|  |  |  |  |
| --- | --- | --- | --- |
| State of Florida  pscSEAL | | Public Service Commission  Capital Circle Office Center ● 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850  -M-E-M-O-R-A-N-D-U-M- | |
| DATE: | May 28, 2020 | | |
| TO: | Office of Commission Clerk (Teitzman) | | |
| FROM: | Division of Economics (Forrest)  Office of the General Counsel (Trierweiler) | | |
| RE: | Docket No. 20200097-EI – Petition for approval of budget billing tariff modifications by Gulf Power Company. | | |
| AGENDA: | 06/09/20 – Regular Agenda – Tariff Filing – Interested Persons May Participate | | |
| COMMISSIONERS ASSIGNED: | | | All Commissioners |
| PREHEARING OFFICER: | | | Administrative |
| CRITICAL DATES: | | | 06/09/20 (Gulf Power Company waived the 60-Day Suspension Date to the June 9, 2020 Agenda Conference) |
| SPECIAL INSTRUCTIONS: | | | None |

Case Background

On March 20, 2020, Gulf Power Company (Gulf or utility) filed a petition with the Commission that seeks to revise its budget billing tariff. This revision would affect customers participating in the optional budget billing tariff that also have outdoor lighting service. The proposed revisions would remove the costs associated with Rate Schedule OS (outdoor lighting tariff), from inclusion in the budget billing calculation. Rather, the outdoor lighting tariff costs would be charged as a separate line item on the customer’s bill. The utility states that this change is necessary as a result of modifications to its account management system. This petition would modify Tariff Sheet Nos. 6.32, 6.32.1, and 6.33, as shown in legislative format in Attachment A to the recommendation.

During the review of this petition, staff issued a data request to Gulf on March 31, 2020, for which responses were received on April 14, 2020. The Commission has jurisdiction over this matter pursuant to Sections 366.03, 366.04, 366.05, and 366.06, Florida Statutes (F.S.).

Discussion of Issues

Issue :

 Should the Commission approve Gulf's proposed modifications to its budget billing tariff?

Recommendation:

 Yes, the Commission should approve Gulf's proposed modifications to its budget billing tariff effective June 9, 2020. (Forrest)

Staff Analysis:

The optional budget billing tariff provides customers with stable electric bills by averaging and leveling out energy costs over an annual cycle. This allows participating customers to pay approximately the same amount each month. Currently, a customer participating in the utility’s outdoor lighting tariff would have the lighting costs incorporated into its budget billing calculation and billing amount. In February 2020, the utility transitioned to a new customer management program called Customer Account Management System (CAMS). Gulf states that the new system does not allow the outdoor lighting tariff costs to be incorporated into the budget billing calculation.

According to Gulf, the CAMS system requires electric and multi-service accounts, like outdoor lighting, to be viewed and treated as two separate contracts under one single account. This technical limitation does not allow for budget billing to occur across multiple contracts. Therefore, the utility must remove the outdoor lighting contract from the budget bill calculation, while keeping the electric contract on budget billing.

Gulf states that customers enrolled in the outdoor lighting tariff incur an average monthly usage charge of $11.10 for lighting services. Due to the limited fluctuations in outdoor lighting usage, these customers would only see a small fluctuation in their bills as a result of the lighting costs being a separate line item charge. Currently, Gulf states that this change would affect approximately 5,000 of the 38,000 budget billing customers. The affected outdoor lighting tariff customers will be notified of the change pursuant to the terms of the budget billing tariff. Any over/under billing will be charged or refunded in accordance with the terms of Gulf’s budget billing tariff.

Conclusion

According to Gulf, the company’s recently installed customer billing system will not allow for customer outdoor lighting tariff costs to be incorporated into the budget billing calculation. In addition, due to the limited fluctuation in outdoor lighting bills, removing the lighting billing from the budget billing calculation would not adversely impact customers. For the reasons stated above, staff believes that the proposed changes to Gulf’s budget billing tariff are appropriate. Gulf stated that impacted customers would be notified via a bill message on their next bill. Staff recommends that the Commission should approve Gulf’s proposed modifications to its budget billing tariff effective June 9, 2020.

Issue :

 Should this docket be closed?

Recommendation:

 If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariff should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order. (Trierweiler)

Staff Analysis:

 If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariff should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

