

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Adoption of Rule) DOCKET NO. 910840-PU
25-14.012, F.A.C.,)
Employer's Accounting) ORDER NO. PSC-92-0898-NOR-PU
For Postretirement Benefits)
Other Than Pensions.) ISSUED: 8/27/92

NOTICE OF RULEMAKING

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

The attached Notice of Rulemaking will appear in the September 3, 1992, edition of the Florida Administrative Weekly. If requested, a hearing will be held at the following time and place:

9:30 a.m., Thursday, October 29, 1992
Room 106, Fletcher Building
101 East Gaines Street
Tallahassee, Florida

Written requests for hearing and written comments or suggestions on the rule must be received by the Director, Division of Records and Reporting, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, FL 32399, no later than September 24, 1992.

By Direction of the Florida Public Service Commission, this
27th day of AUGUST, 1992


STEVE TRIBBLE, Director
Division of Records & Reporting

(S E A L)

MER

amd91840.cjp

DOCUMENT NUMBER-DATE

09759 AUG 27 1992

FPC-RECORDS / REPORTING

DOCKET NO. 910840-PU
ORDER NO. PSC-92-0898-NOR-PU
PAGE 2

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 910840-PU

RULE TITLE:

RULE NO.:

Accounting for Postretirement Benefits

Other Than Pensions

25-14.012

PURPOSE AND EFFECT: The rule will require utilities to use Financial Accounting Standards Board Statement No. 106 for regulatory accounting and ratemaking, the effect of which is to require accrual accounting for postretirement benefits other than pensions.

SUMMARY: Rule 25-14.012, F.A.C., defines postretirement benefits other than pensions, requires utilities to use Financial Accounting Standards Board Statement No. 106 for regulatory accounting and ratemaking, prohibits deferral accounting without prior Commission approval, and specifies that unfunded accumulated benefit obligations will be treated as a reduction to rate base in rate proceedings.

RULEMAKING AUTHORITY: 364.01, 366.05, 367.011, F.S.

LAW IMPLEMENTED: 364.17, 366.04, 367.121, F.S.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING. IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE DATE AND PLACE SHOWN BELOW:

TIME AND DATE: 9:30 A.M., October 29, 1992

PLACE: Room 106, 101 East Gaines Street, Tallahassee, Florida.

THE PERSON TO BE CONTACTED REGARDING THIS RULE AND THE ECONOMIC IMPACT STATEMENT IS: Director of Appeals, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida 32399.

THE FULL TEXT OF THE RULE IS:

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). 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. 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.

(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 allowance for postretirement 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 _____.

NAME OF PERSON ORIGINATING PROPOSED RULE: Pete Lester, Division of Auditing and Financial Analysis

NAME OF SUPERVISOR OR PERSON(S) WHO APPROVED THE PROPOSED RULE: Florida Public Service Commission.

DATE PROPOSED RULE APPROVED: August 18, 1992

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.

Any person requiring some accommodation at this hearing because

DOCKET NO. 910840-PU
ORDER NO. PSC-92-0898-NOR-PU
PAGE 5

of a physical impairment should call the Division of Records and Reporting at (904) 488-8371 at least five calendar days prior to the hearing. If you are hearing or speech impaired, please contact the Florida Public Service Commission using the Florida Relay Service, which can be reached at: 1-800-955-8771 (TDD).