

FILED MAY 24, 2017  
DOCUMENT NO. 05001-17  
FPSC - COMMISSION CLERK

State of Florida



# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

RECEIVED-FPSC  
2017 MAY 24 AM 10:39  
COMMISSION  
CLERK

**DATE:** May 24, 2017  
**TO:** Office of Commission Clerk (Stauffer)  
**FROM:** Division of Economics (Rome, Draper) *CRD Ed*  
Office of the General Counsel (Brownless) *Sam Matt*  
**RE:** Docket No. 170088-EI – Petition for approval of tariff modifications, by Tampa Electric Company.

**AGENDA:** 06/05/17 – Regular Agenda – Tariff Filing – Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Administrative

**CRITICAL DATES:** 06/17/17 (60-Day Suspension Date)

**SPECIAL INSTRUCTIONS:** Place prior to Docket No. 170090-GU

## Case Background

On April 18, 2017, Tampa Electric Company (TECO or Company) filed a petition requesting Commission approval of amendments to Tariff Sheet Nos. 5.135 (Deposits) and 6.030 (Residential Service). During the 2015 session, the Florida Legislature enacted House Bill 7109 which was incorporated into Chapter 2015-129, Laws of Florida. Among other things, the legislation created Section 366.05(1)(b) and (c), Florida Statutes (F.S.). Paragraph (1)(b) addresses billing periods and Paragraph (1)(c) addresses customer deposits. These laws became effective on July 1, 2015. The Commission adopted amendments to Rules 25-6.100 (Customer Billings) and 25-6.097 (Customer Deposits), Florida Administrative Code (F.A.C.), respectively, to implement the laws enacted in July 2015.<sup>1</sup>

<sup>1</sup> Order No. PSC-16-0024-FOF-PU, issued January 12, 2016, in Docket No. 150241-PU, *In re: Proposed amendments to Rules 25-6.093, Information to Customers; 25-6.097, Customer Deposits; 25-6.100, Customer*

Docket No. 170088-EI

Date: May 24, 2017

TECO is requesting tariff modifications at this time to ensure that the Company's tariff language continues to conform to the applicable statutes and Commission rules. The Commission has jurisdiction in this matter pursuant to Sections 366.03, 366.05, and 366.06, F.S.

---

*Billings; 25-7.079, Information to Customers; 25-7.083, Customer Deposits; and 25-7.085, Customer Billing, F.A.C.*

## Discussion of Issues

**Issue 1:** Should the Commission approve TECO's proposed tariff modifications?

**Recommendation:** Yes, the Commission should approve TECO's requested modifications to Tariff Sheet Nos. 5.135 and 6.030, as reflected in Attachment A, effective June 5, 2017. (Rome, Draper)

**Staff Analysis:** TECO's proposed tariff modifications are designed to conform TECO's tariff to the applicable statutes and Commission rules. The two tariff modifications are discussed below.

### Billing Period

Section 366.05(1)(b), F.S., provides that if the Commission authorizes a public utility to charge tiered rates based upon levels of usage and to vary its regular billing period, the utility may not charge a customer a higher rate because of an increase in usage attributable to an extension of the billing period; however, the regular meter reading date may not be advanced or postponed more than five days for routine operating reasons without prorating the billing for the period. The Commission amended Rule 25-6.100, F.A.C., to implement with the statutory changes.<sup>2</sup> The prior rule specified that the regular meter reading date may be advanced or postponed not more than 5 days without a proration of the billing for the period, but did not address the application of tiered rates to extended billing periods. Tiered rates, such as TECO's residential energy charges, apply a higher energy charge to usage above 1,000 kilowatt hours.

TECO has proposed to add a paragraph on Tariff Sheet No. 6.030 to reflect the statutory requirements and to include TECO's current billing practices in its tariff. The proposed tariff language addresses both the proration of charges when billing periods are varied by more than five days, as well as the prohibition against charging higher tiered rates if the extension of a billing period of more than five days causes a customer's energy consumption to exceed the Company's tier threshold of 1,000 kilowatt-hours, based on average daily usage. TECO has represented to staff that TECO historically has followed the bill proration practices outlined in Section 366.05(1)(b), F.S.

### Customer Deposits

Section 366.05(1)(c), F.S., provides that for an existing account, the total deposit may not exceed two months of average actual charges. For a new service request, the total deposit may not exceed two months of projected charges. Once a new customer has had continuous service for a 12-month period, the amount of the deposit shall be recalculated using actual data. Any difference between the projected and actual amounts must be resolved by the customer paying the additional amount that may be billed by the utility or the utility returning any overcharge.

The Commission amended Rule 25-6.097(1), F.A.C., to state that the utility's methodology for determining customer deposits for existing and new accounts shall conform to Section 366.05(1)(c), F.S.<sup>3</sup> The prior rule language already required that the total amount of a deposit not

---

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*



exceed twice the average monthly bill; that provision is contained in TECO's current tariff (Tariff Sheet No. 5.130) and TECO is not proposing to modify that tariff sheet.

TECO's proposed addition to Tariff Sheet No. 5.135 conforms to the new statutory language regarding the recalculation of the deposit after 12-months. TECO's proposed addition to Tariff Sheet No. 5.135 comports with this language by providing that: (a) if the recalculated deposit amount based on the previous 12-months billing history is less than the customer's current deposit amount, the difference between the deposit amounts will be refunded or applied as a credit to the customer account; and (b) if the recalculated deposit amount exceeds the customer's current deposit amount, the Company may request an additional deposit amount.

Pursuant to Rule 25-6.097(3), F.A.C., utility customers receive refunds of their deposits with interest after a period of 23 months of continuous service, assuming their payment record is satisfactory. Therefore, for the majority of utility customers, the deposit amount recalculation after a 12-month period of continuous service occurs only once.

### **Conclusion**

Based on a review of the applicable statutes, Commission rules, and proposed tariffs filed by TECO, staff believes that the tariff sheet revisions conform to the applicable statutes and Commission rules. Therefore, staff recommends that the Commission approve TECO's requested modifications to Tariff Sheet Nos. 5.135 and 6.030, as reflected in Attachment A, effective June 5, 2017.

**Issue 2:** Should this docket be closed?

**Recommendation:** If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order. (Brownless)

**Staff Analysis:** If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.



AN EMERA COMPANY



~~ORIGINAL FIRST REVISED SHEET NO. 5.135~~  
~~CANCELS ORIGINAL SHEET NO. 5.135~~

Continued from Sheet No. 5.130

Deposit amounts will be recalculated on an annual basis. If the recalculated deposit amount based on the previous 12-months billing history is less than the customer's current deposit amount, the difference between the deposit amounts will be refunded or applied as a credit to the customer account. If the recalculated deposit amount exceeds the customer's current deposit amount, the company may request an additional deposit amount to secure the customer's account.

At the Residential Customer's option, the Company will verify the Customer's credit through an external credit monitoring service to determine if the customer meets the company's credit-worthiness criteria allowing the security deposit to be waived. This type of credit verification will have no impact on the Customer's credit score.

Continued to Sheet No. 5.140

ISSUED BY: G. L. Gillette, President

DATE EFFECTIVE: ~~January 4, 2016~~



~~TWENTY-FIRST TWENTY-SECOND~~ REVISED SHEET NO. 6.030  
CANCELS ~~TWENTIETH TWENTY-FIRST~~ REVISED SHEET NO. 6.030

**RESIDENTIAL SERVICE**

**SCHEDULE:** RS

**AVAILABLE:** Entire service area.

**APPLICABLE:** To residential consumers in individually metered private residences, apartment units, and duplex units. All energy must be for domestic purposes and should not be shared with or sold to others. In addition, energy used in commonly-owned facilities in condominium and cooperative apartment buildings will qualify for this rate schedule, subject to the following criteria:

1. 100% of the energy is used exclusively for the co-owners' benefit.
2. None of the energy is used in any endeavor which sells or rents a commodity or provides service for a fee.
3. Each point of delivery will be separately metered and billed.
4. A responsible legal entity is established as the customer to whom the Company can render its bills for said service.

Resale not permitted.

Billing charges shall be prorated for billing periods that are less than 25 days or greater than 35 days. If the billing period exceeds 35 days and the billing extension causes energy consumption based on average daily usage to exceed 1,000 kWh, the excess consumption will be charged at the lower monthly Energy and Demand Charge.

**LIMITATION OF SERVICE:** This schedule includes service to single phase motors rated up to 7.5 HP. Three phase service may be provided where available for motors rated 7.5 HP and over.

**MONTHLY RATE:**

**Basic Service Charge:**  
\$16.62

**Energy and Demand Charge:**

First 1,000 kWh	5.200¢ per kWh
All additional kWh	6.308¢ per kWh

**MINIMUM CHARGE:** The Basic Service Charge.

**FUEL CHARGE:** See Sheet Nos. 6.020 and 6.021.

Continued to Sheet No. 6.031

**ISSUED BY:** G. L. Gillette, President

**DATE EFFECTIVE:** ~~January 16, 2017~~