transmission and distribution storm
138 protection plan and annually thereafter, the commission shall
139 submit to the Governor, the President of the Senate, and the
140 Speaker of the House of Representatives a report on the status
141 of utilities' storm protection activities. The report shall
142 include, but is not limited to, identification of all storm
143 protection activities completed or planned for completion, the
144 actual costs and rate impacts associated with completed
145 activities as compared to the estimated costs and rate impacts
146 for those activities, and the estimated costs and rate impacts
147 associated with activities planned for completion.

148 (11) The commission shall adopt rules to implement and
149 administer this section and shall propose a rule for adoption as
150 soon as practicable after the effective date of this act, but

151 not later than October 31, 2019.

152 Section 2. For the 2019-2020 fiscal year, the sums of
153 \$261,270 in recurring funds and \$15,020 in nonrecurring funds
154 from the Regulatory Trust Fund are appropriated to the Public
155 Service Commission, and 4 full-time equivalent positions with
156 associated salary rate of 180,583 are authorized for the purpose
157 of implementing this act.

158 Section 3. This act shall take effect upon becoming a law.