



Dianne M. Triplett
Deputy General Counsel
Duke Energy Florida, LLC

May 23, 2018

VIA ELECTRONIC DELIVERY

Ms. Carlotta Stauffer,
Commission Clerk Florida
Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: DEF's Petition for approval of modifications to DEF's Section No. IV –
General Rules and Regulations Governing Electric Service – Part VIII
Billing – Residential and Non-Residential Budget Billing

Dear Ms. Stauffer:

On behalf of Duke Energy Florida, LLC ("DEF"), attached for filing is DEF's Petition for approval of modifications to DEF's Section IV – General Rules and Regulations Governing Electric Service – Part VIII Billing – Residential and Non-Residential Budget Billing.

The revised Tariff Sheets include Tariff Sheet Nos. 4.001, 4.080, 4.085, Original Sheet No. 4.086, and Original Sheet No. 4.087.

Thank you for your assistance in this matter. If you have any questions, please feel free to contact me at (727) 820-4692.

Sincerely,

/s/ Dianne M. Triplett

Dianne M. Triplett

DMT: at
Attachments

cc: Ms. Elizabeth Draper

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval of
modifications to DEF’s Section No. IV –
General Rules and Regulations Governing
Electric Service – Part VIII Billing –
Residential and Non-Residential Budget
Billing

Docket No. _____

Filed: May 22, 2018

**PETITION FOR APPROVAL OF MODIFICATIONS TO DEF’S
SECTION NO. IV – GENERAL RULES AND REGULATIONS GOVERNING
ELECTRIC SERVICE – PART VIII BILLING –
RESIDENTIAL AND NON-RESIDENTIAL BUDGET BILLING**

Pursuant to Rules 25-9.004 and 25-9.033, Florida Administrative Code (“FAC”), Duke Energy Florida, LLC (“DEF” or “the Company”) hereby petitions this Commission for approval of modifications to DEF’s Section No. IV – General Rules and Regulations Governing Electric Service, Part VIII Billing, Tariff Sheet Nos. 4.001, 4.080, 4.085, Original Sheet No. 4.086 and Original Sheet No. 4.087. In support of this Petition, DEF states as follows:

1. The Petitioner’s name and address are:

Duke Energy
Florida, LLC
299 1st
Avenue North
St. Petersburg, Florida 33701

2. Any pleading, motion, notice, order, or other document required to be served upon DEF or filed by any party to this proceeding should be served upon the following individuals:

Dianne M. Triplett
Dianne.triplett@duke-energy.com
Duke Energy Florida, LLC
299 1st Avenue North
St. Petersburg, Florida 33701
(727) 820-4962

Matthew Bernier
Matthew.bernier@duke-energy.com
Duke Energy Florida, LLC
106 E. College Avenue, Ste. 800
Tallahassee, FL 32301
(850) 521-1428

(727) 820-5041 (fax)

(850) 521-1437 (fax)

3. DEF is the utility primarily affected by the request in this Petition. DEF is an investor-owned electric utility, regulated by the Commission, and is a wholly owned subsidiary of Duke Energy Corporation. The Company's principal place of business is located at 299 1st Avenue North, St. Petersburg, Florida 33701.

4. DEF serves approximately 1.8 million retail customers in Florida. Its service area comprises approximately 20,000 square miles in 35 of the state's 67 counties, including the densely populated areas of Pinellas and western Pasco Counties and the Greater Orlando area in Orange, Osceola, and Seminole Counties. DEF supplies electricity at retail to approximately 350 communities and at wholesale to Florida municipalities, utilities, and power agencies in the State of Florida.

5. Exhibits A and B to this Petition contain proposed tariff sheets in legislative format and clean copy format respectively, including Eighth Revised Sheet No. 4.001, Sixth Revised Sheet No. 4.080, Second Revised Sheet No. 4.085, Original Sheet No. 4.086, and Original Sheet No. 4.087 of DEF's Section No. IV – General Rules and Regulations Governing Electric Service, Part VIII Billing.

6. In this Petition, DEF requests approval of proposed changes to its Section No. IV – General Rules and Regulations Governing Electric Service, Part VIII Billing. These changes reflect DEF's continued efforts to identify payment options that improve DEF's ability to provide flexibility to its customers. First, the Company is requesting to add a Budget Billing Plan that is available to qualifying customers on Rate Schedule GS-1 and GSD-1. Similar to the existing Residential Budget Billing Plan this alternative-billing plan allows for payments on an averaged

monthly installment basis rather than payments on an actual monthly usage basis. The monthly billing amount is derived in the exact same manner as the existing Residential Budget Billing Plan, with minor changes to the required customer qualifications and administration of the plan.

7. Second, the Residential Budget Billing Plan is currently included on rate schedule RS-1. DEF is proposing to include the same language in Section No. IV – General Rules and Regulations Governing Electric Service, Part VIII Billing and in the future remove the language from rate schedule RS-1. Given DEF's recent settlement in Docket No. 2017-0183-EI and the continual updating of rate schedules due in part to that settlement, DEF believes that if changes are needed to a current or future billing plan there is a high probability that the rate schedule may already have pending changes before the Florida Public Service Commission ("FPSC") making it difficult to make needed adjustments expediently. Moving the Residential Budget Billing plan to Section IV will allow the Company to update when necessary, as Section IV is not subject to changes as frequently as DEF's rate schedules. If approved by the FPSC, DEF plans to remove the appropriate language on rate schedule RS-1 the next time DEF proposes changes to rates applicable to the aforementioned rate schedule.

8. WHEREFORE, DEF respectfully requests the Commission approve this Petition and the modifications to Section No. IV – General Rules and Regulations Governing Electric Service, Part VIII Billing, Eighth Revised Sheet No. 4.001, Sixth Revised Sheet No. 4.080, Second Revised Sheet No. 4.085, Original Sheet No. 4.086, and Original Sheet No. 4.087, as set forth in Exhibits A and B attached hereto.

Respectfully submitted,

/s/ Dianne M. Triplett

Dianne M. Triplett
Deputy General Counsel
Duke Energy Florida, LLC
299 1st Avenue North
St. Petersburg, Florida 33701
(727) 820-4962
(727) 820-5041 (fax)
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Matthew Bernier
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106 E. College Avenue, Ste. 800
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EXHIBIT A

Legislative Format Tariffs (1 copy)

Eighth Revised Sheet No. 4.001

Sixth Revised Sheet No. 4.080

Second Revised Sheet No. 4.085

Original Sheet No. 4.086

Original Sheet No. 4.087



GENERAL RULES AND REGULATIONS
GOVERNING ELECTRIC SERVICE

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Appendix: Requirements for Electric Service and Meter Installations

PART VIII**BILLING****8.01 Billing Period:**

A bill for service will be rendered on a regular monthly cycle as scheduled by the Company. A normal billing month is an interval between scheduled meter reading dates and is approximately thirty (30) days.

8.02 Prorated Monthly Bills:

A normal monthly bill will be prorated (based on actual number of days vs. thirty (30)) if the meter reading date is advanced or postponed more than five (5) days from the scheduled read date.

All other types of bills (including initial, final, or reroute) will be prorated if they cover more or less than a regular monthly billing period (including the five-(5) day reading range). If the billing period is extended more than five (5) days, the Company will not apply the higher tiered rate if the Customer's higher usage is solely attributable to the extended billing period.

8.03 Measurement and Evidence of Consumption:

Power and energy shall be measured for each point of delivery by one meter for each type of service rendered; and the Company's readings and records thereof shall be accepted and received, at all times and places as prima facie evidence of the quantity of electricity used by the Customer at the point of delivery.

- (1) **Conjunctive Billing:** The Company does not permit conjunctive billing. Each point of delivery to the same customer constitutes a separate service, and bills for two (2) or more points of delivery to the same customer shall be calculated separately for each point of delivery; however, where more than one (1) meter is used to measure the same type of service, although only one point of delivery is involved, each such meter shall be calculated and billed separately, as though it were a separate service, until such time as the Customer rearranges his facilities to take all of the same type of service through a single meter.
- (2) **Unread Meters:** When the Company is unable to read a meter due to circumstances beyond the control of the Company, such as inaccessibility of meters because of flood or stormy conditions, the Company may render a minimum or estimated bill.

8.04 Delinquent Bills:

Bills are due when rendered and become delinquent if not paid within twenty (20) days after the date of mailing or delivery. A late payment charge will be applied to accounts that have past due balances, in accordance with the Company's Rate Schedule SC-1. Non-receipt of bills by customer shall not release or diminish the obligation of the Customer with respect to payment thereof on time.

8.05 Vacating or Change of Occupancy:

When a customer vacates a premise served by the Company, or when a change of occupancy therein takes place, the outgoing customer shall notify the nearest office of the Company not less than three (3) days prior to the date of vacating or change, as the case may be; and the outgoing customer shall be held responsible for all electric service used on such premises until such notice is received and service is disconnected, or until application for service at said location has been made by a new customer and accepted by the Company, whichever first occurs.

8.06 Service Charges:

Service Charges shall be made for each establishment or re-establishment of service, and for each returned check, in accordance with the Company's Rate Schedule SC-1.

8.07 Adjustment of Bills:

Adjustment of bills shall be made in accordance with regulations of the Florida Public Service Commission.

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**PART VIII
BILLING
(Continued)**

8.08 Net Metering for Customer-Owned Renewable Generation:

For customers with renewable generation equipment that have executed an interconnection agreement with the Company whose customer-owned renewable generation is eligible for net metering as defined by FPSC rule 25-6.065, monthly billing will be prepared in the following manner:

- (1) At no additional cost to the customer, metering equipment will be installed by the Company capable of measuring the difference between the electricity supplied to the customer from the Company and the electricity generated by the customer and delivered to the Company's electric grid.
- (2) Meter readings will be taken monthly on the same cycle as required under the otherwise applicable rate schedule in accordance with normal billing practices.
- (3) The Company will charge the customer for energy used by the customer in excess of the generation supplied by customer-owned renewable generation for the entire billing cycle in accordance with the otherwise applicable rate schedule.
- (4) During any billing cycle, excess customer-owned renewable generation delivered to the Company's electric grid will be credited to the customer's energy consumption for the next month's billing cycle.
- (5) Regardless of whether excess energy is delivered to the Company's electric grid, the customer will be required to pay the greater of
 - i. the minimum charge as stated in their otherwise applicable rate schedule, or
 - ii. the applicable monthly customer charge plus the applicable demand charge for the monthly maximum 30-minute demand measured on the company's usage meter during the billing period in accordance with the otherwise applicable rate schedule
- (6) For customers whose otherwise applicable rate schedule is a time of use (TOU) rate, the generation supplied by customer-owned renewable generation to the Company will be measured by the distinct TOU periods of that rate schedule and offset customer usage in the current month or subsequent periods using the distinct TOU periods of that rate schedule.
- (7) Energy credits produced pursuant to section 4 above will accumulate and be used to offset the customer's energy usage in subsequent months for a period of not more than twelve months. After the end of each calendar year, the Company will credit the customer (on the February bill) for any unused energy credits at an average annual rate based on the COG-1, as-available energy tariff.
- (8) Excess energy consumption will be applied only to the service provided at the location of the renewable generation system and will not be applied to other locations or services at the same location that the customer may take from the Company.
- (9) When a customer leaves the Company's system, unused credits for excess kWh generated will be credited to the customer at an average annual rate based on the COG-1, as-available energy tariff.
- (10) The customer may, at their sole discretion, choose to take service under the Company's standby or supplemental service rate, if available. When a customer elects to take service under a standby or supplemental tariff, any excess consumption credited from prior periods in accordance with provision number 4 above, will be considered supplemental energy for billing purposes.

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PART VIII
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8.09 Budget Billing Plan (Optional):

Residential

A customer may elect to be billed for service hereunder by an alternative-billing plan called the "Budget Billing Plan." This billing plan provides for payments on an averaged monthly installment basis rather than payments on an actual monthly usage basis.

Under the Budget Billing Plan, the monthly billing is determined as follows:

1. The Annual Base Amount is calculated using the most recent twelve (12) months' billings for the premise and then averaged and rounded to the nearest whole dollar (Monthly Budget Billing Amount). If the customer has not resided at the premise for twelve (12) months, the Annual Base Amount will be determined by the customer's available monthly billings plus the previous occupant's billings. If the premise is new, a twelve (12) month estimated billing would be used.
2. The Monthly Budget Billing Amount is recalculated every third month using the most recent Annual Base Amount plus any deferred balances (the difference in prior billings made under the Budget Billing Plan and that of actual charges).

$$\begin{array}{rcc}
 \text{Monthly Budget} & & \\
 \text{Billing Amount} & \equiv & \frac{\text{12 Month Summation} \quad \pm \quad \text{Deferred}}{\text{Actual or Est. Annual Base} \quad \quad \text{Balance}} \\
 & & \text{12}
 \end{array}$$

If the difference between the newly calculated Monthly Budget Billing Amount and the current Monthly Budget Billing Amount is greater than \$5 or 10%, then the Monthly Billing Amount will be re-established at the newly calculated amount (rounded to the nearest whole dollar).

3. At the customer's option (in lieu of carrying the deferred balance forward in the recalculation of the Monthly Budget Billing Amount) any deferred balance that is outstanding at the customer's annual review may be settled either through being applied to the customer's next bill (if a credit balance) or direct payment to the Company (if a debit balance).

A customer may request termination of the Budget Billing Plan at any time. The Company may terminate application of the Plan to any Customer whose balance due becomes sixty (60) days delinquent. Upon termination of the Plan or disconnection of service, the Customer must settle the account in full. Once the Customer has terminated, he or she may not rejoin the plan for twelve (12) months.

Non-residential

Any GS-1 or GSD-1 Customer who has

- no delinquent balances;
- has been at the same location for 12 consecutive months with the Company;
- not had more than one (1) late payment notice during the preceding 12 months;
- not made a payment with a dishonored check during the preceding 12 months;
- not had a disconnection of service for nonpayment of bill during preceding 12 months;
- the total required deposit; and
- met the Company's requirements for the establishment of credit

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PART VIII

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is eligible to participate in the Budget Billing Plan described below for GS-1 and GSD-1 rate billings. However, GS-1 or GSD-1 Customers that participate in the Premier Power Service Rider and/or Summary Billing will not be eligible to participate in this Budget Billing Plan. A Customer may terminate participation in the Budget Billing Plan at any time and may be terminated from the Budget Billing Plan by Duke Energy Florida, LLC if the Customer becomes subject to collection action on this service account. Once a Customer's participation in the Budget Billing Plan has terminated he/she may not rejoin the Budget Billing Plan for twelve (12) months following the date of termination.

This billing plan provides for payments on an averaged monthly installment basis rather than payments on an actual monthly usage basis.

Under the Budget Billing Plan, the monthly billing is determined as follows:

1. The Annual Base Amount is calculated using the most recent twelve (12) months' billings for the premise and then averaged and rounded to the nearest whole dollar (Monthly Budget Billing Amount).
2. The Monthly Budget Billing Amount is recalculated every third month using the most recent Annual Base Amount plus any deferred balances (the difference in prior billings made under the Budget Billing Plan and that of actual charges).

$$\frac{\text{Monthly Budget Billing Amount}}{\text{Billing Amount}} = \frac{\text{12 Month Summation Actual or Est. Annual Base} \pm \text{Deferred Balance}}{12}$$

- If the difference between the newly calculated Monthly Budget Billing Amount and the current Monthly Budget Billing Amount is greater than 10% then the Monthly Billing Amount will be re-established at the newly calculated amount (rounded to the nearest whole dollar).
3. At the customer's option (in lieu of carrying the deferred balance forward in the recalculation of the Monthly Budget Billing Amount) any deferred balance that is outstanding at the customer's annual review may be settled either through being applied to the customer's next bill (if a credit balance) or direct payment to the Company (if a debit balance).

A customer may request termination of the Budget Billing Plan at any time. The Company may terminate application of the Plan to any Customer whose balance due becomes fourteen (14) calendar days delinquent. Termination of any one account for delinquency may subject all other Customer's participating accounts to termination of the plan. Upon termination of the Plan or disconnection of service, the Customer must settle the account in full. Once the Customer has terminated, he or she may not rejoin the plan for twelve (12) months.

EXHIBIT B

Clean Copy Format Tariffs (1 Copy)

Eighth Revised Sheet No. 4.001
Sixth Revised Sheet No. 4.080
Second Revised Sheet No. 4.085
Original Sheet No. 4.086
Original Sheet No. 4.087



**GENERAL RULES AND REGULATIONS
GOVERNING ELECTRIC SERVICE**

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Appendix: Requirements for Electric Service and Meter Installations



PART VIII

BILLING

8.01 Billing Period:

A bill for service will be rendered on a regular monthly cycle as scheduled by the Company. A normal billing month is an interval between scheduled meter reading dates and is approximately thirty (30) days.

8.02 Prorated Monthly Bills:

A normal monthly bill will be prorated (based on actual number of days vs. thirty (30)) if the meter reading date is advanced or postponed more than five (5) days from the scheduled read date.

All other types of bills (including initial, final, or reroute) will be prorated if they cover more or less than a regular monthly billing period (including the five-(5) day reading range). If the billing period is extended more than five (5) days, the Company will not apply the higher tiered rate if the Customer's higher usage is solely attributable to the extended billing period.

8.03 Measurement and Evidence of Consumption:

Power and energy shall be measured for each point of delivery by one meter for each type of service rendered; and the Company's readings and records thereof shall be accepted and received, at all times and places as prima facie evidence of the quantity of electricity used by the Customer at the point of delivery.

- (1) **Conjunctive Billing:** The Company does not permit conjunctive billing. Each point of delivery to the same customer constitutes a separate service, and bills for two (2) or more points of delivery to the same customer shall be calculated separately for each point of delivery; however, where more than one (1) meter is used to measure the same type of service, although only one point of delivery is involved, each such meter shall be calculated and billed separately, as though it were a separate service, until such time as the Customer rearranges his facilities to take all of the same type of service through a single meter.
- (2) **Unread Meters:** When the Company is unable to read a meter due to circumstances beyond the control of the Company, such as inaccessibility of meters because of flood or stormy conditions, the Company may render a minimum or estimated bill.

8.04 Delinquent Bills:

Bills are due when rendered and become delinquent if not paid within twenty (20) days after the date of mailing or delivery. A late payment charge will be applied to accounts that have past due balances, in accordance with the Company's Rate Schedule SC-1. Non-receipt of bills by customer shall not release or diminish the obligation of the Customer with respect to payment thereof on time.

8.05 Vacating or Change of Occupancy:

When a customer vacates a premise served by the Company, or when a change of occupancy therein takes place, the outgoing customer shall notify the nearest office of the Company not less than three (3) days prior to the date of vacating or change, as the case may be; and the outgoing customer shall be held responsible for all electric service used on such premises until such notice is received and service is disconnected, or until application for service at said location has been made by a new customer and accepted by the Company, whichever first occurs.

8.06 Service Charges:

Service Charges shall be made for each establishment or re-establishment of service, and for each returned check, in accordance with the Company's Rate Schedule SC-1.

8.07 Adjustment of Bills:

Adjustment of bills shall be made in accordance with regulations of the Florida Public Service Commission.

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**PART VIII
BILLING
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8.08 Net Metering for Customer-Owned Renewable Generation:

For customers with renewable generation equipment that have executed an interconnection agreement with the Company whose customer-owned renewable generation is eligible for net metering as defined by FPSC rule 25-6.065, monthly billing will be prepared in the following manner:

- (1) At no additional cost to the customer, metering equipment will be installed by the Company capable of measuring the difference between the electricity supplied to the customer from the Company and the electricity generated by the customer and delivered to the Company's electric grid.
- (2) Meter readings will be taken monthly on the same cycle as required under the otherwise applicable rate schedule in accordance with normal billing practices.
- (3) The Company will charge the customer for energy used by the customer in excess of the generation supplied by customer-owned renewable generation for the entire billing cycle in accordance with the otherwise applicable rate schedule.
- (4) During any billing cycle, excess customer-owned renewable generation delivered to the Company's electric grid will be credited to the customer's energy consumption for the next month's billing cycle.
- (5) Regardless of whether excess energy is delivered to the Company's electric grid, the customer will be required to pay the greater of
 - i. the minimum charge as stated in their otherwise applicable rate schedule, or
 - ii. the applicable monthly customer charge plus the applicable demand charge for the monthly maximum 30-minute demand measured on the company's usage meter during the billing period in accordance with the otherwise applicable rate schedule
- (6) For customers whose otherwise applicable rate schedule is a time of use (TOU) rate, the generation supplied by customer-owned renewable generation to the Company will be measured by the distinct TOU periods of that rate schedule and offset customer usage in the current month or subsequent periods using the distinct TOU periods of that rate schedule.
- (7) Energy credits produced pursuant to section 4 above will accumulate and be used to offset the customer's energy usage in subsequent months for a period of not more than twelve months. After the end of each calendar year, the Company will credit the customer (on the February bill) for any unused energy credits at an average annual rate based on the COG-1, as-available energy tariff.
- (8) Excess energy consumption will be applied only to the service provided at the location of the renewable generation system and will not be applied to other locations or services at the same location that the customer may take from the Company.
- (9) When a customer leaves the Company's system, unused credits for excess kWh generated will be credited to the customer at an average annual rate based on the COG-1, as-available energy tariff.
- (10) The customer may, at their sole discretion, choose to take service under the Company's standby or supplemental service rate, if available. When a customer elects to take service under a standby or supplemental tariff, any excess consumption credited from prior periods in accordance with provision number 4 above, will be considered supplemental energy for billing purposes.

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PART VIII
BILLING
(Continued)

8.09 Budget Billing Plan (Optional):

Residential

A customer may elect to be billed for service hereunder by an alternative-billing plan called the "Budget Billing Plan." This billing plan provides for payments on an averaged monthly installment basis rather than payments on an actual monthly usage basis.

Under the Budget Billing Plan, the monthly billing is determined as follows:

1. The Annual Base Amount is calculated using the most recent twelve (12) months' billings for the premise and then averaged and rounded to the nearest whole dollar (Monthly Budget Billing Amount). If the customer has not resided at the premise for twelve (12) months, the Annual Base Amount will be determined by the customer's available monthly billings plus the previous occupant's billings. If the premise is new, a twelve (12) month estimated billing would be used.
2. The Monthly Budget Billing Amount is recalculated every third month using the most recent Annual Base Amount plus any deferred balances (the difference in prior billings made under the Budget Billing Plan and that of actual charges).

$$\begin{array}{rcccl}
 \text{Monthly Budget Billing Amount} & = & \frac{\text{12 Month Summation Actual or Est. Annual Base}}{12} & + & \text{Deferred Balance}
 \end{array}$$

If the difference between the newly calculated Monthly Budget Billing Amount and the current Monthly Budget Billing Amount is greater than \$5 or 10%, then the Monthly Billing Amount will be re-established at the newly calculated amount (rounded to the nearest whole dollar).

3. At the customer's option (in lieu of carrying the deferred balance forward in the recalculation of the Monthly Budget Billing Amount) any deferred balance that is outstanding at the customer's annual review may be settled either through being applied to the customer's next bill (if a credit balance) or direct payment to the Company (if a debit balance).

A customer may request termination of the Budget Billing Plan at any time. The Company may terminate application of the Plan to any Customer whose balance due becomes sixty (60) days delinquent. Upon termination of the Plan or disconnection of service, the Customer must settle the account in full. Once the Customer has terminated, he or she may not rejoin the plan for twelve (12) months.

Non-residential

Any GS-1 or GSD-1 Customer who has

- no delinquent balances;
- has been at the same location for 12 consecutive months with the Company;
- not had more than one (1) late payment notice during the preceding 12 months;
- not made a payment with a dishonored check during the preceding 12 months;
- not had a disconnection of service for nonpayment of bill during preceding 12 months;
- the total required deposit; and
- met the Company's requirements for the establishment of credit

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PART VIII

**BILLING
(Continued)**

is eligible to participate in the Budget Billing Plan described below for GS-1 and GSD-1 rate billings. However, GS-1 or GSD-1 Customers that participate in the Premier Power Service Rider and/or Summary Billing will not be eligible to participate in this Budget Billing Plan. A Customer may terminate participation in the Budget Billing Plan at any time and may be terminated from the Budget Billing Plan by Duke Energy Florida, LLC if the Customer becomes subject to collection action on this service account. Once a Customer's participation in the Budget Billing Plan has terminated he/she may not rejoin the Budget Billing Plan for twelve (12) months following the date of termination.

This billing plan provides for payments on an averaged monthly installment basis rather than payments on an actual monthly usage basis.

Under the Budget Billing Plan, the monthly billing is determined as follows:

1. The Annual Base Amount is calculated using the most recent twelve (12) months' billings for the premise and then averaged and rounded to the nearest whole dollar (Monthly Budget Billing Amount).
2. The Monthly Budget Billing Amount is recalculated every third month using the most recent Annual Base Amount plus any deferred balances (the difference in prior billings made under the Budget Billing Plan and that of actual charges).

$$\begin{array}{rcl}
 \text{Monthly Budget Billing Amount} & = & \frac{\text{12 Month Summation Actual or Est. Annual Base} + \text{Deferred Balance}}{12}
 \end{array}$$

If the difference between the newly calculated Monthly Budget Billing Amount and the current Monthly Budget Billing Amount is greater than 10% then the Monthly Billing Amount will be re-established at the newly calculated amount (rounded to the nearest whole dollar).

3. At the customer's option (in lieu of carrying the deferred balance forward in the recalculation of the Monthly Budget Billing Amount) any deferred balance that is outstanding at the customer's annual review may be settled either through being applied to the customer's next bill (if a credit balance) or direct payment to the Company (if a debit balance).

A customer may request termination of the Budget Billing Plan at any time. The Company may terminate application of the Plan to any Customer whose balance due becomes fourteen (14) calendar days delinquent. Termination of any one account for delinquency may subject all other Customer's participating accounts to termination of the plan. Upon termination of the Plan or disconnection of service, the Customer must settle the account in full. Once the Customer has terminated, he or she may not rejoin the plan for twelve (12) months.