

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition for approval of optional budget billing program for GS-1 rate customers by Florida Power & Light Company. | DOCKET NO. 050486-EI
ORDER NO. PSC-05-0951-TRF-EI
ISSUED: October 6, 2005

The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ, Chairman
J. TERRY DEASON
RUDOLPH "RUDY" BRADLEY
LISA POLAK EDGAR

ORDER APPROVING OPTIONAL BUDGET BILLING PROGRAM
FOR GS-1 RATE CUSTOMERS

BY THE COMMISSION:

On July 14, 2005, Florida Power & Light Company (FPL) filed a Petition for Approval of an Optional Budget Billing Program for General Service Non-Demand (GS-1) Rate Customers on a permanent basis. The Commission approved FPL's experimental program expanding budget billing to include GS-1 customers in Docket No. 030315-EI. See Order No. PSC-03-0676-TRF-EI, issued June 4, 2003. We have jurisdiction under Sections 366.06(1) and 366.075, Florida Statutes.

Budget billing is a program that seeks to reduce the variations in monthly bills that result from seasonal fluctuations in the usage of electricity. This leveling of the bill allows customers to more easily budget their electricity expenses. The customers are billed based upon an average of their last 12 months' kilowatt-hour (kWh) usage, rather than for their actual monthly usage. The amount billed using the average method is subtracted from the amount which would have been billed based on actual usage. This difference is credited to a deferred balance account which maintains a running total of over- and under-collection. One twelfth of this deferred balance is added to the monthly billed amount.

The GS-1 rate is applicable to small commercial customers whose maximum monthly demands do not exceed 20 kilowatts. FPL has been offering budget billing to residential customers since July 6, 1982. Customers are notified annually of the availability of budget billing.

FPL's experimental GS-1 budget billing pilot program was in effect for the period June 1, 2003 through December 31, 2004. The program was available to 10,000 GS-1 customers on a

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first-come, first-served basis. In a report filed with the Commission on the results of the pilot, FPL states that approximately 9% of the GS-1 customers participated in the pilot. Since budget billing can result in the accrual of deferred billing balances, the pilot was designed for FPL to assess the impact of budget billing on bad debt. FPL states that during the pilot GS-1 bad debt expenses were insignificant. One customer moved out leaving a balance of \$25.

FPL has not proposed any changes to its existing pilot GS-1 budget billing program for the permanent program. As with the pilot, to qualify for the program, GS-1 customers must have had service at the same premises for at least 12 months, and no delinquent balances. A customer may terminate participation in the budget billing program at any time. Once a customer's participation in the program has terminated, however, 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 GS-1 customers on a permanent basis. Participation in the program is optional, and will provide FPL's small business customers with the benefits of budget billing that are currently enjoyed by its residential customers. We have approved optional budget billing programs for commercial customers for Tampa Electric Company and Gulf Power Company.¹ In addition, we will establish November 1, 2005, as the effective date of the tariff, as FPL has requested, to allow time for the training of its employees.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Petition for approval of optional budget billing program for GS-1 rate customers by Florida Power & Light Company is granted, and the proposed tariff shall be effective November 1, 2005. It is further

ORDERED that if a protest is filed within 21 days of the issuance of this Order, the tariff shall remain in effect with any increase 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.

¹ See: Order No. PSC-97-0265-FOF-EI, issued March 11, 1997, in Docket No. 961527-EI, In re: Petition to extend application of levelized payments to general service customers by Tampa Electric Company; and Order No. PSC-98-0747-FOF-EI, issued May 29, 1998, in Docket No. 980530-EI, In re: Request for approval of Budget Billing tariff revisions by Gulf Power Company.

By ORDER of the Florida Public Service Commission this 6th day of October, 2005.

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

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records

(S E A L)

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, 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 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 October 27, 2005.

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/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.