

LEGISLATIVE SUMMARY

Proposes the enactment of legislation providing for state acquisition and operation of investor-owned electric utilities in the state. Proposes that payment be made through full faith and credit bonds of the state; the elimination of utility regulatory powers of the Public Service Commission and the creation of a public corporation whose directors are to be appointed by the Governor; and cooperation or merger with the state power corporation by rural electric cooperatives and municipal utilities.

HB 23995+

(Regular Session 1976)

Representative Becker

A bill to be entitled

A proposal relating to the establishment of a public power policy for the State of Florida; providing for the acquisition and operation of investor-owned utilities in Florida.

WHEREAS, government ownership of electric utilities is an accepted and proven method of containing power costs in many parts of the United States, including the State of Florida, and

WHEREAS, only six of Florida's more than 50 electric utility companies are private investor-owned utilities, and

WHEREAS, Florida's 43 publicly owned municipal electric utilities have demonstrated the ability to provide adequate electric service, while at the same time, either costing consumers less for electricity or providing other significant savings in the form of reduced taxes, and

WHEREAS, according to a 1972 report of the Federal Power Commission, the average cost of electricity purchased from the United States' 3,000 public utilities is 1.63 cents per kilowatt hour, compared to an average of 2.4 cents per kilowatt hour for the 200 private investor-owned electric utilities (a savings of almost 50 percent), and

WHEREAS, Florida's investor-owned utilities are monopolies which are guaranteed by law a level of profit almost without regard to the level of quality or cost of service rendered to the consuming public, and

WHEREAS, the private investor-owned electric utilities, as monopolies, do not respond to the traditional economic forces of supply and demand, and

WHEREAS, electricity having become a necessity of life for most Floridians and not a mere luxury, and the cost of electricity having soared to the point where it threatens the survival of many Florida families, and

WHEREAS, notwithstanding the foregoing, the investor-owned electric utilities have enjoyed increased profits at the expense of Florida's consumers, NOW, THEREFORE,

IT IS PROPOSED TO THE HOUSE OF REPRESENTATIVES THAT:

1. Legislation be enacted, including such joint resolutions proposing constitutional amendments as may be required, providing that the State of Florida acquire, own, and operate the investor-owned electric utilities in this state for the benefit of the citizens of this state.
2. Such legislation should include provisions for just and reasonable compensation, by exercise of eminent domain or otherwise, to the shareholders and redemption of outstanding bonds and should provide:
  - a. For the issuance of bonds backed by the full faith and credit of the state.
  - b. For priority of employment of existing utility employees below the managerial levels.
  - c. For the elimination of the electric utility regulatory powers of the Florida Public Service Commission, and the establishment of a public corporation to operate the public power plan, with its board of directors to be appointed by the Governor.
  - d. For operation of the utilities on a nonprofit basis or for pour over of profits into the General Revenue Fund of the state.
  - e. The opportunity for rural electric cooperatives and municipal utilities to enter into joint venture with or become a part of the state public power corporation, and, at the same time, for the right of local governments to establish a public power plan as an alternative to the state public power corporation, all subject to local referendum.
3. Such legislation must provide for the state public power corporation to offer wholesale power supply to municipal utilities and electric cooperatives at cost.

From the Reader of the Conference on Alternative State & Local Public Policies held June 10-13, 1976 in Austin, Texas. The reader was edited and compiled by Derek Shearer, California Public Policy Center Los Angeles, California and Lee Webb, Professor of Public Policy, Goddard College Plainfield, Vermont.

This item was made available by the Cornell University Library.

From Collection #6756, Conference On Alternative State And Local Policies Records.

### **Copyright and Permissions**

Most of the items included in the Reader on Alternative Public Policies were published without copyright notice and hence entered the public domain upon initial publication. Some of the items found in the Reader are still subject to copyright. In some cases, even after extensive research efforts, we were unable to identify a possible rightsholder. We have elected to place the items in the online collection as an exercise of fair use for strictly non-commercial educational uses.

The Cornell University Library provides access to these materials for educational and research purposes and makes no warranty with regard to their use for other purposes. Responsibility for making an independent legal assessment of an item and securing any necessary permissions ultimately rests with persons desiring to use the item. The written permission of the copyright owners and/or holders of other rights (such as publicity and/or privacy rights) is required for distribution, reproduction, or other use of protected items beyond that allowed by fair use or other statutory exemptions. There may be content that is protected as "works for hire" (copyright may be held by the party that commissioned the original work) and/or under the copyright or neighboring-rights laws of other nations.

The Cornell University Library would like to learn more about these materials and to hear from individuals or institutions having any additional information about rightsholders. Please contact the Division of Rare and Manuscript Collections in the Library at: <http://rmc.library.cornell.edu>.