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DATE: OCTOBER 4, 2001

TO: DIRECTOR, DIVISION OF THE COMMISSION CLERK & ADMINISTRATIVE SERVICES (BAYÓ)

FROM: DIVISION OF COMPETITIVE SERVICES (MAKIN, BULECZA-BANKS) *MAKIN* *BAB*
DIVISION OF LEGAL SERVICES (VINING) *AEV*

RE: DOCKET NO. 011186-GU - PETITION FOR APPROVAL OF BUDGETED PAYMENT PLAN (BUDGETPAY) BY TAMPA ELECTRIC COMPANY D/B/A PEOPLES GAS SYSTEM.

AGENDA: 10/16/01 - REGULAR AGENDA - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 60-DAY SUSPENSION DATE: NOVEMBER 10, 2001

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\CMP\WP\011186.RCM

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission grant the petition for approval of a budgeted payment plan (BudgetPay) by Tampa Electric Company d/b/a Peoples Gas System (Peoples Gas or Company)?

RECOMMENDATION: Yes. The Commission should grant Peoples Gas' petition for approval of budgeted payment plan (BudgetPay). The budgeted payment plan should become effective October 16, 2001, the date of the Commission's vote in this matter. (MAKIN, BULECZA-BANKS)

STAFF ANALYSIS: On September 10, 2001, Peoples Gas filed its petition for approval of a budgeted payment plan (BudgetPay). The proposed BudgetPay plan will offer residential customers the option

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of paying a budgeted, or average amount each month in lieu of the amount actually due for gas service provided by the Company.

Calculation of the initial budgeted payment amount will be based on the dollar amount of the customer's bills for the most recent 12 months of the customer's billing history. If the customer has not been a gas customer of Peoples Gas for a full 12 months, the Company will use the best information available to establish the initial budgeted monthly payment amount. The best available information may be the previous 12 months' gas usage history for the customer's address, or in the case of new customer at a new location, the types of appliances installed and their estimated gas usage.

The customer's budgeted monthly payment amount will be recalculated after one year of the customer's participation in the plan and every year thereafter. No other change will be made in the monthly payment amount unless a recalculation (based on more current billing history or a known change in therm consumption) equals a payment amount that differs by 25% or more from the payment amount then in effect. This adjustment should prevent the customer from having a significant deferred balance for the year which would be transferred to the next year's payment. The customer will be notified of any change in the budgeted amount in their next regular monthly bill.

The customer's bill will display the same information it currently displays, but the amount due will be the budgeted monthly payment. In addition, the current and deferred balance will be shown. If the balance is positive (credit), at the end of the year, it will be refunded to the customer. If the balance is negative (debit), at the end of the year, one-twelfth of the balance will be added to the next year's recalculated budgeted payment amount.

Participation in the plan, once initiated, may be terminated by request of the customer at any time, or by the Company in the event the customer is delinquent in making payment of the budgeted monthly payment amount for two successive months, or the customer terminates gas service from the Company. In these cases, the customer's participation in the plan will be terminated and the customer will be required to settle the account with the Company in full. If a customer terminates participation in the plan, but remains a customer of Peoples Gas, the customer will be required to

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pay any deferred debit balance with the next regular monthly bill, and any deferred credit balance will be used to reduce the amount due for the next regular monthly bill.

Jurisdiction over this matter is vested in the Commission by several provisions of Chapter 366 Florida Statutes, including Sections 366.04, 366.05, and 366.06 Florida Statutes.

ISSUE 2: Should this docket be closed.

RECOMMENDATION: Yes. If no protest is filed within 21 days of the issuance of the Order by a person whose substantial interests are affected, this docket should be closed upon the issuance of a Commission Order. (VINING)

STAFF ANALYSIS: If a protest is filed within 21 days of the Commission Order approving this tariff by a person whose substantial interest are affected, the tariff should remain in effect pending resolution of the protest, with any charges held subject to refund pending resolution of the protest. If no protest is filed, this docket should be closed upon the issuance of a Consummating Order.