



# Regulatory Accounting for 2024 Storm Costs

October 2024



# Background and Management's Recommendation

- The District incurred significant costs to repair storm damage and restore power to customers from several storms in 2024, which are expected to qualify for reimbursement from FEMA/NEMA.
- Accounting standards would typically require the District to recognize these costs when they are incurred.
- The Governmental Accounting Standards Board requires that grant revenues be recognized after a grant agreement is approved, which is the project worksheet for FEMA/NEMA grants.
- The establishment of a regulatory asset for storm restoration costs that qualify for FEMA/NEMA reimbursement would allow the recognition of expense to better match the revenues for FEMA/NEMA reimbursement.
- Management recommends and seeks approval to establish a regulatory asset for storm restoration costs that qualify for FEMA/NEMA reimbursement for the 2024 storms, which will be recognized as expense when the revenue is recognized for the related FEMA/NEMA reimbursement.

# 2024 Estimated Storm Costs and Recovery

	Estimated Costs	Estimated Recovery <small>(in millions)</small>
April Tornado	\$5.6	\$4.9
May Storms	\$2.4	\$2.1
June Flood/Storm	\$4.7	\$4.1
July Storm	\$25.2	\$22.1
Total	\$37.9	\$33.2

Notes: Estimated recovery is based on 87.5% of costs; June and July have not yet been signed by the President



# Proposed Resolution



**DRAFT  
RESOLUTION NO. ####**

**WHEREAS**, the District incurred significant costs to repair storm damage and restore power to customers from several storms in 2024, which are expected to qualify for reimbursement from FEMA/NEMA; and

**WHEREAS**, accounting standards would typically require the District to recognize these costs when they are incurred; and

**WHEREAS**, the Governmental Accounting Standards Board (GASB) requires that grant revenues be recognized after a grant agreement is approved, which is the project worksheet for FEMA/NEMA grants; and

**WHEREAS**, GASB accounting standards for regulatory accounting permits the District to include revenues or costs in a period other than the period in which these revenues or costs would be recognized by an unregulated entity; and

**WHEREAS**, the establishment of a regulatory asset for storm restoration costs that qualify for FEMA/NEMA reimbursement would allow the recognition of expense to better match the revenues for FEMA/NEMA reimbursement; and

**WHEREAS**, Management recommends and seeks approval to establish a regulatory asset for storm restoration costs that qualify for FEMA/NEMA reimbursement for the 2024 storms, which will be recognized as expense when the revenue is recognized for the related FEMA/NEMA reimbursement.

***NOW, THEREFORE, BE IT RESOLVED***, that the Board of Directors of the Omaha Public Power District hereby approves the use of regulatory accounting for storm restoration costs for the 2024 storms that qualify for FEMA/NEMA reimbursement with recognition as expense in the future to match the related grant revenues.