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Susan D. Cranmer  
Assistant Secretary and  
Assistant Treasurer

*the southern electric system*

October 1, 1996

961192-EI

Ms. Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee FL 32399-0870

Dear Ms. Bayo:

Enclosed are an original and fifteen copies of Gulf Power Company's Petition for approval of proposed changes to Sheet No. 6.14 of the Company's Retail Tariff regarding Rate Schedule LB Levelized Billing (Optional Rider).

In the process of preparing the revisions to Tariff Sheet No. 6.14, Gulf discovered that several words were inadvertently omitted from the "Termination" paragraph in the last (fifth) revision. The change to the "Termination" paragraph included in this sixth revision to Tariff Sheet No. 6.14 is to include the omitted words and does not represent a substantive change to the tariff sheet.

Also enclosed is a 3.5 inch double sided, high density diskette containing the Petition in MicroSoft Word, Version 6 for Windows format as prepared on a MS-DOS based computer.

Upon approval, please return two copies of the approved tariff sheets to my attention.

Sincerely,

*Susan D. Cranmer*

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- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
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- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SE \_\_\_\_\_
- W \_\_\_\_\_
- OT \_\_\_\_\_

lw

Enclosures

cc: Beggs and Lane  
Jeffrey A. Stone, Esquire  
Florida Public Service Commission  
Robert Elias  
Connie Kummer

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*Our business is customer satisfaction*

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Gulf Power Company's petition for )  
approval of proposed changes to Sheet No. 6.14 )  
of the Company's Retail Tariff regarding Rate )  
Schedule LB Levelized Billing (Optional Rider) )  
\_\_\_\_\_ )

Docket No. 96 *1192* -EI  
Filed: October 1, 1996

PETITION

GULF POWER COMPANY ("Gulf Power", "Gulf", or "the Company"), by and through its undersigned counsel, hereby petitions the Florida Public Service Commission ("the Commission") for approval of the Company's proposed revision to Sheet No. 6.14 of Gulf Power's Tariff for Retail Electric Service to change from monthly to quarterly adjustments of bills for residential customers choosing the levelized billing option. This petition, along with the rate schedule set forth in Attachment A is intended to meet the requirements of Rules 25-9.005(4)-(5) of the Florida Administrative Code. In support of this petition the Company states:

1. Notices and communications with respect to this petition and docket should be addressed to:

Jeffrey A. Stone	Susan D. Cranmer
Russell A. Badders	Asst. Secretary & Asst. Treasurer
Beggs & Lane	Gulf Power Company
P. O. Box 12950	P. O. Box 13470
Pensacola, FL 32576-2950	Pensacola, FL 32591-3470

2. Gulf Power Company, a wholly owned subsidiary of The Southern Company, is an electric utility providing retail electric service to customers within

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northwest Florida and, pursuant to the provisions of Chapter 366 of the Florida Statutes, is subject to the regulation by the Florida Public Service Commission.

3. In this petition, Gulf Power seeks approval of Sixth Revised Tariff Sheet No. 6.14, which would allow the Company to change from monthly to quarterly adjustments of bills for residential customers choosing the levelized billing option. A copy of the revised tariff sheet is attached to this petition as Attachment "A" and incorporated herein by reference. The Company is proposing this change as part of its planned implementation of a new Customer Service System for customer billing and accounting.<sup>1</sup>

4. Pursuant to its existing Rate Schedule LB "Levelized Billing (Optional Rider)" found on Fifth Revised Tariff Sheet No. 6.14, levelized bills are rendered for one-

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<sup>1</sup> The Southern Company is currently planning the implementation of a new Customer Service System to provide customer accounting and billing for all operating subsidiaries. It will replace an existing system serving all operating companies that is over 20 years old. In order to keep the cost of the new system as low as possible, every effort is being made to implement a system with one set of procedures for all five operating companies. Such a plan allows each of the operating companies and their respective customers to receive the maximum benefits associated with economies of scale by eliminating the need to develop and operate costly special applications for any one operating company. After much consideration and compromise, there remain only two items that require changes in Gulf's tariff to allow it to achieve the cost savings resulting from using the unified procedures. Furthermore, both of these changes provide benefit to Gulf's residential customers, providing what is frequently known as a "win-win" situation. The first, reduction of the time deposits of qualified residential customers are held from twenty-three to twelve months, is the subject of a separate petition filed concurrently with this one. The second, changing from monthly to quarterly adjustments of bills for residential customers choosing the levelized billing option, is the subject of this petition. Both of these proposed revisions to the Company's tariff are consistent with the requirements of the Commission's Rules for Electric Service by Electric Utilities. As a result, there is no request for a modification or waiver of the Commission Rules included within these two petitions. In each case, the Company seeks an effective date for the requested changes that corresponds with the expected implementation date of the new Customer Service System.

twelfth of the actual kwh consumption during the eleven preceding months and the current month, plus one-twelfth of any accumulated difference between the average amount billed and the actual amount owed the Company. There is also a provision that limits the maximum month-to-month variation to plus or minus ten percent, although the levelizing process works so well that it is rarely applicable. The levelizing procedure eliminates the major peaks and valleys in customers' bills and allows them to more easily provide for payment of electric service in their household budget. Rate Schedule LB is an optional rider available to residential customers receiving electric service under Rate Schedule RS. There are currently 15,361 customers using this billing option. All residential customers are notified of the availability of this billing option at least annually.

5. The Company's proposed changes to Rate Schedule LB would alter the frequency of levelized billing adjustments from monthly to quarterly. The proposed changes provide for the calculation of an Annual Base amount using the most recent twelve months' billings for the customer. This amount is then averaged and rounded to the nearest whole dollar amount to set a Monthly Levelized Billing amount. This Monthly Levelized Billing amount, including any deferred charges or credits, is recalculated every third month. If the difference between the newly calculated Monthly Levelized Billing amount and the existing Monthly Levelized Billing Amount is greater than \$5.00 or ten percent, the Monthly Levelized Billing amount is reestablished at the newly calculated amount, again rounded to the nearest whole dollar. The customer also has the option of

not carrying any deferred balance forward, but having it debited or credited, as appropriate, to his account on the next bill.

6. The proposed procedure benefits the customer by providing an electric service bill that remains the same for each quarter, and then changes only if the new calculation of the Monthly Levelized Billing amount yields a difference of more than \$5.00 or 10 percent. Under the old levelized billing procedure, the bill changed each month even if the deviation in average bill was only \$0.01.

7. The Company's proposed Levelized Billing procedure is the same procedure currently used by Florida Power Corporation and included as an option in its Rate Schedule RS-1, Residential Service, on Fourth Revised Sheet No. 6.121, last approved by the Commission to be effective April 18, 1995.

8. The Company's new Customer Service System is scheduled to be implemented beginning February 1, 1997. In order to coincide with this implementation and to avoid programming changes to the current customer accounting system between now and February 1, the Company requests that the tariff revision requested in this petition be effective February 1, 1997.

WHEREFORE, Gulf Power Company respectfully requests that the Florida Public Service Commission enter its order approving the Company's application of the Sixth Revised Tariff Sheet No. 6.14 attached hereto as Attachment "A" effective February 1, 1997, and to grant Gulf Power the permission to change from monthly to quarterly levelized billing adjustments as described herein.

Respectfully submitted this 1st day of October, 1996.



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**JEFFREY A. STONE**  
Florida Bar No. 325953  
**RUSSELL A. BADDERS**  
Florida Bar No. 007455  
**Beggs & Lane**  
P. O. Box 12950  
Pensacola, Florida 32576-2950  
(904) 432-2451  
**Attorneys for Gulf Power Company**

**Attachment A**

# GULF POWER COMPANY

## RATE SCHEDULE LB

### LEVELIZED BILLING (Optional Rider)

**AVAILABILITY** - Available throughout the entire territory served by the Company.

**APPLICABILITY** - This levelized billing rider will, upon completion of the Request for Residential Levelized Billing form, be applied to any customer receiving residential electric service under Rate Schedule "RS" except those customers with current delinquent bills or those customers disqualified from the program within the twelve preceding months. Eligible customers will be notified of availability of this rider annually.

**BILLING** - Under the Levelized Billing Plan, the Monthly billing is determined as follows:

1. The Annual Base Amount is calculated using the most recent 12 months' billing for the premises and then averaged and rounded to the nearest whole dollar (Monthly Levelized Billing Amount). If the customer has not resided at the premises for 12 months, the Annual base Amount will be determined by the Customer's available monthly billings plus the previous occupant's billings. If the premises is new, a 12-month estimated bill will be used. In the event sufficient actual consumption is not available, a 12-month estimated billing will be used.
2. The Monthly Levelized Billing Amount is recalculated every third month using the most recent Annual Base Amount plus any deferred balances (the difference in prior billings made under the Budget Billing Plan and that of actual charges.)

$$\begin{array}{rclcl} \text{Monthly Levelized} & = & \text{12-month Summation} & + & \text{Deferred} \\ \text{Billing Amount} & & \text{Actual or Est. Annual Base} & & \text{Balance} \\ & & \text{12} & & \end{array}$$

If the difference between the newly calculated Monthly Levelized Billing Amount and the current Monthly Levelized Billing Amount is greater than \$5.00 or 10%, then the Monthly Levelized Billing Amount will be reestablished at the newly calculated Amount (rounded to the nearest whole dollar.)

3. At the Customer's option (in lieu of carrying the deferred balance forward in the recalculation of the Monthly Levelized Billing Amount) any deferred balance that is outstanding at the Customer's annual review may be settled either through being applied to the Customer's new bill (if a credit balance) or direct payment to the Company (if a debit balance).

**TERM OF CONTRACT** - Upon execution of a Request for Residential Levelized Billing form, billing under the provisions of this rider shall continue thereafter until terminated as provided below.

**TERMINATION** - Billing under this agreement shall be subject to termination by either party giving notice to the other party. This agreement may be terminated by the Company if the account becomes delinquent or if the customer moves from the address specified on the Request for Residential Levelized Billing. In the event billing under this agreement is terminated, any amount the customer has been underbilled shall immediately become due and payable to the Company and any amount overbilled shall be refunded to the Customer. Billing may be terminated under this agreement without terminating or affecting any service agreement between the Company and the Customer. In such event, billing under the normal monthly billing procedure will be resumed subsequent to the settlement statement rendered by the Company; however, nothing in this agreement shall be construed to waive the Company's rights to discontinue service in the event of failure to pay bills or for any other lawful cause as set forth in its electric tariff.

**SERVICE UNDER THIS RATE SCHEDULE IS SUBJECT TO RULES AND REGULATIONS OF THE COMPANY AND THE FLORIDA PUBLIC SERVICE COMMISSION.**



# GULF POWER COMPANY

## RATE SCHEDULE LB

### LEVELIZED BILLING (Optional Rider)

**AVAILABILITY** - Available throughout the entire territory served by the Company.

**APPLICABILITY** - This levelized billing rider will, upon completion of the Request for Residential Levelized Billing form, be applied to any customer receiving residential electric service under Rate Schedule "RS" except those customers with current delinquent bills or those customers disqualified from the program within the twelve preceding months. Eligible customers will be notified of availability of this rider annually.

**BILLING** - Under the Levelized Billing Plan, the Monthly billing is determined as follows:

1. The Annual Base Amount is calculated using the most recent 12 months' billing for the premises and then averaged and rounded to the nearest whole dollar (Monthly Levelized Billing Amount). If the customer has not resided at the premises for 12 months, the Annual base Amount will be determined by the Customer's available monthly billings plus the previous occupant's billings. If the premises is new, a 12-month estimated bill will be used. In the event sufficient actual consumption is not available, a 12-month estimated billing will be used.
2. The Monthly Levelized Billing Amount is recalculated every third month using the most recent Annual Base Amount plus any deferred balances (the difference in prior billings made under the Budget Billing Plan and that of actual charges.)

$$\begin{array}{rclcl} \text{Monthly Levelized} & = & \text{12-month Summation} & + & \text{Deferred} \\ \text{Billing Amount} & & \text{Actual or Est. Annual Base} & & \text{Balance} \\ & & 12 & & \end{array}$$

If the difference between the newly calculated Monthly Levelized Billing Amount and the current Monthly Levelized Billing Amount is greater than \$5.00 or 10%, then the Monthly Levelized Billing Amount will be reestablished at the newly calculated Amount (rounded to the nearest whole dollar.)

3. At the Customer's option (in lieu of carrying the deferred balance forward in the recalculation of the Monthly Levelized Billing Amount) any deferred balance that is outstanding at the Customer's annual review may be settled either through being applied to the Customer's new bill (if a credit balance) or direct payment to the Company (if a debit balance).

~~**BILLING** - An average bill will be rendered monthly for one-twelfth (1/12) of the actual consumption during the eleven (11) preceding months and the current month, plus one-twelfth (1/12) of any accumulated difference between the average amount billed and the actual amount owed the Company; provided, however, that no monthly bill will be rendered for an amount less than 90% nor more than 110% of the bill for the preceding month. In the event sufficient actual consumption is not available, the annual bill will be based on estimated consumption.~~

**TERM OF CONTRACT** - Upon execution of a Request for Residential Levelized Billing form, billing under the provisions of this rider shall continue thereafter until terminated as provided below.

**TERMINATION** - Billing under this agreement shall be subject to termination by either party giving notice to the other party. This agreement may be terminated by the Company if the account becomes delinquent or if the customer moves from the address specified on the Request for Residential Levelized Billing. In the event billing under this agreement is terminated, any amount the customer has been underbilled shall immediately become due and payable to the Company and any amount overbilled shall be refunded to the Customer. Billing may be terminated under this agreement without terminating or affecting any service agreement between the Company and the Customer. In such event, billing under the normal monthly billing procedure will be resumed subsequent to the settlement statement rendered by the Company; however, nothing in this agreement shall be construed to waive the Company's rights to discontinue service in the event of failure to pay bills or for any other lawful cause as set forth in its electric tariff.

SERVICE UNDER THIS RATE SCHEDULE IS SUBJECT TO RULES AND REGULATIONS OF THE COMPANY AND THE FLORIDA PUBLIC SERVICE COMMISSION.

ISSUED BY: Travis Bowden E. L. Addison, President

EFFECTIVE: August 10, 1982