

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition for approval of permanent program expanding optional budget billing to GSD-1 rate customers, by Florida Power & Light Company.

DOCKET NO. 060301-EI
ORDER NO. PSC-06-0480-TRF-EI
ISSUED: June 5, 2006

The following Commissioners participated in the disposition of this matter:

LISA POLAK EDGAR, Chairman
J. TERRY DEASON
ISILIO ARRIAGA
MATTHEW M. CARTER II
KATRINA J. TEW

ORDER APPROVING EXPANSION
OF OPTIONAL BUDGET BILLING PROGRAM

BY THE COMMISSION:

BACKGROUND

On March 31, 2006, Florida Power & Light Company (FPL) filed a petition to make its optional budget billing program available to General Service Demand (GSD-1) customers on a permanent basis. FPL has been offering budget billing to residential customers since July 6, 1982, and the Commission approved the inclusion of General Service Non-Demand (GS-1) customers in FPL's budget billing program in 2005. Customers are notified annually of the availability of budget billing. As explained below, we approve this petition to expand the program to include GSD-1) customers.¹ We have jurisdiction under Sections 366.04, 366.05, and 366.06, Florida Statutes.

DECISION

Budget billing is a program that helps reduce the variations in monthly bills that result from seasonal fluctuations in the usage of electricity. The customers are billed based upon the average of their last twelve monthly billings, rather than their actual monthly kilowatt (kW) demand and kilowatt-hour (kWh) usage. The amount billed using the average method is subtracted from the amount that would have been billed based on actual usage. The difference is credited to a deferred balance account that maintains a running total of over and under collection.

¹ The GS-1 rate is applicable to small commercial customers whose maximum monthly demands do not exceed 20 kilowatts. The GSD-1 rate is applicable to commercial and industrial customers whose monthly maximum demand does not exceed 500 kilowatts, but is greater than 20 kilowatts.

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One twelfth of the deferred balance is added to the monthly billed amount. This billing method allows customers to more easily budget their electricity expenses.

FPL has not conducted a pilot program studying the effects of offering budget billing to GSD-1 customers. FPL asserts that its experience with offering budget billing, first as a pilot program and then to all customers in the GS-1 rate class, supports the reasonableness of expanding budget billing to GSD-1 customers. FPL stated that offering budget billing to GS-1 customers had minimum financial impact on the company. FPL stated that the costs of expanding the budget billing program to all 92,000 GSD-1 customers would be approximately \$20,000 per year. FPL further stated that it anticipated a participation rate in the program of around 10%, similar to the participation rates in the RS-1 and GS-1 budget billing programs.

FPL proposes that only those GSD-1 customers that have received at least twelve consecutive months of service at their service address can enroll in the program. This requirement is similar to the approved qualification criteria for FPL's GS-1 budget billing program. The company explains that since there can be significant differences with kWh usage of GS-1 and GSD-1 customers that change service addresses, as well as with successor customers with the same service address, customers in the GSD-1 rate class who wish to qualify for the budget billing option should have spent at least 12 consecutive months at their service address.

A customer may terminate participation in the budget billing program at any time. However, once a customer's participation in the program has terminated, the customer may not rejoin the program for 12 months following the date of the termination. Any deferred balance owed by the customer must be paid in full at termination. Any deferred balance owed to the customer will be returned as a credit on a future bill.

We approve FPL's petition to extend budget billing to its GSD-1 customers on a permanent basis. Participation in the program is optional, and will provide FPL's commercial and industrial customers with the benefits of budget billing that are currently enjoyed by its residential and small commercial customers. FPL requested an effective date of July 1, 2006, to allow for adjustments to the billing system and to allow time for training of its employees.

Based on the foregoing, it is

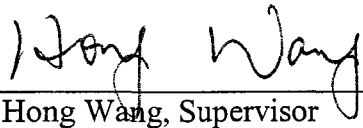
ORDERED by the Florida Public Service Commission that the Petition for approval of permanent program expanding optional budget billing to GSD-1 rate customers, by Florida Power & Light Company is approved, effective July 1, 2006. It is further

ORDERED that if a protest is filed within 21 days of issuance of the Order, the tariff shall remain in effect with any charges held subject to refund pending resolution of the protest. It is further

ORDERED that if no timely protest is filed, this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 5th day of June, 2006.

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

By: 

Hong Wang, Supervisor
Case Management Review Section

(S E A L)

MCB

NOTICE OF FURTHER PROCEEDINGS

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the proposed action files a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on June 26, 2006.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.