

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Proposed Amendment of Rule 25-6.0143,  
F.A.C., and Proposed Adoption of Rule 25-7.0143

Docket No. 20200000

Filed: July 27, 2020

**FLORIDA POWER & LIGHT COMPANY AND GULF POWER  
COMPANY'S POST-WORKSHOP COMMENTS – RULE 25-6.0143, F.A.C.**

Florida Power & Light Company (“FPL”) and Gulf Power Company (“Gulf”) thank Staff for conducting its workshop on June 29, 2020 to discuss proposed revisions to Rule 25-6.0143, F.A.C. (the “Rule”), and appreciate the opportunity to offer these comments for Staff’s consideration. FPL’s and Gulf’s application of this Rule in Commission proceedings in the wake of a number of recent hurricanes, including two dockets currently underway, should facilitate efforts to simplify and clarify the Rule.<sup>1</sup> The comments by Staff and other participants at the workshop have been quite beneficial in helping FPL and Gulf formulate and refine these more specific written comments on the rulemaking.

FPL and Gulf discuss in these comments the overall reasoning behind their proposed revisions to the Rule below. Pursuant to Staff’s comment at the workshop, the implementation of these proposed modifications is reflected in the strike and type version of the Rule attached as Exhibit A to these comments.

As noted, FPL and Gulf are actively involved in dockets requiring the Commission to determine the prudence and reasonableness of activities and costs related to Hurricanes Michael and Dorian. The existing Rule and related Commission precedent control for purposes of those proceedings. These comments submitted in connection with the rulemaking, insofar as they suggest potential modifications to the current Rule, should not be construed to suggest or imply an

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<sup>1</sup> Docket 20190038-EI (Gulf’s Hurricane Michael proceeding) and Docket 20200172-EI (FPL’s Hurricane Dorian proceeding).

admission or concession on the part of FPL or Gulf that anything other than the current Rule and existing Commission precedent apply to the Hurricane Michael and Hurricane Dorian dockets.

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In an effort to propose modifications to the Rule that will provide more certainty and eliminate needless debate, discovery, and disputes over the appropriate baseline to use to determine incremental costs, FPL and Gulf started from the current formulation of the Rule, including Staff's proposed revisions. With respect to certain categories of costs, we agree with Staff's recommendation to adopt the use of the 3-year historical average as the baseline for determining incremental storm-related costs. We have also identified other categories of storm costs where there is no real question about the fact that they are, by definition, incremental. With reference to the categories of costs that are purely incremental, the use of the 3-year historical average as a baseline to determine incremental costs would create unnecessary administrative work for all parties, but more importantly would not result in any information beneficial to an analysis or identification of costs subject to recovery under the Rule. The analysis of the various categories of costs – some using the 3-year historical average and others viewed as purely incremental – are addressed below.

### **Application of the Rule to all qualifying events, and definitions**

In the introductory section of the Rule (section (1)(a)), FPL and Gulf have suggested language recognizing that the Rule applies to a number of potential situations aside from named tropical storms. While our recent experiences have involved the application of the Rule in the wake of a number of hurricanes and named storms, the language of the Rule clearly applies to a much larger group of potential events. The current iteration of the Rule, as well as the Staff's proposed revision, recognize that the Rule applies to "losses through accident, fire, flood, storms,

nuclear accidents and similar type hazards to the utility's own property or property leased from others". FPL and Gulf therefore recommend explicit acknowledgement that the references within the Rule that describe such "qualifying event" are equally applicable to the other types of hazards covered by the Rule. The attached redline reflects the proposed expansion of section (1)(a) of the Rule to include a simple definition that clarifies that where the Rule refers to a "qualifying event" in any number of contexts, the term also includes losses through accident, fire, flood, nuclear accidents and similar type hazards.

**Use of the 3-year historical average as the baseline to determine incremental costs**

As indicated above, FPL and Gulf agree that there are categories of costs where the use of the historical 3-year average may be an appropriate way to establish the baseline to identify incremental costs. However, FPL and Gulf believe that any formulation of a revised Rule that uses the 3-year historical average as the baseline to determine incremental costs eligible for recovery should recognize that if there had been a storm or other qualifying event in that same month during the prior 3 years, the restoration costs charged to O&M expense related to that prior year should be removed from the calculation. In those cases, the averaging would exclude the involved month or months when the utility responded to the prior qualifying event. We call this provision the "prior qualifying event exception", provide a definition of that term in section (1)(a), and note its application to specific categories of costs. The definition, included in section (1)(a)(ii) of the attached Exhibit, reads as follows:

"For those categories of costs identified in section (e) where the 3-year historical average of the identified costs is used as the baseline to determine incremental costs eligible for recovery, if the utility experienced a qualifying event in the same month during any or all of the three

previous years, the average will be calculated excluding the month during the year or years that the utility responded to the prior qualifying event or qualifying events.”

FPL and Gulf agree that for five categories of costs incurred in connection with a qualifying event, the use of the 3-year historical average to determine the baseline for the identification of incremental costs, together with the application of the prior qualifying event exception, is appropriate. Those five provisions, with the revised formulation suggested by FPL and Gulf, are as follows:<sup>2</sup>

The first category of costs where FPL and Gulf believe the use of the 3-year historical average works involves additional contract labor hired for qualifying event related activities. However, in recognition of the fact that utilities are constantly working with contract labor on any number of projects totally unrelated to qualifying events and the other types of events covered by the Rule, we suggest a clarification on the manner in which the average should be calculated when it comes to contract labor. For example, a utility may use contract labor to undertake a project totally unrelated to any weather restoration event. The utility may also call in contract labor to assist with restoration of service following an afternoon thunder storm that would be charged to base operations and maintenance expense. The former category of contractor costs should not be considered in the calculation of the 3-year historical average, while the latter should be. The

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<sup>2</sup> The numbers of subsections in the FPL and Gulf proposed revised Rule, attached as Exhibit A and used in the text of these comments, do not match precisely with those in the current Rule or those in Staff’s proposed revision. FPL and Gulf have added a new provision to section (e) of the Rule related to regular payroll and payroll-related costs for utility managerial and non-managerial personnel. FPL and Gulf also recommend moving the provision for tree-trimming expenses from section (f) of the Rule to section (e) of the Rule.

proposed addition of language to address this distinction is included in the attached Exhibit A at section (1)e.(i) and is shown below.

**(e)1. Additional contract labor hired for qualifying event restoration activities** incurred in any month in which qualifying event restoration activities are conducted, that are greater than the actual monthly average of contract labor costs charged to base operation and maintenance expense for non-qualifying event restoration activities in the same month in the three previous calendar years. If applicable, the prior qualifying event exception in (1)(a)(ii) shall apply.

The second and third categories of costs that we believe may appropriately use the 3-year historical average as the baseline for identifying incremental, qualifying event-related costs, are for overtime payroll and payroll-related costs for utility personnel, and for fuel cost for company and contractor vehicles used in qualifying event restoration activities. The proposed provisions related to those costs are similarly included on Exhibit A and are shown below.

**(e)8. Overtime payroll and payroll-related costs for utility personnel** included in qualifying event-related restoration activities incurred in any month in which qualifying event damage restoration activities are conducted, that are greater than the actual monthly average of overtime payroll and payroll-related costs charged to base operation and maintenance expense for the same month in the previous three calendar years. If applicable, the prior qualifying event exception in (1)(a)(ii) shall apply.

**(e)9. Fuel cost for company and contractor vehicles used in qualifying event restoration activities** incurred in any month in which qualifying even damage restoration activities are conducted, that are greater than the actual monthly average of fuel costs charged to operation and maintenance expense for the same month in the previous three calendar years. If applicable, the prior qualifying event exception in (1)(a)(v) shall apply.

The fourth and fifth categories of costs that we believe may appropriately use the 3-year historical average as the baseline for identifying incremental, qualifying event-related costs, are

currently addressed in section (f) of the Rule describing costs prohibited from recovery under the Rule. Section (f)1. of the current Rule describes base rate recoverable regular payroll and payroll-related costs for utility managerial and non-managerial personnel prohibited from recovery. Section (f)8. of the current Rule describes tree trimming expenses that may not be recovered. FPL and Gulf believe that a more direct approach to these categories of costs is to move them into section (e) and affirmatively describe what may be recovered. Additionally, FPL and Gulf suggest that the current identification of “tree trimming expense” should be modified to also include the term “vegetation management” expenses.

The proposed provisions related to these categories of costs are similarly included on Exhibit A and are shown below.

**(e)11 Regular payroll and payroll-related costs for utility managerial and non-managerial personnel** incurred in any month in which qualifying event-related damage restoration activities are conducted, that are greater than the actual monthly average of regular payroll and payroll-related costs charged to base operation and maintenance expense for the same month in the previous three calendar years. If applicable, the prior qualifying event exception in (1)(a)(ii) shall apply.

**(e)12. Tree trimming and other vegetation management expenses** incurred in any month in which qualifying event damage restoration activities are conducted that are greater than the actual monthly average of tree trimming and other vegetation management costs charged to operation and maintenance expense incurred for the same month in the previous three calendar years. If applicable, the prior qualifying event exception in (1)(a)(ii) shall apply.

**The use of the 3-year historical average as the baseline to determine incremental costs should not be applied to qualifying event-related costs that are clearly incremental**

While FPL and Gulf acknowledge that the use of the 3-year historical average may appropriately be used to establish a baseline for the identification of incremental costs for certain categories of costs, there are other types of costs that are only incurred in connection with a storm

or other qualifying event. Those costs are purely incremental. Application of the 3-year methodology does not work for these types of costs; it would require substantial administrative efforts, but would provide no helpful or beneficial information to the Commission, Staff or parties. The activities and costs that are entirely incremental, and which should not use the 3-year historical average to determine the incremental nature of the costs, are identified below. Included within this list are proposed modifications to the descriptions currently included in the Rule:

- (e)2. Logistics costs of providing meals, lodging, tents, communications, technology, medical and other services incidental to the operation of staging sites and other staging areas.
- (e)3. Transportation of contractors and other personnel for qualifying event restoration.
- (e)4. Vehicle costs for vehicles specifically rented for qualifying event restoration activities.
- (e)5. Waste management costs specifically related to qualifying event restoration activities.
- (e)6. Rental equipment costs specifically related to qualifying event restoration activities.
- (e)7. Materials and supplies used to repair and restore service and facilities to pre-qualifying condition, such as poles, transformers, meters, light fixtures, wire, and other electrical equipment, excluding those costs that normally would be charged to non-cost recovery clause operating expenses in the absence of a qualifying event.

### **Accounting**

Section (1)(i) states that charges which exceed the balance in Account 228.1 are to remain as a debit in this account and there is no need to request Commission permission to move the debit balance in the account to a regulatory asset. However, this is in conflict with FERC guidance which does not allow electric utilities to maintain a debit balance in Account 228.1 (see highlighted section in the excerpt below from the Uniform System of Accounts - 18 C.F.R. 101). Therefore, FPL and Gulf propose to align the accounting treatment so that there are no longer any differences in accounting treatment by modifying the language to conform to FERC requirements.

**“228.1 Accumulated provision for property insurance.**

A. This account shall include amounts reserved by the utility for losses through accident, fire, flood, or other hazards to its own property or property leased from others, not covered by insurance. The amounts charged to account 924, Property Insurance, or other appropriate accounts to cover such risks shall be credited to this account. A schedule of risks covered shall be maintained, giving a description of the property involved, the character of the risks covered and the rates used.

B. Charges shall be made to this account for losses covered, not to exceed the account balance. Details of these charges shall be maintained according to the year the casualty occurred which gave rise to the loss.”

Proposed Modifications to the following subparts have been included in the attached Exhibit A:

(i) If the charges to Account No. 228.1 exceed the account balance, the excess shall be carried as a debit balance in Account No. 182.3 and no request for a deferral of the excess or for the establishment of a regulatory asset is necessary.

(j) A utility may petition the Commission for the recovery of the debit balance in Account No. 182.3 discussed in part (1)(i) plus an amount to replenish the qualifying event reserve through a surcharge, securitization or other cost recovery mechanism.

FPL and Gulf look forward to further discussions with Staff regarding proposed revisions to Rule 25-6.0143, F.A.C.

Respectfully submitted this 27th day of July 2020.

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**CERTIFICATE OF SERVICE**  
**Docket No. 20200000**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic service on this 27th day of July 2020 to the following:

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# EXHIBIT A

1       **25-6.0143 Use of Accumulated Provision Accounts 228.1, 228.2, and 228.4.**

2       (1) Account No. 228.1 Accumulated Provision for Property Insurance.

3       (a) This account may be established to provide for losses through accident, fire, flood,  
4 storms, nuclear accidents and similar type hazards to the utility's own property or property  
5 leased from others, which is not covered by insurance. This account would also include  
6 provisions for the deductible amounts contained in property loss insurance policies held by the  
7 utility as well as retrospective premium assessments stemming from nuclear accidents under  
8 various insurance programs covering nuclear generating plants. A schedule of risks covered  
9 shall be maintained, giving a description of the property involved, the character of risks  
10 covered and the accrual rates used.

11       (i) Qualifying event - Accident, fire, flood, storms, nuclear accidents and similar type  
12 hazards to the utility's own property or property leased from others, which is not covered by  
13 insurance.

14       (ii) Prior qualifying event exception - For those categories of costs identified in section  
15 (e) where the 3-year historical average of the identified costs is used as the baseline to  
16 determine incremental costs eligible for recovery, if the utility experienced a qualifying event  
17 in the same month during any or all of the three previous years, the average will be calculated  
18 excluding the month during the year or years that the utility responded to the prior qualifying  
19 event or qualifying events.

20       (b) Except as provided in paragraphs (1)(f), (1)(g) and (1)(h) charges to this account shall  
21 be made for all occurrences in accordance with the schedule of risks identified in paragraph  
22 (1)(a) to be covered which are not covered by insurance. Recoveries, insurance proceeds or  
23 reimbursements for losses charged to this account shall be credited to the account.

24       (c) A separate subaccount shall be established for that portion of Account No. 228.1 which  
25 is designated to cover qualifying event~~storm~~-related damages to the utility's own property or

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1 property leased from others that is not covered by insurance. The records supporting the  
2 entries to this account shall be so kept that the utility can furnish full information as to each  
3 ~~qualifying storm~~ event included in this account.

4 (d) In determining the costs to be charged to cover ~~qualifying event storm~~-related damages,  
5 the utility shall use an Incremental Cost and Capitalization Approach methodology (ICCA).  
6 Under the ICCA methodology, the costs charged to cover ~~qualifying event storm~~-related  
7 damages shall exclude those costs that normally would be charged to non-cost recovery clause  
8 operating expenses in the absence of a ~~qualifying event storm~~. Under the ICCA methodology  
9 for determining the allowable costs to be charged to cover ~~qualifying event storm~~-related  
10 damages, the utility will be allowed to charge to Account No. 228.1 costs that are incremental  
11 to costs normally charged to non-cost recovery clause operating expenses in the absence of a  
12 ~~qualifying event storm~~. All costs charged to Account 228.1 are subject to review for prudence  
13 and reasonableness by the Commission. In addition, capital expenditures for the removal,  
14 retirement and replacement of damaged facilities charged to cover ~~qualifying event storm~~-  
15 related damages shall exclude the normal cost for the removal, retirement and replacement of  
16 those facilities in the absence of a ~~qualifying event storm~~. The utility shall notify the Director  
17 of the Commission Clerk in writing for each incident expected to exceed 1.5 percent of  
18 jurisdictional revenues for the most recent calendar year \$10 million.

19 (e) The types of ~~qualifying event storm~~ related costs allowed to be charged to the reserve  
20 under the ICCA methodology include, ~~but are not limited to~~, ~~but are not limited to~~, the  
21 following:

22 1. Additional contract labor hired for ~~qualifying event storm~~ restoration activities incurred  
23 in any month in which ~~qualifying event storm~~ restoration activities are conducted, that are  
24 greater than the actual monthly average of contract labor costs charged to base operation and  
25 maintenance expense for ~~non-qualifying event restoration activities in~~ the same month in the

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1 three previous calendar years. If applicable, the prior qualifying event exception in (1)(a)(ii)  
2 shall apply.

3 2. Logistics costs of providing meals, lodging, ~~and linens for tents,~~ communications,  
4 technology, medical and other services incidental to the operation of staging sites and other  
5 staging areas incurred in any month in which storm damage restoration activities are  
6 conducted, that are greater than the actual monthly average of logistics costs charged to  
7 operation and maintenance expense for the same month in the three previous calendar years;

8 3. Transportation of contractors and other personnel ~~crews~~ for qualifying event ~~storm~~  
9 restoration incurred in any month in which storm damage restoration activities are conducted,  
10 that are greater than the actual monthly average of transportation costs charged to operation  
11 and maintenance expense for the same month in the previous three calendar years;

12 4. Vehicle costs for vehicles specifically rented for qualifying event ~~storm~~ restoration  
13 activities incurred in any month in which storm damage restoration activities are conducted,  
14 that are greater than the actual monthly average of vehicle costs charged to operation and  
15 maintenance expense for the same month in the previous three calendar years;

16 5. Waste management costs specifically related to qualifying event ~~storm~~ restoration  
17 activities incurred in any month in which storm damage restoration activities are conducted,  
18 that are greater than the actual monthly average of waste management costs charged to  
19 operation and maintenance expense for the same month in the previous three calendar years;

20 6. Rental equipment costs specifically related to qualifying event ~~storm~~ restoration  
21 activities incurred in any month in which storm damage restoration activities are conducted,  
22 that are greater than the actual monthly average of rental equipment costs charged to operation  
23 and maintenance expense for the same month in the previous three calendar years;

24 7. Materials and supplies used to repair and restore service and facilities to pre-qualifying  
25 event ~~storm~~ condition, such as poles, transformers, meters, light fixtures, wire, and other

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1 electrical equipment, excluding those costs that normally would be charged to non-cost  
2 recovery clause operating expenses in the absence of a qualifying eventstorm;

3 8. Overtime payroll and payroll-related costs for utility personnel included in qualifying  
4 event-storm-related restoration activities incurred in any month in which qualifying event  
5 storm damage restoration activities are conducted, that are greater than the actual monthly  
6 average of overtime payroll and payroll-related costs charged to base operation and  
7 maintenance expense for the same month in the previous three calendar years. If applicable,  
8 the prior qualifying event exception in (1)(a)(ii) shall apply.

9 9. Fuel cost for company and contractor vehicles used in qualifying event storm restoration  
10 activities incurred in any month in which qualifying eventstorm damage restoration activities  
11 are conducted, that are greater than the actual monthly average of fuel costs charged to  
12 operation and maintenance expense for the same month in the previous three calendar years.;  
13 ~~and~~ If applicable, the prior qualifying event exception in (1)(a)(ii) shall apply.

14 10. Cost of public service announcements regarding key qualifying eventstorm-related  
15 issues, such as safety and service restoration estimates.

16 11. Regular payroll and payroll-related costs for utility managerial and non-managerial  
17 personnel incurred in any month in which qualifying event-related damage restoration  
18 activities are conducted, that are greater than the actual monthly average of regular payroll and  
19 payroll-related costs charged to base operation and maintenance expense for the same month  
20 in the previous three calendar years. If applicable, the prior qualifying event exception in  
21 (1)(a)(ii) shall apply.

22 12. Tree trimming and other vegetation management expenses incurred in any month in  
23 which qualifying event damage restoration activities are conducted that are greater than the  
24 actual monthly average of tree trimming and other vegetation management costs charged to  
25 operation and maintenance expense incurred for the same month in the previous three calendar

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1 years. If applicable, the prior qualifying event exception in (1)(a)(ii) shall apply.

2 13. In the event the utility seeks recovery of any additional costs or expenses occasioned  
3 by events not specifically identified in section (e)(1) through (e)(12), but which would qualify  
4 as “similar type hazards” as that term is used in section (1)(a), the utility shall have the burden  
5 to prove that any such event-related costs or expenses were incurred in connection with event-  
6 related restoration activities and are not being recovered in the utility’s base rates or clauses.

7 (f) The types of qualifying event~~storm~~ related costs prohibited from being charged to the  
8 reserve under the ICCA methodology include, but are not limited to,~~but are not limited to,~~  
9 the following:

10 ~~1. Base rate recoverable regular payroll and regular payroll-related costs for utility~~  
11 ~~managerial and non-managerial personnel;~~

12 12. Bonuses or any other special compensation for utility personnel not eligible for  
13 overtime pay;

14 23. Base rate recoverable depreciation expenses, insurance costs and lease expenses for  
15 utility-owned or utility-leased vehicles and aircraft;

16 34. Utility employee assistance costs;

17 45. Utility employee training costs incurred prior to 72 hours before the qualifying  
18 event~~storm~~ event;

19 ~~65.~~ Utility advertising, media relations or public relations costs, except for public service  
20 announcements regarding key qualifying event~~storm~~-related issues as listed above in  
21 subparagraph (1)(e)10.;

22 67. Utility call center and customer service costs, except for non-budgeted overtime or  
23 other non-budgeted incremental costs associated with the qualifying~~storm~~ event;

24 ~~8. Tree trimming expenses, incurred in any month in which storm damage restoration~~  
25 ~~activities are conducted, that are less than the actual monthly average of tree trimming costs~~

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1 ~~charged to operation and maintenance expense for the same month in the three previous~~  
2 ~~calendar years;~~

3 ~~79.~~ Utility lost revenues from services not provided; and

4 ~~810.~~ Replenishment of the utility's materials and supplies inventories.

5 (g) Under the ICCA methodology for determining the allowable costs to be charged to  
6 cover ~~qualifying event~~storm-related damages, certain costs may be charged to Account 228.1  
7 only after review and approval by the Commission. Prior to the Commission's determination  
8 of the appropriateness of including such costs in Account No. 228.1, the costs may be deferred  
9 in Account No. 186, Miscellaneous Deferred Debits. The deferred costs must be incurred prior  
10 to June 1 of the year following the ~~qualifying~~storm event. By September 30 a utility shall file  
11 a petition for the disposition of any costs deferred prior to June 1 of the year following the  
12 ~~qualifying~~storm event giving rise to the deferred costs. These costs include, but are not limited  
13 ~~to, but are not limited to,~~ the following:

14 1. Costs of normal non-~~qualifying event~~storm related activities which must be performed  
15 by employees or contractors not assigned to ~~qualifying event~~storm damage restoration  
16 activities ("back-fill work") or normal non-~~qualifying event~~storm related activities which must  
17 be performed following the restoration of service after a ~~qualifying event~~storm by an  
18 employee or contractor assigned to ~~qualifying event~~storm damage restoration activities in  
19 addition to the employee's or contractor's regular activities ("catch-up work"); and

20 2. Uncollectible accounts expenses.

21 (h) A utility may, at its own option, charge ~~qualifying event~~storm-related costs as  
22 operating expenses rather than charging them to Account No. 228.1. The utility shall notify  
23 the Director of the Commission Clerk in writing and provide a schedule of the amounts  
24 charged to operating expenses for each incident exceeding 0.5 percent of jurisdictional  
25 revenues for the most recent calendar year ~~\$5 million~~. The schedule shall be filed annually by

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1 February 15 of each year for information pertaining to the previous calendar year.

2 (i) If the charges to Account No. 228.1 exceed the account balance, the excess shall be  
3 carried as a debit balance in Account No. ~~182.3228.1~~ and no request for a deferral of the  
4 excess or for the establishment of a regulatory asset is necessary.

5 (j) A utility may petition the Commission for the recovery of ~~the~~ debit balance in Account  
6 No. ~~182.3 228.1 discussed in part (1)(i)~~, plus an amount to replenish the ~~qualifying event~~~~storm~~  
7 reserve through a surcharge, securitization or other cost recovery mechanism.

8 (k) A utility shall not establish or change an annual accrual amount or a target accumulated  
9 balance amount for Account No. 228.1 without prior Commission approval.

10 (l) Each utility shall file a ~~Qualifying Event~~~~Storm~~ Damage Self-Insurance Reserve Study  
11 (Study) with the Commission Clerk by January 15, 2011 and at least once every 5 years  
12 thereafter from the submission date of the previously filed study. A Study shall be filed  
13 whenever the utility is seeking a change to either the target accumulated balance or the annual  
14 accrual amount for Account No. 228.1. At a minimum, the Study shall include data for  
15 determining a target balance for, and the annual accrual amount to, Account No. 228.1.

16 (m) Each utility shall file a report with the Director of the Commission Clerk providing  
17 information concerning its efforts to obtain commercial insurance for its transmission and  
18 distribution facilities and any other programs or proposals that were considered. The report  
19 shall also include a summary of the amounts recorded in Account 228.1. The report shall be  
20 filed annually by February 15 of each year for information pertaining to the previous calendar  
21 year.

22 (2) Account No. 228.2 Accumulated Provision for Injuries and Damages.

23 (a) This account may be established to meet the probable liability, not covered by  
24 insurance, for deaths or injuries to employees or others and for damages to property neither  
25 owned nor held under lease by the utility. When liability for any injury or damage is admitted

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1 or settled by the utility either voluntarily or because of the decision of a Court or other lawful  
2 authority, such as a workman's compensation board, the admitted liability or the amount of  
3 the settlement shall be charged to this account.

4 (b) Charges to this account shall be made for all losses covered. Detailed supporting  
5 records of charges made to this account shall be maintained in such a way that the year the  
6 event occurred which gave rise to the loss can be associated with the settlement. Recoveries or  
7 reimbursements for losses charged to the account shall be credited to the account.

8 (3) Account No. 228.4 Accumulated Miscellaneous Operating Provisions.

9 (a) This account may be established for operating provisions which are not covered  
10 elsewhere. This account shall be maintained in such a manner as to show the amount of each  
11 separate provision established by the utility and the nature and amounts of the debits and  
12 credits thereto. Each separate provision shall be identified as to purpose and the specific  
13 events to be charged to the account to ensure that all such events and only those events are  
14 charged to the provision accounts.

15 (b) Charges to this account shall be made for all costs or losses covered. Recoveries or  
16 reimbursements for amounts charged to this account shall be credited hereto.

17 (4)(a) The provision level and annual accrual rate for each account listed in subsections (1)  
18 through (3) shall be evaluated at the time of a rate proceeding and adjusted as necessary.  
19 However, a utility may petition the Commission for a change in the provision level and  
20 accrual outside a rate proceeding.

21 (b) If a utility elects to use any of the above listed accumulated provision accounts, each  
22 and every loss or cost which is covered by the account shall be charged to that account and  
23 shall not be charged directly to expenses except as provided for in paragraphs (1)(f), (1)(g)  
24 and (1)(h). Charges shall be made to accumulated provision accounts regardless of the balance  
25 in those accounts.

CODING: Words underlined are additions; words in ~~struck through~~ type are deletions  
from existing law.

1 (c) No utility shall fund any account listed in subsections (1) through (3) unless the  
2 Commission approves such funding. Existing funded provisions which have not been  
3 approved by the Commission shall be credited by the amount of the funded balance with a  
4 corresponding debit to the appropriate current asset account, resulting in an unfunded  
5 provision.

6 *Rulemaking Authority 366.05(1) FS. Law Implemented 350.115, 366.04(2)(a) FS. History—*  
7 *New 3-17-88, Amended 6-11-07,                     .*

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