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July 29, 2015

VIA E-FILING

Carlotta S. Stauffer, Director
Office of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

> Re: **Docket No. 150160-GU -- Petition for approval of tariff revisions to implement customer relationship management (CRM) Project, by Peoples Gas System**

Dear Ms. Stauffer:

Attached for filing with the Commission on behalf of Peoples Gas System, please find Peoples' responses to the Commission Staff's First Data Request in the above docket.

Thank you for your usual assistance.

Sincerely,

ANSLEY WATSON, JR.

AWjr/a

cc: Kyesha Mapp, Esq.
      J. R. Kelly, Esq.
      Patricia A. Christensen, Esq.

PEOPLES GAS SYSTEM
DOCKET NO: 150160-GU
STAFF'S 1ST DATA REQUEST
REQUEST NO. 1
BATES STAMPED PAGE: 1
FILED: JULY 29, 2015

Requests 1 – 6 refer to the Budget Billing Plan

1. People's proposed language states that a customer must have no "pending service disconnection for non-payment when beginning the plan." Please explain why Peoples' language specifies non-payment when Tampa Electric's proposed language (Exhibit B) does not specify non-payment.

A. The proposed language in both tariffs should be the same. Tampa Electric inadvertently omitted the non-payment language in its proposed tariff revisions and is submitting a corrected revised tariff sheet.

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STAFF'S 1ST DATA REQUEST
REQUEST NO. 2
BATES STAMPED PAGE: 2
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2.   Please provide examples of the "best information available" which Peoples uses to calculate the initial monthly payment amount.

A.   Peoples calculates the initial monthly payment amount using one of the following:

•   If no consumption history exists at the customer's current premises, available consumption history of prior customers at the premises will be used.

•   If no consumption history is available at a new premises, the initial monthly payment amount will be calculated by dividing the customer's deposit amount by two (2). The deposit is calculated based on estimated average usage at that premises for two months. The region in which the premises is located, the number of appliances and the types of appliances are all employed to determine estimated average usage when no history is available.

•   If limited consumption history is available for the current customer at the premises, Peoples will use limited information in combination with prior customer usage history at the same premises, if available, or with the estimated average usage assumptions used to estimate the customer's deposit.

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STAFF'S 1ST DATA REQUEST
REQUEST NO. 3
BATES STAMPED PAGE: 3
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3.   Please describe the circumstances that would result in Peoples recalculating the monthly amount, other than the anniversary of the customer's selection of Budget Billing.

A.   There are two circumstances that would result in Peoples recalculating the monthly budgeted amount under the Budget Billing Plan outside the customer's anniversary date. The first circumstance is if a customer requests that the budgeted amount be recalculated. The second circumstance is if, at the time of a periodic review, the recalculated budgeted amount exceeds the current budgeted amount by 15% or more.

Peoples reviews the monthly budgeted amounts for all customers enrolled in budget billing on a quarterly basis. The review process begins with the current monthly budgeted amount being compared to a recalculated amount that is based on the most current 12-month usage at the premises. If the difference between the current monthly Budget Billing amount and the recalculated monthly budgeted amount exceeds 15%, the account will be routed to an agent for further review.

Please refer to Peoples Gas System's response to Staff's Data Request No. 6 for the process the agent follows in the review.

PEOPLES GAS SYSTEM
DOCKET NO: 150160-GU
STAFF'S 1ST DATA REQUEST
REQUEST NO. 4
BATES STAMPED PAGE: 4
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4.   Please explain why the percentage resulting in a recalculated payment amount was reduced from 25% to 15%.

A.   Peoples' goal, and the preference of most Budget Billing customers, is to keep the budgeted amounts the same or as close to the same from month-to-month and year-to-year. In the interest of aligning Peoples' and Tampa Electric's Budget Billing Plans, Peoples is proposing to reduce the recalculation threshold from 25% to 15%. It was determined that the current Peoples threshold of 25%, while not significant for residential gas bills, was too high for electric bills and would cause large deferred balances which impact the electric budgeted amounts from year-to-year. The companies agreed that a 15% threshold would cause little impact to Peoples' customers and mitigate potential volatility in the Tampa Electric budgeted customer amounts.

PEOPLES GAS SYSTEM
DOCKET NO: 150160-GU
STAFF'S 1ST DATA REQUEST
REQUEST NO. 5
BATES STAMPED PAGE: 5
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5.   What percentage of current customers would be affected by changing from 25% difference to 15%?

A.   Peoples looked at the number of customers that would be affected if the recalculation threshold percentage changed from 25% to 15%. Looking only at the percentage difference, an additional twelve percent (12%) of Peoples customers will be included in the quarterly review. However, Peoples' tariff allows the flexibility to make a determination at the time of the quarterly review to begin charging the recalculated amount depending on circumstances.

Please refer to Peoples Gas System's response to Staff's Data Request No. 6 for the process the agent follows in the review.

PEOPLES GAS SYSTEM
DOCKET NO: 150160-GU
STAFF'S 1ST DATA REQUEST
REQUEST NO. 6
BATES STAMPED PAGE: 6
FILED: JULY 29, 2015

6. The tariff language states that Peoples "may begin charging the recalculated amount. . . ." Please provide examples of when Peoples would charge the recalculated amount and when it would not.

A. Peoples routes a budget billing account to an agent for evaluation when the recalculated budgeted payment amount exceeds the current monthly payment amount by 15%. The agent will investigate the cause for the 15% difference and determine whether to begin charging the recalculated amount. In cases where the cause is unseasonable weather, or a premises specific issue (e.g., customer left pool heater on causing unusually high bill, customer's usage dropped considerably, hot water heater leak or issue, etc.). The agent may change the monthly budget billing amount to the recalculated amount in order to prevent the customer from generating a large deferred debit or credit balance. In this case, the customer would be notified of the change.

PEOPLES GAS SYSTEM
DOCKET NO: 150160-GU
STAFF'S 1ST DATA REQUEST
REQUEST NO. 7
BATES STAMPED PAGE: 7
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Requests 7 - 8 refer to the proposed Summary Billing Plan

7.   Please describe how Peoples plans to separate bills into groups, e.g., is it at the customer's request only or does Peoples have specific criteria it intends to use.

A.   Peoples will group bills at the request of a summary billing customer. For instance, a corporately owned restaurant chain may have multiple locations and may want specific bills grouped by geographical area. The company will accommodate the request and group those accounts specified by the customer into separate summary bill groups.

It could be necessary for the company to group a customer's accounts in a certain manner if the number of accounts to be summary billed exceeds the maximum number of accounts that may be accommodated by the billing system (i.e., 500). If this occurs, the accounts will be grouped into two or more summary bills. If this situation arises, the company will work with the customer to group the accounts into multiple summary bills.

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REQUEST NO. 8
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8.   If a customer does not pay the summary bill in full within 10 days from the mailing date, please describe the criteria Peoples plans to use in its decision whether to remove a customer from the Summary Billing Plan.

A.   Peoples will work with its customers to keep them on the program. Peoples will contact summary billing customers to determine the reasons for delinquency when the summary bills are not paid on time and review the program requirements with the customer. Peoples will use judgment based on payment history, customer type, etc. when determining if a participating customer should be removed from the program. It is anticipated that customers will rarely be removed from the program and then only if the customer has continually violated the 10 day requirement. The purpose of the 10-day payment requirement is to incent customers to pay on time.

PEOPLES GAS SYSTEM
DOCKET NO: 150160-GU
STAFF'S 1ST DATA REQUEST
REQUEST NO. 9
BATES STAMPED PAGE: 9
FILED: JULY 29, 2015

Request 9 refers to Deposits

9.   Please explain why Peoples is changing its option of waiving customer deposits upon receipt of a recent credit reference from another gas or electric utility, to credit verification through an external/independent credit monitoring service.

A.   The use of the credit reference letter from a former utility is an outdated, manual, and time-consuming process that is losing favor among utilities. Credit reference letters must still be verified, as forged documents do occur. The credit verification provides customers with a quick, efficient option by which the security deposit may be waived without any impact to the customer's credit score.