

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Florida Power and)	DOCKET NO. 910257-EI
Light Company to Discontinue Annual)	
Contribution to its Storm and Property)	ORDER NO. 24728
Insurance Reserve Fund.)	
<hr/>		ISSUED: 7-1-91

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
 J. TERRY DEASON
 BETTY EASLEY
 GERALD L. GUNTER
 MICHAEL MCK. WILSON

NOTICE OF PROPOSED AGENCY ACTION

ORDER DISCONTINUING THE ANNUAL CHARGE
TO FLORIDA POWER AND LIGHT COMPANY'S
STORM AND PROPERTY RESERVE FUND

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Under the provisions of our Rule 25-6.0143, Florida Administrative Code, Florida Power and Light Company (FPL) has filed a petition to change the provision level and annual accrual rates of its Storm and Property Insurance Reserve Fund. According to the petition, as of December 31, 1990 the Reserve had a pre-tax equivalent value of \$79.6 million, after pending charges due to damage caused by two tropical storms in October 1990. FPL believes that the current fund level, combined with FPL's current level of insurance protection, is reasonably adequate to cover possible losses, and is likely to remain adequate for the foreseeable future.

FPL requests that the annual charge to operating expenses and cash contributions to the Fund be discontinued effective January 1, 1991. FPL also requests that reinvestment of the Fund's earnings in the fund be discontinued January 1, 1991. FPL suggests that the earnings should be used to offset the utility's operating expenses.

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FPLSC-RECORDS/REPORTING

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We agree that the Reserve Fund is sufficient at its present level to cover possible losses, and we will permit FPL to discontinue its annual charge to the Reserve Fund, effective January 1, 1991.

We do not agree, however, that reinvestment of the Fund's earnings should be discontinued and used to offset the utility's operating expenses. We believe that the utility's ratepayers should continue to benefit from the contributions they have made to the Storm and Property Insurance Reserve Fund, and the investment earnings should therefore continue to be used to maintain the value and viability of the Fund.

It is therefore

ORDERED by the Florida Public Service Commission, for the reasons set forth in the body of this order, that Florida Power and Light Company shall discontinue its annual charge to operating expenses and cash contributions to the Storm and Property Insurance Reserve Fund effective January 1, 1991. It is further

ORDERED that the investment earnings of the Reserve Fund shall continue to be reinvested in the Fund. It is further

ORDERED that this Order shall become final unless an appropriate petition for formal proceeding is timely filed herein. It is further

ORDERED that this docket be closed upon completion of the protest period.

By ORDER of the Florida Public Service Commission, this ____
1st day of July, 1991.



STEVE TRIBBLE, Director
Division of Records and Reporting

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COMMISSIONER DEASON CONCURS IN PART AND DISSENTS IN PART
FROM THE COMMISSION'S ORDER AS FOLLOWS:

I concur in the Commission's decision to require FPL to continue accruing earnings to the Property Insurance Fund; however, I dissent from the decision to discontinue the Commission-established annual expense accrual.

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on
7-22-91.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the

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appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.