

AUSLEY McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

123 SOUTH CALHOUN STREET
P.O. BOX 391 (ZIP 32302)
TALLAHASSEE, FLORIDA 32301
(850) 224-9115 FAX (850) 222-7560

January 18, 2019

VIA: ELECTRONIC FILING

Mr. Adam J. Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

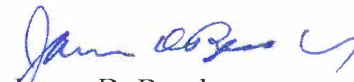
Re: Petition of Tampa Electric Company for Approval of a Smart Meter Opt-Out Tariff

Dear Mr. Teitzman:

Attached for filing in the above-styled matter is Tampa Electric Company's Petition for Approval of a Smart Meter Opt-Out Tariff.

Thank you for your assistance in connection with this matter.

Sincerely,


James D. Beasley

JDB/pp
Attachment

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Tampa Electric Company)
For Approval of a Smart Meter Opt-out Tariff)
_____)

DOCKET NO. _____

FILED: January 18, 2019

**PETITION OF TAMPA ELECTRIC COMPANY
FOR APPROVAL OF
A SMART METER OPT-OUT TARIFF**

Tampa Electric Company (“Tampa Electric” or “the company”), pursuant to Sections 366.04, F.A.C., Florida Statutes, petitions the Florida Public Service Commission (“Commission”) for approval of an optional Non-Standard Meter Rider (“NSMR”) tariff for residential and general service customers who request a meter which does not utilize radio frequency communications to transmit data, or is otherwise required to be read manually. As grounds therefor, the company says:

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

Tampa Electric Company
Post Office Box 111
Tampa, FL 33601
(813) 228-4111
(813) 228-1770 (fax)

2. Tampa Electric is an investor-owned public utility subject to the jurisdiction of this Commission under Chapter 366, Florida Statutes.

3. All notices, pleadings and correspondence required to be served on the petitioner should be directed to:

James D. Beasley
jbeasley@ausley.com
J. Jeffry Wahlen
jwahlen@ausley.com

Paula K. Brown
regdept@tecoenergy.com
Manager, Regulatory Coordination
Tampa Electric Company

Ausley McMullen
Post Office Box 391
Tallahassee, FL 32302
(850) 224-9115
(850) 222-7560 (fax)

Office Box 111
Tampa, FL 33601
(813) 228-1444
(813) 228-1770 (fax)

4. On September 20, 2012 Staff conducted a smart meter workshop to gather information on Advanced Meter Infrastructure (“AMI”) and to address many of the concerns raised by Florida customers. AMI is considered the foundation upon which utilities can one day build a smart grid to more efficiently and effectively manage and run the electric grid. It will provide future benefits to customers and it will bring greater efficiencies and reliability to the electric grid.

5. Following the 2012 smart meter workshop, Staff issued a memorandum on February 11, 2013 entitled “Briefing on Smart Meters: Technical Information and Regulatory Issues” (“Briefing”). In that Briefing, Staff stated as follows: “Some consumers have expressed a desire to retain their existing analog meter instead of a smart meter; this is typically referred to as an ‘opt-out’ option. Electric utilities in Florida are not in agreement regarding whether or not there is a need to offer an opt-out provision. Nevertheless, if an opt-out option is provided, the customer who requests a non-smart meter should be responsible for all costs incurred by an IOU due to this decision.” Staff further notes in respect to optional service: “This is in accord with the FPSC’s longstanding policy of ensuring that the cost-causer pays the costs associated with his or her request. An IOU may submit an opt-out tariff for consideration by the FPSC.”

6. In January 2017, Tampa Electric began installing AMI meters on a preliminary basis with the goal of converting all of its existing drive-by Automated Meter Reading (“AMR”) meters to AMI meters by 2021. Customers are currently being granted the option of not having their meters replaced, for any reason, and are being told that there will be no charges imposed for

taking advantage of this option. They are being informed, however, that in the future it is expected that such charges will be authorized to be collected for opting out and that once those charges are approved they will apply to them.

7. The scope of the AMI project is to upgrade all of the approximately 800,000 meters in TEC's service territory. The project will include some non-residential meters not currently equipped with remote telemetry. The new AMI meters will become TEC's standard meter. In conjunction with the AMI meter installation, the company will be installing advanced meter communication infrastructure to enable communications between the meters and the Company's information technology systems. AMI will also allow the Company to provide customers with greater options and better tools to manage their electric consumption. Although AMI meters can be used to measure usage as soon as they are installed, they will not be fully functional until the company's advanced meter communication infrastructure technology is fully operational and placed in service, which is expected to occur sometime in 2021.

8. Although the new meters will maximize the benefits of Tampa Electric's customer information system to safely and reliably provide benefits to all customers, Tampa Electric anticipates that a small percentage of customers will ask Tampa Electric to refrain from installing this new standard meter at their premises, regardless of the greater options and better tools to manage electric consumption. Tampa Electric has reviewed experiences with other utilities that have implemented an opt-out program, including most recently Duke Energy, Florida to estimate the number of potential customers that may choose to opt out of the standard AMI meter. Based on this experience, Tampa Electric currently estimates that 0.20 percent of Tampa Electric's customer base will choose to opt out. To accommodate those customers, Tampa Electric has developed the attached NSMR tariff that will allow customers the ability to opt-out of having

their standard meter replaced with an AMI meter.

9. Consistent with Staff's 2013 Briefing, Tampa Electric recognizes that customers who refuse a smart meter should bear those costs as it is unfair to ask all customers to subsidize those costs incurred as a result of other customers' decisions. The tariff proposed by Tampa Electric in this Petition is optional and only applies to Tampa Electric's customers who choose to forego the benefits associated with the new standard AMI meter and request another, non-standard non-communicating meter. Customers choosing to opt out from Tampa Electric's standard meter service will have to enroll to take service under the NSMR tariff. Tampa Electric's NSMR tariff provides an optional rate for customers who opt for a non-communicating meter. The NSMR tariff is cost-based and is consistent with the principle that customers requesting non-standard service should pay the incremental costs associated with that service. Only the customer of record for a premise will have the option to elect the non-standard meter service for that premise.

10. Tampa Electric has analyzed the additional costs it expects to incur to develop and maintain the infrastructure and personnel required to service the distinct group of customers that opt- out from the standard AMI meter program. To ensure that the NSMR tariff is cost based and that the cost causer, rather than the general body of customers properly bears those costs, Tampa Electric proposes that customers who receive this non-standard service pay an Initial Set-Up Fee along with a Monthly Surcharge. The anticipated costs and the breakdown of those costs per customer are more fully outlined on the attached Exhibit A to this Petition. The Initial Set-Up Fee of \$96.27 is a one-time cost that must be paid by the customer at the time the customer initially takes service pursuant to the NSMR. In addition to the Initial Set-Up Fee, during the time the customer takes service pursuant to the NSMR, the customer also will pay a Monthly

Surcharge of \$20.64. Customers who take service pursuant to the NSMR will be obligated to pay the Initial Set-Up Fee regardless of the length of time they take service pursuant to the NSMR, subject to the terms and conditions of the tariff, while the Monthly Surcharge will only be applicable during the time the customer actually takes service pursuant to this tariff. These charges, more fully explained in Exhibit A, represent the incremental costs to develop and administer the NSMR tariff. This fee structure ensures that Tampa Electric recovers incremental one-time costs along with ongoing operational costs it must incur to accommodate these customers.

11. Tampa Electric has developed a structured communication process to deploy AMI meters that establishes multiple touch points with customers while they process the meter deployment information being provided. Tampa Electric will communicate to customers the logistics and deployment of the AMI meters and provide them with facts to help them understand the benefits of the meter technology. Tampa Electric's communication process includes information on the Company's website, door hangers, and mail notifications.

12. Tampa Electric requests that the NSMR tariff go into effect once the billing system changes to implement billing and customer service are complete and in production and to allow time for the company to initiate communications to both the customers who have opted out during the AMI installation period prior to approval of the NMSR tariff about the new tariff and give those customers time to elect to either continue or abandon their prior opt-out selection.

13. Tampa Electric would ask that the tariff be held in abeyance until that time, currently expected to be sometime in the third quarter of 2019, at which time Tampa Electric will request that the Commission Staff be given authority to approve the tariff with the appropriate date. At that time, customers will be able to enroll in the NSMR tariff by calling Tampa Electric.

Customers who are opting out during the AMI conversion process will be contacted at that time by Tampa Electric, informed that if they continue to desire to opt-out they will be enrolled in the NSMR tariff. Charges under the tariff will then begin being billed to them.

14. Those customers choosing not to participate in the AMI program will be advised of the NSMR tariff provisions and rates. The Company will then install a non-standard meter, which means a meter that does not have communications functionality. The Company plans to use a meter that does not have radio communications functionality. While the Company currently plans to use a meter that does not have a radio installed, it reserves the right to use an AMI meter with its radio communication capability deactivated.

15. NSMR tariff customers cannot take service under net metering rider because the Company plans to use AMI meters to provide this service. Large commercial and industrial customers cannot take NSMR service as certain billing and services provided under those tariffs require data that can only be recorded and provided to Tampa Electric through a transmitting meter. Over time, new optional programs may be offered by Tampa Electric that would require AMI meters to provide information and billing determinants to operate, and in such circumstances, customers electing to take service under them may be prevented from opting out of AMI metering.

16. Attached hereto as Exhibits “B” and “C” respectively, are tracked change and clean versions of proposed Tariff Sheet No. 3,280, Rate Schedule NSMR-1, Optional - Non-Standard Meter Rider (AMI Opt-Out) and proposed revised Index, Tariff Sheet No. 3.010.

17. If approved, Tampa Electric is requesting that the tariff sheets filed with this Petition become effective the first billing cycle of the month after the AMI conversion has completed and that the Commission’s Staff be authorized to administratively approve the

effective date of the tariff sheets prior to that month.

18. Tampa Electric is not aware at this time that there will be any disputed issues of material fact in this proceeding.

WHEREFORE, Tampa Electric respectfully requests the Commission approve the tariff sheets attached in Exhibit "C" to this Petition.

DATED this 18th day of January 2019.

Respectfully submitted,



JAMES D. BEASLEY
J. JEFFRY WAHLEN
Ausley McMullen
Post Office Box 391
Tallahassee, FL 32302
(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

EXHIBIT “A”

Tampa Electric Company - Non-Standard Meter Rider (NSMR) Cost Analysis

2019 2020 2021 2022 2023

Expenses (One-Time per Participant)

	2019	2020	2021	2022	2023	
1						Customer Care Specialist will take calls for opt-out participants, explain tariff details, and set up account, handle initial questions/issues to support re-route.
			\$5.28			Billing Specialist to analyze, plan and approach to re-route meters. Move meters to new route and validate billing is correct
2			\$27.00			Planner/Dispatcher to move meter into new route upon direction from Billing Specialist.
3			\$4.05			Meter Field Rep to exchange meter @ 40 mins/customer
4			\$29.15			replace with opt-out meter, close work orders.
5			\$2.76			Use of a Pickup 1/4 ton 4x2 vehicle to change out meter
			\$28.03			IT developer to complete initial setup for Opt-Out / customer
						IT Development work to support initial Customer sign-up for the Opt-Out Program. (cost / customer)
						Sum of rows (1) through (6)
			\$96.27			

Development of Monthly Rates

	2019	2020	2021	2022	2023	
1	\$20.64	\$20.64	\$20.64	\$20.64	\$20.64	Monthly rate to capture meter reading expenses and 100% of IT System Costs at NPV=0
2	680	1,360	1,620	1,620	1,620	Estimated cumulative number of NSMR Customers
3	\$168,448	\$336,896	\$401,302	\$401,302	\$401,302	(12 months) * (# of participants) * (Monthly Rate)
	\$168,448	\$336,896	\$401,302	\$401,302	\$401,302	

Expenses Recovered via Monthly Rate (Initial Development plus On-going)

1	\$116,606	\$233,213	\$277,798	\$277,798	\$277,798	Total Monthly meter reading costs * 12 months * # of participants
2	\$0	\$0	\$0	\$0	\$0	Customer IT System Change to provide NSMR tariff (100%)
3	\$407,966	\$233,213	\$277,798	\$277,798	\$277,798	\$0 IT Cost for System Implementation (100% of total)
	\$407,966	\$233,213	\$277,798	\$277,798	\$277,798	
4	(\$407,966)	\$51,842	\$103,683	\$123,505	\$123,505	Total Revenue minus Total Expenses
5	(\$103,399)	\$13,139	\$26,278	\$31,302	\$31,302	Taxes @ 25.345%
6	(\$304,567)	\$38,702	\$77,405	\$92,203	\$92,203	After Tax Income
7		(\$0.00)				5-Year Net Present Value @ 8.15% WACC
						Target Rate to Achieve \$0 NPV:
						\$20.64 Total Monthly Charge per Participant

EXHIBIT “B”



~~FIFTEENTH-SIXTEENTH~~ REVISED SHEET NO. 3.010
CANCELS ~~FOURTEENTH-FIFTEENTH~~ REVISED SHEET
NO. 3.010

MISCELLANEOUS

<u>SCHEDULE</u>	<u>TITLE</u>	<u>SHEET NO.</u>
	Budget Billing Plan (Optional)	3.020
	Summary Billing Plan (Optional)	3.025
	Service Charges	3.030
	Home Energy Analysis	3.040
	Commercial and Industrial Energy Analysis	3.050
GSLM-1	General Service Load Management Rider	3.150
GSSG-1	Standby Generator Rider	3.200
GSLM-2	General Service Industrial Load Management Rider	3.210
GSLM-3	General Service Industrial Standby and Supplemental Load Management Rider	3.230
BERS	Building Energy-Efficient Rating System	3.250
NM-1	Net Metering Service	3.255
RE	Renewable Energy Program (Optional)	3.270
<u>NSMR-1</u>	<u>Standard Meter Rider (Optional)</u>	<u>3.280</u>



NON-STANDARD METER SERVICE RIDER (AMI OPT-OUT)

(Optional)

Schedule: NSMR-1

Availability: To all customers served throughout the Company's service area.

Applicable: This optional Rider Is available to customers who request a meter that either does not utilize radio frequency communications to transmit data or is otherwise required to be read manually provided that such a meter is available for use by the Company. Meters to be read manually shall be a non-communicating meter. The meter manufacturer and model chosen to service the customer's ("AMI Opt-Out Customer") premise are at the discretion of the Company and are subject to change at the Company's option at any time.

Character of Service: Electric energy supplied hereunder must meet the Character of Service and usage specifications consistent with service under the AMI Opt-Out Customers otherwise applicable tariff.

Rate:

<u>Initial Set-Up Fee (one-time service fee)</u>	<u>\$96.27</u>
<u>Rate per month</u>	<u>\$20.64</u>

All charges and provisions of the AMI Opt-Out Customer's otherwise applicable rate schedule shall also apply.

Limitation of Service: This Rider Is not available to Net Metered customers. This Rider Is also not available to customers who have tampered with the electric metered service or used service in a fraudulent or unauthorized manner at the current or any prior location. Service under this Rider is subject to orders of governmental bodies having jurisdiction and Company rules and regulations governing service.

Term of Service: Not less than one (1) billing period. The Company reserves the right to terminate this Rider at any time upon notice to the Customer for violation of any of the terms or conditions of this rider.

Special Provisions: Customers taking service under this Rider relocating to a new premise who wish to continue service under this Rider are required to request new service under this Rider, including payment of the Initial Set-Up Fee at the new premise except In the Instance where the previous customer at that premise had an approved non-communicating meter already in place. Customers wishing to take service under this Rider and relocating to a premise where an existing approved non-communicating meter Is already In place will not be required to pay the Initial Set-Up Fee. Customers who cancel service under this Rider and then later re-enroll for this service at any location would be required to submit another Initial Set-Up Fee.

EXHIBIT “C”



SIXTEENTH REVISED SHEET NO. 3.010
CANCELS FIFTEENTH REVISED SHEET NO. 3.010

MISCELLANEOUS

<u>SCHEDULE</u>	<u>TITLE</u>	<u>SHEET NO.</u>
	Budget Billing Plan (Optional)	3.020
	Summary Billing Plan (Optional)	3.025
	Service Charges	3.030
	Home Energy Analysis	3.040
	Commercial and Industrial Energy Analysis	3.050
GSLM-1	General Service Load Management Rider	3.150
GSSG-1	Standby Generator Rider	3.200
GSLM-2	General Service Industrial Load Management Rider	3.210
GSLM-3	General Service Industrial Standby and Supplemental Load Management Rider	3.230
BERS	Building Energy-Efficient Rating System	3.250
NM-1	Net Metering Service	3.255
RE	Renewable Energy Program (Optional)	3.270
NSMR-1	Standard Meter Rider (Optional)	3.280

ISSUED BY: N. G. Tower, President

DATE EFFECTIVE:



NON-STANDARD METER SERVICE RIDER (AMI OPT-OUT)

(Optional)

Schedule: NSMR-1

Availability: To all customers served throughout the Company's service area.

Applicable: This optional Rider Is available to customers who request a meter that either does not utilize radio frequency communications to transmit data or is otherwise required to be read manually provided that such a meter is available for use by the Company. Meters to be read manually shall be a non-communicating meter. The meter manufacturer and model chosen to service the customer's ("AMI Opt-Out Customer") premise are at the discretion of the Company and are subject to change at the Company's option at any time.

Character of Service: Electric energy supplied hereunder must meet the Character of Service and usage specifications consistent with service under the AMI Opt-Out Customers otherwise applicable tariff.

Rate:

Initial Set-Up Fee (one-time service fee)	\$96.27
Rate per month	\$20.64

All charges and provisions of the AMI Opt-Out Customer's otherwise applicable rate schedule shall also apply.

Limitation of Service: This Rider Is not available to Net Metered customers. This Rider Is also not available to customers who have tampered with the electric metered service or used service in a fraudulent or unauthorized manner at the current or any prior location. Service under this Rider is subject to orders of governmental bodies having jurisdiction and Company rules and regulations governing service.

Term of Service: Not less than one (1) billing period. The Company reserves the right to terminate this Rider at any time upon notice to the Customer for violation of any of the terms or conditions of this rider.

Special Provisions: Customers taking service under this Rider relocating to a new premise who wish to continue service under this Rider are required to request new service under this Rider, including payment of the Initial Set-Up Fee at the new premise except In the Instance where the previous customer at that premise had an approved non-communicating meter already in place. Customers wishing to take service under this Rider and relocating to a premise where an existing approved non-communicating meter Is already In place will not be required to pay the Initial Set-Up Fee. Customers who cancel service under this Rider and then later re-enroll for this service at any location would be required to submit another Initial Set-Up Fee.