

ORIGINAL

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January 30, 2007

**VIA FEDEX**

Blanca S. Bayo, Director  
Division of Commission Clerk & Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

070094 - GU

**Re: Petition for approval of tariff modification deleting miscellaneous service charge for bills paid electronically, by Peoples Gas System**

Dear Ms. Bayo:


Enclosed for filing with the Commission on behalf of Peoples Gas System, please find the original and 12 copies of Peoples' petition referenced above. Enclosed also are five copies of Fourth Revised Sheet No. 5.101-1 to Peoples' Natural Gas Tariff, Original Volume No. 3.

Enclosed also, pursuant to Rule 25-9.005, F.A.C., are two coded (legislative style) versions of the revised sheet referenced above.

Please acknowledge your receipt of the enclosures, the date of their filing, and the docket number assigned, on the enclosed copy of this letter, and return the same to me in the enclosed preaddressed envelope.

Thank you for your usual assistance.

Sincerely,

  
Ansley Watson, Jr.

AWjr/a  
Enclosures

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

01004 JAN 31 07

FPSC-COMMISSION CLERK

Blanca S. Bayo, Director  
January 30, 2007  
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cc: Mrs. Kandi M. Floyd

# ORIGINAL

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of tariff )  
modification deleting miscellaneous )  
service charge for bills paid )  
electronically, by Peoples Gas System )  
\_\_\_\_\_ )

Docket No. 070094 -GJ

Submitted for Filing:  
1-31-07

### PETITION OF PEOPLES GAS SYSTEM FOR APPROVAL OF TARIFF MODIFICATIONS

Peoples Gas System ("Peoples", "Petitioner" or the "Company"), by its undersigned attorneys, files this petition for approval of modifications to its Natural Gas Tariff, Original Volume No. 3, deleting a miscellaneous service charge imposed on a customer who pays the Company's bill electronically by credit card, debit card or electronic check, submits herewith a revised tariff sheet to become effective as of the date of the Commission's vote disposing of this petition, and in support of its petition states:

1. The name, address and telephone number of the petitioner are:

Peoples Gas System  
P. O. Box 2562  
Tampa, Florida 33601-2562  
(813) 228-4111

2. The names and mailing addresses of the persons to whom notices, orders and correspondence regarding this petition are to be sent are:

Ansley Watson, Jr.  
Macfarlane Ferguson & McMullen  
P. O. Box 1531  
Tampa, Florida 33601-1531

Ms. Paula Brown  
Regulatory Affairs  
Peoples Gas System  
P. O. Box 2562  
Tampa, Florida 33601-2562

3. Peoples is a natural gas local distribution company ("LDC") providing sales and transportation delivery of natural gas to approximately 320,000 customers throughout

DOCUMENT NUMBER DATE

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FPSC-COMMISSION CLERK

most of the State of Florida, and is a public utility subject to the Commission's regulatory jurisdiction under Chapter 366, *Florida Statutes*.

### **BACKGROUND**

4. By its Order No. PSC-03-0038-FOF-GU, issued January 6, 2003 in Docket No. 020384-GU (Peoples' last rate case), the Commission approved a miscellaneous service charge for bills paid electronically. The currently approved charge applies when a customer chooses to make payment of a bill by credit card, debit card or electronic check, and is 3.5% of the total transaction so paid. Revenues to be derived from the charge were included in the Company's rate design to recover the cost of service attributable to the Company's acceptance of credit card payments. The Company had included revenues of \$207,839, but stipulated to an increase in this amount to \$240,004 to match the expenses in its 2003 projected test year. (See Transcript of Hearing in Docket No. 020384-GU, December 13, 2002, at p. 29.)

As the Commission found in the order referenced above:

. . . The charge of 3.5% of the billed amount is cost-based, and appropriately recovers the additional cost of credit card transactions from those customers who opt to pay by credit card.

Order No. PSC-03-0038-FOF-GU at 18.

5. Since the 3.5% charge was approved, a number of Peoples' customers have elected to pay their gas bills via credit card (Visa, Master Card and Discover) or electronic check. For example, on average during 2006, there were roughly 25,250 such transactions each month. In slightly more than 60% of these transactions, the customers elected to pay their bills using Visa credit cards. For 2006, the average of the bills of all

customers (residential and non-residential) for which the transaction fee was paid was \$80.60.

6. Peoples currently pays an outside vendor to process the transactions with the credit card companies. During 2006, the vendor was advised that the percentage-based convenience fee violated a Visa vendor rule. After March 13, 2007, Visa will no longer allow the vendor (or Peoples) to continue accepting a percentage based fee such as the 3.5% fee in the Company's tariff. In view of Visa's position in the matter, and the large percentage of Peoples' bills paid electronically using the Visa card, Peoples has decided to no longer charge the percentage-based fee in its tariff, and to make a different option for electronic payment of bills available to those customers who desire to use it.

7. The option to be offered by Peoples is similar to that used by Tampa Electric Company ("Tampa Electric") and Gulf Power Company ("Gulf"), and would permit customers to pay their bills through an outside vendor using a credit card or electronic check. The outside vendor would charge the customer a fee for processing the transaction. Peoples is currently in the process of negotiating the fee with the vendor, but expects the transaction fee to be charged by the vendor to be between \$3.00 and \$4.00 for residential customers, and approximately 2.75% of the charges paid by a non-residential customer.<sup>1</sup> The charge would appear on the customer's credit card statement. No fee would be charged by Peoples, and therefore no charge for the service provided by the outside vendor would appear on the customer's gas bill.

8. Tampa Electric had petitioned the Commission to approve a new tariff provision pertaining to payment in the manner described above (Docket No. 010727-EI), and Gulf – while it had for almost a year at the time of Tampa Electric's filing had such a

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<sup>1</sup> Non-residential customers would not be able to use Visa cards because of the percentage charge.

program in place – had been asked by the Commission Staff to make a tariff filing incorporating the program. At the July 10, 2001 agenda conference on Tampa Electric's petition, there was considerable discussion among the Commissioners, Commission Staff, and representatives of both Tampa Electric and Gulf. Those discussions focused primarily on the issues of whether the third-party payment program was required to be tariffed, and the level of the fee the customer would be charged for the service provided by the outside vendor. The Staff had made alternate recommendations. Ultimately, the Commission adopted a motion that an order be issued acknowledging the withdrawal of the Tampa Electric tariff filing, and closing the docket. The consensus appeared to be that the utility would be making no charges for anything, and that the customers would have a choice as to whether to pay by credit card or some other "free" option for payment. See Transcript of Agenda Conference at pages 28-29.

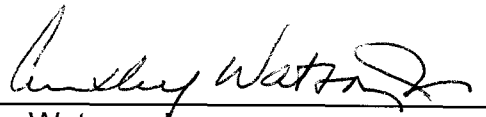
#### **RELIEF REQUESTED**

9. By this petition, Peoples seeks the Commission's approval for the Company's deletion of the 3.5% miscellaneous service charge from its tariff. The tariff provision is no longer necessary inasmuch as Peoples will no longer incur costs associated with customers' payment of their gas bills via credit card or electronic check. Thus, deletion of this tariff provision will be revenue neutral. (See Paragraph 4 of this petition for an explanation of the derivation of the charge.) Customers who desire to pay their bills using a credit card or electronic check will still be able to do so by making payment through the vendor selected by Peoples to provide such service. The customers will be able to choose whether to pay in this manner, or to make payment by check or money order in the return envelope Peoples provides with each monthly bill.

10. Peoples will give all customers not less than 30 days' notice of the deletion of the current tariff provision, and of the availability of the new credit card payment program.

WHEREFORE, Peoples respectfully requests that the Commission will enter its order permitting the revised tariff sheet submitted with this petition to become effective on the date of the Commission's vote disposing of this petition.

Respectfully submitted,



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Tampa, Florida 33601-1531  
Phone: (813) 273-4321  
Fax: (813) 273-4396  
E-Mail: [aw@macfar.com](mailto:aw@macfar.com)

Attorneys for Peoples Gas System

**RULES AND REGULATIONS (Continued)**

	<b>RESIDENTIAL</b>	<b>OTHER</b>
<b>METER RECONNECTION/SERVICE RESTORATION CHARGE</b> (applies where service has been turned off for cause and includes cost of turn-off)	<b>\$60.00 for initial unit or meter \$15.00 for each additional unit or meter</b>	<b>\$100.00 for initial unit or meter \$15.00 for each additional unit or meter</b>
<b>TRIP CHARGE/COLLECTION AT CUSTOMER PREMISES</b> (applies when Company's employee, agent, or representative makes a trip to Customer's premises for the purpose of terminating Gas Service or providing final notice of termination for nonpayment of bills)	<b>\$20.00</b>	<b>\$20.00</b>
<b>FAILED TRIP CHARGE AT CUSTOMER PREMISES</b> (applies when the Customer fails to keep a scheduled appointment with the Company's employee, agent or representative)	<b>\$15.00</b>	<b>\$15.00</b>
<b>TEMPORARY METER TURN-OFF CHARGE</b> (applies when Company's employee, agent or representative, turns off Customers' meter temporarily at Customer's request)	<b>\$25.00 per meter</b>	<b>\$25.00 per meter</b>

Where Gas Service is established outside of normal business hours, by special appointment, or same day service the charges set forth above multiplied by 1.5.



**RULES AND REGULATIONS (Continued)**

	RESIDENTIAL	OTHER
<b>METER RECONNECTION/SERVICE RESTORATION CHARGE</b> (applies where service has been turned off for cause and includes cost of turn-off)	<b>\$60.00 for initial unit or meter</b> <b>\$15.00 for each additional unit or meter</b>	<b>\$100.00 for initial unit or meter</b> <b>\$15.00 for each additional unit or meter</b>
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<b>FAILED TRIP CHARGE AT CUSTOMER PREMISES</b> (applies when the Customer fails to keep a scheduled appointment with the Company's employee, agent or representative)	<b>\$15.00</b>	<b>\$15.00</b>
<b>TEMPORARY METER TURN-OFF CHARGE</b> (applies when Company's employee, agent or representative, turns off Customers' meter temporarily at Customer's request)	<b>\$25.00 per meter</b>	<b>\$25.00 per meter</b>
<del><b>BILLS PAID ELECTRONICALLY</b>  (applies when a Customer chooses to make payment by Credit Card, Debit Card or Electronic Check)</del>	<del>_____</del>	<del><b>3.5% of total transaction</b></del>

Where Gas Service is established outside of normal business hours, by special appointment, or same day service the charges set forth above multiplied by 1.5.