

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Adoption of Rule 25-) DOCKET NO. 910840-PU
14.012, F.A.C., Employer's) ORDER NO. PSC-93-1040-FOF-PU
Accounting For Postretirement) ISSUED: July 16, 1993
Benefits Other Than Pensions)
_____)

NOTICE OF ADOPTION OF RULE

NOTICE is hereby given that the Commission, pursuant to section 120.54, Florida Statutes, has adopted Rule 25-14.012, F.A.C., relating to employer's accounting for postretirement benefits other than pensions, with changes.

The rule was filed with the Department of State on July 15, 1993, and will be effective on August 4, 1993. A copy of the relevant portions of the certification filed with the Secretary of State is attached to this Notice.

This docket is closed upon issuance of this notice.

By ORDER of the Florida Public Service Commission this 16th day of July, 1993.

STEVE TRIBBLE, Director
Division of Records & Reporting

(S E A L)

by: Kary Hizon
Chief, Bureau of Records

DOCUMENT NUMBER-DATE

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FLORIDA PUBLIC SERVICE COMMISSION

25-14.012 Accounting for Postretirement Benefits Other Than Pensions.

(1) "Postretirement benefits other than pensions" shall mean all forms of benefits, other than retirement income, provided by an employer to retirees, as defined by the Financial Accounting Standards Board in its Statement of Financial Accounting Standards No. 106 (Employers' Accounting for Postretirement Benefits Other Than Pensions, December 1990, which is hereby incorporated by reference). Those benefits may be defined in terms of specified benefits, such as health care, tuition assistance, or legal services, that are provided to retirees as the need for those benefits arises, or they may be defined in terms of monetary amounts that become payable on the occurrence of a specified event, such as life insurance benefits.

(2) Each utility that offers postretirement benefits other than pensions shall account for the costs of such benefits in the manner required by Statement of Financial Accounting Standards No. 106 (December, 1990). Deferral accounting under Statement of Financial Accounting Standards No. 71 (Accounting for the Effects of Certain Types of Regulation, December 1982 shall not be used to account for the costs of post retirement benefits other than pensions without prior Commission approval.

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(3) Each utility's unfunded accumulated postretirement benefit obligation shall be treated as a reduction to rate base in rate proceedings. The amount that reduces rate base is limited to that portion of the liability associated with the cost methodology for post retirement benefits other than pensions.

Specific Authority: 364.01, 366.05, 367.011, F.S.

Law Implemented: 364.17, 366.04, 367.121, F.S.

History: New 8/4/93.