

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval of) DOCKET NO. 950195-EI
tariff revisions regarding) ORDER NO. PSC-95-0500-FOF-EI
budget billing, bill proration) ISSUED: April 24, 1995
and deposit waiver by Florida)
Power Corporation.)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER GRANTING APPROVAL OF TARIFF REVISIONS
REGARDING BUDGET BILLING, BILL PRORATION AND DEPOSIT WAIVER

BY THE COMMISSION:

Pursuant to Order No. 10047, in Docket No. 800110-EU, all Florida investor-owned utilities were directed to initiate budget billing programs for residential customers. Order No. 10759 established the guidelines that were to be followed in developing these programs. FPC's average billing plan has been in effect since June 3, 1982.

Budget billing is a method of billing that seeks to reduce the variation in monthly bills resulting from seasonal fluctuations in the usage of electricity. The customer is being billed based upon average kwh usage rather than for actual monthly kwh usage.

We approve FPC's changes in its average billing plan. First, the amount of the deferred balance to be paid will be simply one-twelfth of the current balance, rather than the current three-tier formula. Second, the bill will be recalculated every three months instead of monthly. Third, the program will be called budget billing instead of average billing.

Under budget billing each month the customer pays a budget billing amount that is made up of two parts: the annual base amount and the adjustment to the deferred balance.

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The annual base amount is the average of the customer's last 12 monthly billings. 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 occupants' billings. If the premises are new, a 12-month estimated billing will be used. Any difference between the amount billed using the average method and the regular bill is added to a deferred balance account that maintains a running total of over and under collections.

The monthly budget billing amount will be adjusted every three months by adding the deferred balance adjustment, that is one-twelfth of the current deferred balance. The monthly bill will change only if the difference between the recalculated billing amount and the current amount exceeds \$5 or 10%.

A customer's monthly bill under the budget billing plan will only be recalculated once every three months. Under the existing average billing plan, customer bills change every month. Decreasing the frequency of billing changes will improve the customers' budgeting ability and reduce the number of questions.

We also approve FPC's revisions of its tariff rules regarding the proration of monthly bills. Rule 25-6.100(4), Florida Administrative Code, states:

The regular meter reading date may be advanced or postponed not more than five days without the proration of the billing for the period.

Prorating a bill means multiplying all charges, excluding those applied on a total kWh basis, by the ratio of actual number of days to 30. FPC's current tariff rule states that a bill rendered for a period of less than 25 days or greater than 35 days shall be prorated. A meter reading period of exactly 30 days is always assumed.

Meter reading cycles, however, are not always exactly 30 days. Normal meter reading cycles for FPC range from 27 to 33 days. The revised tariff applies the 5-day grace period before proration is required to the customer's actual meter reading date, instead of to a 30-day average meter reading date used in the current tariff. This allows the proration provision to apply more fairly to all customers based on their actual meter reading cycle.

In addition, we approve FPC's revisions regarding deposit waiver. Rule 25-6.097, Florida Administrative Code, allows each utility to require an applicant for service to satisfactorily establish credit. The deposit requirement is discretionary to a utility, but the utility is responsible for managing bad debt.

FPC's current tariff rule establishes two conditions under which the requirement for a deposit may be waived. One is when an existing customer has established a satisfactory payment record with FPC. Another is when a new customer submits evidence of a satisfactory payment record from another utility. It is the latter waiver condition FPC proposed to change.

It has been FPC's experience that a number of customers who submitted evidence of a satisfactory payment record from another utility failed to meet their payment obligations with FPC. Instead of accepting utility credit reference letters, FPC intends to check a customer's credit through an outside credit bureau.

FPC entered into a contract with a credit-rating agency, who evaluates the customer's credit. FPC will not look at the customer's credit history. The credit-rating agency will inform FPC whether the deposit can be waived or not. In the case of a negative evaluation, like with any application process for a credit card, the customer has the right to challenge the credit evaluation. This credit check is done over the phone in less than a minute.

Based on the foregoing, it is

ORDERED that Florida Power Corporation's modifications to its average billing plan are, hereby, approved. It is further

ORDERED that Florida Power Corporation's tariff revisions regarding the proration of monthly bills are approved. It is further

ORDERED that Florida Power Corporation's request to amend its tariff regarding deposit waiver is, hereby, approved. It is further

ORDERED that if a protest is filed in accordance with the requirements set forth below, the tariff shall remain in effect pending resolution of the protest.

ORDERED that if no protest is filed in accordance with the requirements set forth below, this docket shall be closed.

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By ORDER of the Florida Public Service Commission, this 24th
day of April, 1995.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay Flynn
Chief, Bureau of Records

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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.

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 action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on May 15, 1995.

In the absence of such a petition, this order shall become final on the day subsequent to the above date.

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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.

If this Order becomes final on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the date this Order becomes final, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.