

Electric & Gas Utility | 2602 Jackson Bluff Road | Tallahassee | FL | 32304 | 850-891-4968

June 5, 2024

Clerk's Office
State of Florida Public Service Commission

Dear Sir/Madam:

The following pages are the City of Tallahassee Electric & Gas Utilities' (TAL) responses to the "DN 20240000-OT (Undocketed filings for 2024) Ten-Year Site Plan Review - Staff's Data Request #2" pursuant to the request received from Florida Public Service Commission (FPSC) Staff member Ms. Patti Zellner. Please note that copies of all responses have been separately provided to Greg Davis and Phillip Ellis in the FPSC's Division of Engineering via e-mail per Ms. Zellner's request.

If you should have any questions regarding this report, please feel free to contact me at (850) 891-3127 or caleb.crow@talgov.com. Thank you.

Sincerely,



Caleb Crow, MPA, LEED AP, EcoDistricts AP
Principal Planner - Clean Energy & Resource Planning
Electric & Gas Utility

2024 Ten-Year Site Plan Staff's Data Request #2 TAL Responses.

1. Referring to the City of Tallahassee's (TAL) 2024 Ten-Year Site Plan (TYSP), Schedule 2.1, on page 13, please provide details regarding footnote [3], which states: "[m]ethodology change in Customer Count occurred in February of 2022, also impacting 2023 customer counts."

TAL completed a transition to a new billing software in Q1 2023, which positively affected the customer experience in how they are able to view and pay bills. Side effects of the software implementation included some data impacts, such as:

- a) transitioning from bill-based customer counts to meter-based customer counts, which overall reduced the number of customers in the billing system.
- b) altering (reducing) the time between consumption and billing
- c) reclassifying some non-demand small commercial to residential classifications.

These changes were finalized during the beginning of the 2023 calendar year and will be consistent moving forward. 2024 data should be unaffected, however looking back around the 2022-2023 timeframe as a reference point will continue to produce data anomalies resulting from the software change.

2. According to TAL's 2024 TYSP, Schedule 2.2, it appears that the Utility's 2023 Total Sales to Ultimate Customers, in the amount of 2,694 GWh, increased by 1.78 percent over TAL's 2022 Total Sales, which was 2,647 GWh. Please explain the major contributor(s) to this sales increase.

Sales went up for calendar 2023 when Net Energy for Load (NEL) went down (as shown in Schedule 2.3). The explanation for the increase in sales is likely not from customers using more kWh since that would be captured in the NEL. Instead, the sales numbers increased because the customer billing software changeover reduced delay time between consumption and billing. This inherent lag present in all utility billing is usually not noticeable because the year-beginning lag matches the year-ending lag, and therefore 52 weeks are billed during any calendar year. However, it could be that as result of the software change, the TAL year-beginning lag was longer than the year-ending lag effectively resulting in 53 weeks of billing reported in one calendar year. An extra week is just under 2% of the total year and would account for the increase in sales numbers during a year where demand numbers declined.

While an improvement overall, this reduction in lag has an unfortunate side-effect in both sales and system losses. The perceived increase in sales numbers reconciles for the year in the appearance of reduced system losses (the difference between generation and sales). Utility Use and Losses shown in Schedule 2.3 is unrealistically low for 2023 and this anomaly as well looks to be the result of the new billing software implementation. Testing the reduced lag hypothesis by dividing the annual NEL by 52 weeks yields approximately 50MWh, an amount that would provide consistency with losses from past years. The sales, NEL, and losses relationship seems to confirm that reduced billing lag is the primary contributor to the change in question.

These data collection issues should not persist in 2024 as the software implementation is complete.

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3. According to TAL's 2024 TYSP, Schedule 2.3, it appears that the Utility's 2023 Total Number of Customers, in the amount of 119,140, decreased by 6.33 percent compared to TAL's 2022 Total Number of Customers, which was 127,188. Please explain the major driver(s) of this decrease.

In 2023 TAL completed a customer billing software implementation to improve the customer experience. Slight differences in how the two software packages (old vs new) count customers (bill-based compared to meter-based respectively) resulted in the consolidation of customers. The 6% decrease in customer counts is primarily the result of the accounting methodology (~5%).

Additionally, population growth in the region is slow to flat, or possibly shrinking. Tallahassee saw a population decline in 2023 for the first time in the previous ten years, though this decline was under 1%. The population decline was more pronounced in Leon County than in the Tallahassee urban core. Florida Chamber of Commerce President Mark Wilson and Choose Tallahassee Executive Director Gregg Patterson were both quoted attributing the population decline to more affordable land and housing in neighboring counties in the Tallahassee Democrat.

<https://www.tallahassee.com/story/money/2024/03/21/u-s-census-leon-county-tallahassee-population-dropped-in-2023/73027410007/>