

FLORIDA PUBLIC SERVICE COMMISSION  
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Tallahassee, Florida 32399-0850

M E M O R A N D U M

May 7, 1998

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10:35  
FPSC - Records/Reporting

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF ELECTRIC & GAS (GOAD) *RC*  
DIVISION OF LEGAL SERVICES (JAYE) *WJ* *QUE*

RE: DOCKET NO. 980530-EI - GULF POWER COMPANY - REQUEST FOR APPROVAL OF BUDGET BILLING TARIFF REVISIONS BY GULF POWER COMPANY.

AGENDA: MAY 19, 1998 - REGULAR AGENDA - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 60-DAY SUSPENSION DATE: JUNE 8, 1998

SPECIAL INSTRUCTIONS: S:\PSC\EAG\WP\980530EI.RCM

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve Gulf Power Company's (Gulf) request to modify its Budget Billing tariff, Tariff Sheet Nos. iii, 6.14, 7.1, and 7.24?

RECOMMENDATION: Yes. Gulf's proposed changes will extend the Budget Billing option to commercial and industrial customers and make it easier for all customers choosing this billing option to apply for it without creating any significant burden on the general body of ratepayers.

STAFF ANALYSIS: Currently, Budget Billing is only offered to RS class customers. Gulf has proposed to extend its Budget Billing tariff to its GS, GST, GSD, GSDT, LP, and LPT class customers. According to Gulf, customers of these various classes have expressed interest in the Budget Billing program. Gulf believes that it can provide better customer service by extending the Budget Billing program to customers who have shown interest, without affecting the general body of ratepayers. The methodology for determining the bill will remain unchanged and will still provide for a monthly and annual true-up. The monthly bill will be reset if the actual monthly amount owed plus one-twelfth any deferred amount is  $\pm 10\%$  of the established leveled billing amount. At

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the end of each annual period, commensurate with the customer's anniversary date, any under or over recovery will be zeroed out. These true-up provisions will eliminate any significant impact on non-participating ratepayers. The Commission recently approved a similar request by Tampa Electric Company to offer Budget Billing to its commercial customers, Order No. PSC-97-0265-FOF-EI, issued March 11, 1997.

Current procedures require a customer wishing to subscribe to the Budget Billing tariff to apply in writing by filling out and submitting Tariff Sheet No. 7.24 (Request for Residential Budget Billing, Form 8). Upon receiving the customer's written request and verifying that the customer is in good standing, Gulf immediately changes the billing arrangements on the customer's account to reflect a leveled monthly bill. However, because Gulf receives most initial requests for the Budget Billing tariff over the phone and some via the Internet, Gulf has requested that the customer no longer be required to apply in writing for the tariff. Tariff Sheet No. 7.24 (Request for Residential Budget Billing, Form 8) would no longer be necessary. Without the need for a formal written request, Gulf will be able to process requests received through many different mediums, making it easier for Gulf to accommodate its customers. In order to insure that the requests can be handled properly, Gulf has requested a 30-day window after a request to arrange a customer's account for Budget Billing.

Previously, due to limitations of Gulf's Customer Service System (CSS), if the customer relocated while on the Budget Billing tariff the customer was removed from Budget Billing and placed back on standard billing. Gulf's CSS has since been modified to accommodate customers who relocate, allowing them to remain on Budget Billing after they move. Therefore, Gulf has requested to remove language in the tariff which states that the customer will be removed from Budget Billing if he changes location. This will allow a customer to remain on the Budget Billing program as long as he is in Gulf's service territory.

Gulf has also proposed new language that clearly defines the annual review (true-up) of an account on the Budget Billing tariff. The new language does not reflect a change in the current methodology, rather the methodology is more clearly stated.

It appears that Gulf's proposed modifications are an attempt to better serve its customers by offering a service that customers desire and by making that service more readily available. The proposed changes will not have any significant affect on Gulf's general body of ratepayers. Accordingly, staff recommends approval of Gulf's proposed changes.

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ISSUE 2: On what date should the proposed tariff changes become effective?

RECOMMENDATION: If issue 1 is approved, the proposed tariff changes should become effective May 19, 1998, the date of the Commission's vote.

STAFF ANALYSIS: If Issue 1 is approved, the tariff may go into effect upon Commission approval.

ISSUE 3: Should this docket be closed?

RECOMMENDATION: Yes. If no substantially affected person files a protest within 21 days from the issuance of the order, this docket should be closed. If a protest is filed within 21 days from the issuance of the order, the tariff should remain in effect, with any increase held subject to refund, pending resolution of the protest.

STAFF ANALYSIS: If no substantially affected person files a protest within 21 days from the issuance of the order, this docket should be closed. If a protest is filed within 21 days from the issuance of the order, the tariff should remain in effect, with any increase held subject to refund, pending resolution of the protest.