

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Utilities, Inc. of Florida’s Petition for ) Docket No.: 2020 \_\_\_\_\_ -WS  
Approval of a Regulatory Asset to Record )  
Costs Incurred Due to COVID-19 )  
\_\_\_\_\_ )

**UTILITIES, INC. OF FLORIDA’S PETITION FOR  
APPROVAL OF A REGULATORY ASSET TO RECORD  
COSTS INCURRED DUE TO COVID-19**

Utilities, Inc. of Florida (“UIF” or “the Company”), through undersigned counsel, hereby petitions the Florida Public Service Commission (“Commission”) for approval to establish a regulatory asset for the recording and preservation of incremental bad debt expense and health/safety-related costs attributable to COVID-19 (“COVID Costs”). In support of this Petition, the Company states as follows:

1. The name, address, telephone number and facsimile number of the Petitioner are:

Utilities, Inc. of Florida  
200 Weathersfield Ave.  
Altamonte Springs, FL 32714

2. UIF is a public utility subject to the jurisdiction of the Commission under Chapter 367, Florida Statutes.

3. All notices, pleadings and correspondence required to be served on the Petitioner should be directed to:

Martin S. Friedman, Esquire  
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4. This Petition is being filed pursuant to Rule 28-106.201, Florida Administrative Code. The agency affected is the Florida Public Service Commission, located at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399. This case does not involve reversal or modification of an agency decision or an agency's proposed action. Therefore, subparagraph (c) and portions of subparagraphs (b), (e), (f), and (g) of subsection (2) of that rule are not applicable to this Petition. In compliance with subparagraph (d), UIF states that it is not known at this time which, if any, of the issues of material fact set forth in the body of this Petition may be disputed by any others who may plan to participate in this proceeding.

***Introduction***

5. In late 2019, a severe outbreak of the Novel Coronavirus Disease 2019, or COVID-19, began. Since the beginning of the outbreak, COVID-19, which can be fatal to individuals who are infected, has spread internationally and to all 50 U.S. states. COVID-19's severity and transmissibility caused the World Health Organization to classify COVID-19 as a global pandemic.

6. The State of Florida has taken actions to reduce the virus' impact on its residents. On March 1, 2020, Governor Ron DeSantis issued Executive Order number 20-51, directing the State Health Officer and Surgeon General to declare a public health emergency, and on March 9, 2020, the Governor issued Executive Order number 20-52 declaring the existence of a state of emergency in the State of Florida. On April 1, 2020, Governor DeSantis issued Executive Order number 20-91 (the "Safer at Home Executive Order"), requiring that "all persons in Florida shall limit their movements and personal interactions outside of their home to only those necessary to obtain or provide essential services or conduct essential activities." Most recently, on May 8, 2020, Governor DeSantis issued Executive Order number 20-114, extending the state of emergency declaration an additional 60 days.

7. The necessity of undertaking social distancing and other precautionary measures in response to COVID-19 has dramatically affected the economy at both a national and state level. According to the U.S. Bureau of Labor Statistics, Florida's unemployment rate has increased from 2.8% in January of 2020 to 12.9% in April of 2020. Throughout the U.S., other states have been similarly impacted.

8. In response to the significant economic and societal impact and increased unemployment attributable to COVID-19, UIF announced on March 11, 2020 that it would suspend customer disconnections for non-payment and the imposition of late fees. The Company also elected unilaterally to reconnect customers disconnected for non-payment after February 28, 2020. The Company's decision to proactively suspend disconnections for non-payment of overdue balances and imposition of late fees was similar to actions taken by utilities across the country in response to COVID-19.

9. UIF has undertaken and continues to undertake health/safety-related actions to ensure its employees, contractors, and customers are protected from COVID-19. To this end, the Company has obtained materials and equipment to limit the potential spread of COVID-19 and has implemented a variety of practices at its facilities based on recommendations from the United States Centers for Disease Control and Prevention ("CDC") and Florida Department of Health ("DOH").

10. As of May 20, 2020, the utility commissions of 23 states and the District of Columbia have issued orders related to cost recovery that either allow for deferral of bad debt, the creation of a regulatory asset, or the tracking of incremental financial impacts in connection with COVID-19. COVID-19 direct costs are direct costs resulting from an Emergency Interim Order, obligations to accommodate the Governor's Emergency Orders to control the spread of the COVID-19 pandemic, and any other reasonable measures taken by the Company in response to

the COVID-19 pandemic, incurred beginning March 1, 2020 and ending on December 31, 2021. These costs must be tracked to allow a meaningful future reasonableness and prudence review by the Commission. Costs include, but are not limited to: ongoing incremental costs, such as administration costs associated with programs provided by in this Petition, communications for remote operations, communications with the public, regulatory compliance costs, cleaning supplies and services, personal protective equipment (“PPE”), employee benefits and accommodations, contact tracing, medical testing to the extent not paid by or covered by insurance, as well as one-time costs, such as information technology changes needed to enact this Petition, and establish remote work options (e.g. servers, software, computer equipment, communication equipment and signage).

***UIF’s Bad Debt Expense Attributable to COVID-19***

11. The damaging economic effects of COVID-19 and the suspension of customer disconnections have caused UIF to incur a shortfall in its receipt of customer bill payments. UIF receives approximately \$39,045 less in monthly customer bill payments due to foregone late payment fees and customer reconnection fees. This shortfall is principally attributable to COVID-19’s effects.

12. The Company anticipates that COVID-related bad debt expense will continue to increase due to higher levels of write-offs for uncollectible accounts. UIF estimates that its bad debt expense attributable to COVID-19 will continue to increase over the coming months.

***UIF’s Safety Costs Attributable to COVID-19***

13. Based on the recommendations provided by the CDC, DOH, and other agencies, UIF has undertaken and continues to undertake significant actions to preserve the health and safety of its employees, contractors, and customers. These actions have included: (1) monitoring the health of employees and contractors at its facilities, major field locations, and offices; (2)

testing for COVID-19 and antibodies; (3) making modifications to facilities such as restrooms, break areas, and office configurations to ensure clean, sanitary, and touch-free access; (4) obtaining personal protective equipment such as masks and gloves; and (5) adding signage on buildings and trucks to encourage social distancing and other COVID-related safety protocols. The Company currently estimates that such costs will exceed \$15,000 for 2020.

***Recording of the COVID Costs***

14. Even though it is not possible to fully anticipate the scope of the impacts related to COVID-19, the Company seeks authorization for deferred accounting at this time because of the significant and increasing nature of the Company's COVID Costs. Therefore, UIF requests approval for the establishment of a regulatory asset to record and preserve its COVID Costs.

15. UIF proposes to identify financial impacts of COVID-19 detailed above beginning March 1, 2020, coinciding with the start of the Company's suspension of collections processes, and record deferred costs and lost revenues as a regulatory asset in NARUC Account 186.2 (Other Regulatory Assets).

16. The Company acknowledges that the Commission's approval of deferred accounting treatment for the COVID Costs does not constitute approval of the recovery of these deferred costs. Rather, recovery of the costs would be subject to review when UIF's base rates are next reset.

**WHEREFORE**, UIF respectfully requests that the Commission enter an order allowing for the establishment of a regulatory asset for the recording and preservation of the COVID Costs and granting any other relief as may be deemed appropriate.

Respectfully submitted this 3rd day of August,  
2020, by:

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/s/ Martin S. Friedman  
MARTIN S. FRIEDMAN  
For the Firm