

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-

DATE: August 26, 2004

TO: Director, Division of the Commission Clerk & Administrative Services (Bayó)

FROM: Division of Economic Regulation (Wheeler)
Office of the General Counsel (Helton)

RE: Docket No. 040914-EI – Proposed revision to waive certain connection charges during times of natural disaster by Florida Power & Light.

Docket No. 040915-EI – Petition for approval of tariff revision allowing waiver of service charges for customers affected by natural disasters by Progress Energy Florida.

Docket No. 040958-EI – Petition for expedited approval of tariff revisions to allow waiver of service charges for customers whose electric service has been affected by natural disasters or other declared emergencies, by Tampa Electric Company.

AGENDA: 09/07/04 – Regular Agenda – Tariff Filings – Interested Persons May Participate

CRITICAL DATES: 60-Day Suspension Dates: 040914-EI - 10/18/04
040915-EI - 10/19/04
040958-EI – 10/24/04

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\040914.RCM.DOC

Case Background

This recommendation addresses petitions for approval of tariff revisions that would allow for waiver of certain connection and other charges filed by Florida Power & Light Company (FPL), Progress Energy Florida, Inc. (PEF), and Tampa Electric Company (TECO) in response to the devastation caused by Hurricane Charley.

Date: August 26, 2004

On August 19, 2004, FPL filed a request to amend the Service Charges section in its Tariff Sheet No. 4.020. The proposed tariff revision would allow FPL to waive certain connection charges for customers affected by natural disasters or during periods of declared emergencies. In an attempt to implement them as soon as possible, FPL initially sought administrative approval of the tariff changes. In a letter dated August 20, 2004, staff notified FPL that it has not been delegated the authority to approve such a change administratively. The letter indicated that staff would schedule the proposed revision for consideration by the Commission at its September 7, 2004 Agenda Conference, and that in the meantime, staff would not seek enforcement of FPL's existing Service Charge tariff.

On August 20, 2004, PEF filed a petition to amend the Service Charges section in its Tariff Sheet No. 6.110. The proposed tariff revision would allow PEF to waive certain service charges for customers affected by natural disasters or other declared emergencies. The petition requested that the Commission expedite the disposition of the petition by scheduling the matter for the September 7, 2004 Agenda Conference. PEF also stated that it intends, in the interim, to withhold the application of service charges that would be subject to waiver under the proposed tariff revision.

On August 25, 2004, TECO filed a petition to amend the Service Charges section in its Tariff Sheet No. 3.030. The proposed tariff revision would allow TECO to waive certain service charges for customers affected by natural disasters or other declared emergencies. The petition requested that the Commission expedite the disposition of the petition by scheduling the matter for the September 7, 2004 Agenda Conference.

The Commission has jurisdiction over this matter pursuant to Sections 366.03, 366.04, 366.05 and 366.06, Florida Statutes.

Discussion of Issues

Issue 1: Should the Commission approve Florida Power & Light Company's request to revise its Tariff Sheet No. 4.020 to allow the company to waive certain connection charges for customers affected by natural disasters or during periods of declared emergencies?

Recommendation: Yes. (Wheeler)

Staff Analysis: Currently FPL's tariff allows it to waive, at its discretion, the Reconnection, Returned Payment, Late Payment and Field Collection charges for customers affected by natural disasters or during periods of declared emergencies. The Reconnection charge applies to customers who have their service reconnected following disconnection for non-payment or rule violation. The Returned Payment charge is applied when a customer's payment is dishonored by the bank upon which it is drawn. The Late Payment charge is assessed on past due balances.

FPL is now proposing to expand this discretionary waiver in cases of natural disaster to include its charges for Connection of an Existing Account and Initial Connection. The waiver of the connection charge for existing accounts will assist those customers whose homes are damaged to the extent that they are not habitable for some period of time. Absent the waiver, such customers would be required to pay the charge when they returned to their repaired homes and requested that electric service be resumed.

The initial connection charge is assessed when customers move into a home and request service. By allowing waiver of this charge, customers whose homes are no longer habitable and who relocate to premises anywhere in FPL's territory will not be required to pay a charge for establishment of their electric service.

Staff recommends that the proposed tariff revisions be approved. The revisions will allow FPL to provide relief to those customers who have been affected by Hurricane Charley, as well as customers who may be affected by future natural disasters.

Issue 2: Should the Commission approve Progress Energy Florida, Inc.'s request to revise its Tariff Sheet No. 4.020 to allow the company to waive certain service charges for customers affected by natural disasters or during periods of declared emergencies?

Recommendation: Yes. (Wheeler)

Staff Analysis: Currently, PEF's tariff does not allow any discretion in the application of its service charges. The proposed tariff revision would grant PEF the discretion to waive its service charges for those customers whose premises have been significantly damaged by natural disaster or other similar declared emergency.

The charges that can be waived pursuant to the proposed tariff revision include the Initial Connection charge, the Connection of Existing Premises charge, the Reconnection after Disconnection for Non-payment or Rule Violation charge, and the Late Payment charge. PEF states that the revised tariff language will be used primarily to waive the initial connection and connection of existing service charges for customers whose premises were damaged.

Staff recommends that the proposed tariff revisions be approved. The revisions will allow PEF to provide relief to those customers who have been affected by Hurricane Charley, as well as customers who may be affected by future natural disasters.

Issue 3: Should the Commission approve Tampa Electric Company's request to revise its Tariff Sheet No. 3.030 to allow the company to waive certain service charges for customers affected by natural disasters or during periods of declared emergencies?

Recommendation: Yes. (Wheeler)

Staff Analysis: Currently, TECO's tariff does not allow any discretion in the application of its service charges. The proposed tariff revision would grant TECO the discretion to waive its service charges for those customers whose premises have been significantly damaged by natural disaster or other similar declared emergency.

The charges that can be waived pursuant to the proposed tariff revision include the initial connection charge, the connection of existing account charge, the reconnection after disconnection for non-payment or rule violation charge, and the late payment charge.

Staff recommends that the proposed tariff revisions be approved. The revisions will allow TECO to provide relief to those customers who have been affected by Hurricane Charley, as well as customers who may be affected by future natural disasters.

Issue 4: Should these dockets be closed?

Recommendation: Yes. If Issues 1, 2 and 3 are approved, the tariff revisions should become effective on September 7, 2004. If a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect pending resolution of the protest. If no timely protest is filed, these dockets should be closed upon the issuance of a consummating order. (Helton)

Staff Analysis: Yes. If Issues 1, 2 and 3 are approved, the tariff revisions should become effective on September 7, 2004. If a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect pending resolution of the protest. If no timely protest is filed, these dockets should be closed upon the issuance of a consummating order.