

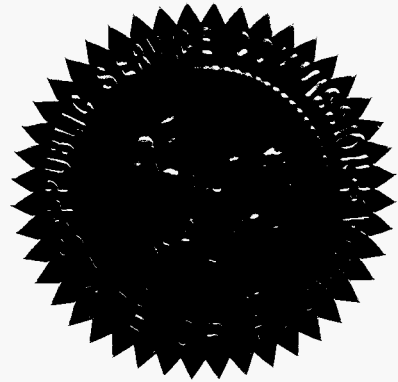
BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of:

DOCKET NO. 100079-EC

REQUEST FOR APPROVAL FOR NEW  
PREPAID MEETING RATES AND  
CHANGES TO NET METERING RATES  
AND MISCELLANEOUS CHARGES BY  
CHOCTAWHATCHEE ELECTRIC  
COOPERATIVE, INC.



PROCEEDINGS: AGENDA CONFERENCE  
ITEM NO. 8

COMMISSIONERS  
PARTICIPATING: CHAIRMAN NANCY ARGENZIANO  
COMMISSIONER LISA POLAK EDGAR  
COMMISSIONER NATHAN A. SKOP  
COMMISSIONER DAVID E. KLEMENT  
COMMISSIONER BEN A. "STEVE" STEVENS III

DATE: Tuesday, May 18, 2010

PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida

REPORTED BY: Lisa Babcock, Court Reporter  
850.222.5491

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P R O C E E D I N G S

CHAIRMAN ARGENZIANO: Let's move on to Issue 8. We will give Staff a moment to get in place. Ms. Thompson?

MS. THOMPSON: Good morning, Commissioners. I'm Kaley Thompson with Staff.

Item 8 is Staff's recommendation addressing CHELCO's petition to offer a new optional prepaid metering rate, as well as change net metering rates and miscellaneous charges. The new rate is cost-based and derived from the existing flat residential rate.

Staff recommends the Commission approve the petition for a new optional prepaid metering rate, as well as change net metering rates and miscellaneous charges. Representatives of the co-op are here to speak, and Staff is available to answer your questions.

CHAIRMAN ARGENZIANO: Thank you. I do have a few questions for Staff.

Would you like to make some -- a comment?

MS. HERSCHEL: Michelle Herschel with Florida Electric Cooperative. And with me is Aaron Bradshaw with CHELCO, and we're here just to answer questions.

1           CHAIRMAN ARGENZIANO: Okay. I just have some  
2 questions as to the rate increase as to what it's  
3 based on. The -- going from the -- I'm sorry, the  
4 service charge fee from the present rate of \$50  
5 dollars to \$75 dollars, and the read/connect meter  
6 new accounts. I guess that was the same day -- is  
7 that only the same-day service that's increasing  
8 on the read/connect meter?

9           MS. THOMPSON: Yes.

10          CHAIRMAN ARGENZIANO: Okay. And that is in  
11 line -- if you could give me some kind of history  
12 as to how you checked a -- I have to see that it's  
13 in life with other companies, as Staff  
14 recommendation states.

15          MS. THOMPSON: We looked through other  
16 company's tariffs books, and these -- these rates  
17 seem reasonable and in line with the charges that  
18 other co-ops are charging as well.

19          CHAIRMAN ARGENZIANO: So out of -- how many  
20 companies did you compare them to? I'm trying to  
21 get an idea of how many companies charge the \$75  
22 dollars versus the \$50 dollars for service charge  
23 and trip fee.

24          MS. THOMPSON: I looked at five other co-ops,  
25 and this was either on par with those rates or

1 lower than those rates.

2 CHAIRMAN ARGENZIANO: Okay. And the service  
3 charge trip fee is based -- the increase is based  
4 on actual costs as far as gas? Or what is it that  
5 is actually increasing for the company?

6 MS. THOMPSON: The company did provide that  
7 it was cost-based.

8 CHAIRMAN ARGENZIANO: What costs? The  
9 company might be able to answer that.

10 MR. BRADSHAW: Again, Aaron Bradshaw. Can  
11 you hear me?

12 CHAIRMAN ARGENZIANO: Can we turn up Mr.  
13 Bradshaw's --

14 MR. BRADSHAW: Is that better?

15 CHAIRMAN ARGENZIANO: -- mic a little? I  
16 think so.

17 MR. BRADSHAW: I'm just a mumbler. The  
18 same-day service, in many instances, requires  
19 overtime. It's a guarantee. If they pay that  
20 amount, it will require additional man -- or  
21 additional costs so far as hours associated.

22 And additionally, if put on during the course  
23 of a day, it's part of a work process. Whereas,  
24 if you send somebody directly out and back during  
25 an off-hour time, the gas goes directly to that

1 specific task.

2 CHAIRMAN ARGENZIANO: And that is for the  
3 same-day service? Is the service charge also for  
4 the same-day service, or is that just an increase  
5 for anybody who is connecting?

6 MR. BRADSHAW: Well, if -- the service charge  
7 is generally for after-hours work. If you look --  
8 may I? Give me one second to pull up my --

9 CHAIRMAN ARGENZIANO: Okay.

10 MR. BRADSHAW: -- info.

11 MS. THOMPSON: Commissioners, if I can add  
12 something?

13 CHAIRMAN ARGENZIANO: Sure.

14 MS. THOMPSON: The service charge is \$27  
15 dollars during working hours, and it's 75 for  
16 after-working hours. And that's what he's talking  
17 about. They would have to go out and make a  
18 special trip.

19 CHAIRMAN ARGENZIANO: I got that. And that  
20 is the option of the customer, of course. If they  
21 want same-day service, it's going to cost a little  
22 more and understandably so.

23 But I guess what I was concerned with was  
24 the -- because the way it reads here is that  
25 read/connect meter, new account, guaranteed same

1 day, goes from 50 to 75. And then you have  
2 another component of service charge/trip fee. Are  
3 there two separate increases for two separate  
4 items, and are they both for same-day service?

5 MS. THOMPSON: Yes, ma'am.

6 CHAIRMAN ARGENZIANO: For guaranteed same  
7 day; okay. So the customer who still maybe is a  
8 new account and you need to come out and do the  
9 read/connect or the service charge trip fee would  
10 still be the \$27 dollars if they chose the option  
11 of not to have it same day?

12 MS. THOMPSON: Yes, ma'am.

13 MR. BRADSHAW: With the exception of \$40  
14 dollars, Tuesday through Thursday until 9:00,  
15 after hours. And that's because we have staff --

16 CHAIRMAN ARGENZIANO: After hours?

17 MR. BRADSHAW: Yes.

18 CHAIRMAN ARGENZIANO: Okay, I got that.

19 MR. BRADSHAW: All right.

20 CHAIRMAN ARGENZIANO: Thank you very much.

21 Any other questions? Commissioner Skop.

22 COMMISSIONER SKOP: Thank you, Madam Chair.  
23 I just have several questions. On Page 5 on Staff  
24 recommendation for net metering charge, I know  
25 that net metering, at least in this instance, is

1 non-jurisdictional.

2 But I was wondering what is the net metering  
3 charge? I don't see it identified anywhere; just  
4 out of curiosity. I don't know if other utilities  
5 under the Commission's net metering rule actually  
6 charge customers for net metering.

7 MR. BRADSHAW: Forgive my confusion. We  
8 don't actually charge them to net meter back on.  
9 Are you asking what we pay them for that?

10 COMMISSIONER SKOP: No. It just -- it may be  
11 lack of clarity in the Staff recommendation. It  
12 talks about a net metering charge is applied to  
13 customers, and I'm trying to understand if there's  
14 a separate fee for --

15 MR. BRADSHAW: It's the same rate as your  
16 standard residential, just with the addition that  
17 allows us to credit their account for hours put  
18 back on.

19 COMMISSIONER SKOP: Okay, thank you. And  
20 then on Page 4 of the Staff recommendation, and  
21 either the utility or Staff can speak to this, if  
22 you look at the tariff sheet that's there, in  
23 looking at the standard residential rate versus  
24 the new residential prepaid rate, it seems, and I  
25 could be wrong on this, that customers under the

1 prepaid plan are paying more than they would under  
2 the standard plan. Can somebody explain that to  
3 me?

4 MS. THOMPSON: What they're paying more is  
5 going to be the third-party charges for monitoring  
6 that account. So they'll still have the same  
7 customer charge, but then they'll have the  
8 additional account management costs, as well as  
9 the special equipment.

10 COMMISSIONER SKOP: So that's the  
11 administrative fee that we're seeing on that  
12 table?

13 MS. THOMPSON: Yes. The 20 cents and the 15  
14 cents is.

15 COMMISSIONER SKOP: Okay. And on Page 3 of  
16 the Staff recommendation, Paragraph 3 -- I need to  
17 find it -- "For customers choosing this rate  
18 option, inside monitoring device and special meter  
19 will be installed at no extra charge." To some  
20 extent, that's not necessarily true because of the  
21 special equipment fee; is that correct?

22 MR. BRADSHAW: There's a little confusion  
23 here. There's two different -- there's two  
24 thoughts in this paragraph, and I was perusing it  
25 on the way over.



1           There is additional costs for the equipment  
2           that's metering, but that's separate from an  
3           in-home display which, one, is not yet available;  
4           and, two, due to the research that we did  
5           beforehand, the indicators are that when people  
6           put an in-home display in, it's very effective for  
7           about the first four to five months, and then it  
8           gets lost behind the couch. I mean, roughly.

9           So our intent was to give those temporarily  
10          and long enough for people to adjust their  
11          patterns, and then have them brought back at no  
12          charge. So it's two separate pieces. The  
13          equipment on the side of the house that does the  
14          disconnect, and monitoring, and all that other  
15          stuff is an additional -- is in addition to what  
16          we would normally pay for a meter that would go on  
17          the side of the house.

18          The other part, while that would have some  
19          costs associated with it, we would give that to  
20          them, hopefully in the effort of, you know,  
21          helping them lower their usage and then, you know,  
22          return that to us.

23                 COMMISSIONER SKOP: Okay. So on the prepaid  
24          rate, if I understand that, the purpose and  
25          benefit of that is to have a third-party

1 administer the billing and all of that as opposed  
2 to the utility?

3 MR. BRADSHAW: For the most part, yes. It's,  
4 in fact, almost relationship between the member  
5 themselves and the account. They're administering  
6 their own account at that point.

7 COMMISSIONER SKOP: Okay. And just one final  
8 question. For customers that take the prepaid  
9 service for the purpose of avoiding the normal  
10 deposit and they only pay, I believe, a deposit of  
11 \$25 dollars, what happens after 12 months of  
12 on-time payments?

13 MR. BRADSHAW: We return that to them. It's  
14 with six-percent interest and, you know, they have  
15 no deposit. The -- go ahead.

16 COMMISSIONER SKOP: Is there a mechanism for  
17 notifying the customers that, after that 12 months  
18 that -- and the deposit being returned to them,  
19 they should discontinue the prepaid service and  
20 stop paying the fees?

21 MR. BRADSHAW: Forgive me. I'm confused by  
22 your question.

23 COMMISSIONER SKOP: Okay. Well, with respect  
24 to the deposits returned and then -- are they  
25 paying, you know, normal fees that they won't have

1 to pay upon a period of on-time payments?

2 MR. BRADSHAW: There aren't -- if they would  
3 like to get off of the rate, then that changes it.  
4 But if they plan to stay on the rate, there is no  
5 fee. If they're not -- if they're not behind or  
6 if they're not getting cut off, there is no  
7 additional fee associated with it.

8 COMMISSIONER SKOP: Like I said, I have no  
9 problem with the recommendation. I was just  
10 trying to better understand it. It wasn't as  
11 clear to me in some aspects, so I just wanted to  
12 make sure I knew what --

13 MR. BRADSHAW: And my apologies.

14 COMMISSIONER SKOP: Well, you didn't write  
15 the recommendation so it's -- but anyway, I just  
16 wanted to clarify that.

17 And Madam Chair, at the appropriate time, I  
18 am willing to make a motion.

19 CHAIRMAN ARGENZIANO: Okay. Any other  
20 questions or discussion? Okay, motion?

21 COMMISSIONER SKOP: Thank you, Madam Chair.  
22 With respect to the disposition of Item 8, I move  
23 to approve the Staff recommendation on Issues 1  
24 and 2.

25 CHAIRMAN ARGENZIANO: Second?

1                   COMMISSIONER KLEMENT:    Second.

2                   CHAIRMAN ARGENZIANO:   Okay.   All those in  
3 favor, say Aye.

4                   (Vote taken.)

5                   CHAIRMAN ARGENZIANO:   It's approved.   Thank  
6 you very much.   Thank you, Staff.

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CERTIFICATE OF REPORTER

I, LISA A. BABCOCK, do hereby certify that I was authorized to and did report the foregoing proceedings, and that the transcript, pages 1 through 12, is a true and correct record of my stenographic notes.

Dated this 21st day of May, 2010 at Tallahassee, Leon County, Florida.

Lisa Babcock

LISA A. BABCOCK

Court Reporter