

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: November 18, 2015

TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk

FROM: Clyde D. Rome, Public Utility Analyst II, Division of Economics *CDR*

RE: Request to Place Document in Docket File: Docket No. 150241-PU – Proposed amendments to Rules 25-6.093, 25-6.097, 25-6-100, 25-7.079, 25-7.083, 25-7.085, Florida Administrative Code

Please place the attached document in the subject docket file. The document consists of responses by investor-owned electric and gas utilities to Staff's First Data Request. The information was requested by staff to assist in the preparation of the Statement of Estimated Regulatory Costs.

Thank you for your assistance.

cc: Elisabeth Draper

COMMISSION
CLERK

15 NOV 18 PM 1:52

RECEIVED-FPSC

Don Rome

From: Stiles II, Billy J. <wjstiles@tecoenergy.com>
Sent: Friday, October 23, 2015 1:56 PM
To: Don Rome
Cc: REGDEPT REGDEPT; Elisabeth Draper; Pamela H. Page; Beasley, Jim
Subject: RE: DATA REQUEST: Statement of Estimated Regulatory Costs for rule changes to implement changes to Chapter 366, Florida Statutes (F.S.)
Attachments: SERC - Staff's 1st DR Nos 1-4 PGS_FINAL_bates.pdf

Don,

Attached is Peoples Gas System's response to the data request below.

Please call me if you have any questions.

Thank you,
Billy

Wilbur J. "Billy" Stiles, II
Manager Regulatory Affairs
Tampa Electric Company
106 E. College Avenue
Suite 630
Tallahassee, FL 32301
Office: 850-681-6785
Mobile: 850-294-6589
FAX: 850-681-9808
Email: wjstiles@tecoenergy.com



From: Don Rome [<mailto:DRome@PSC.STATE.FL.US>]
Sent: Tuesday, October 13, 2015 9:52 AM
To: 'Adams, Lynne'; robert.pickels@duke-energy.com; Stiles II, Billy J.; henders@southernco.com; mcassel@fpuc.com; aw@macfar.com; Floyd, Kandi M.; cbermude@aglresources.com; ewade@aglresources.com; Keating, Beth (BKeating@gunster.com); mcassel@chpk.com; Martin, Cheryl (Cheryl_Martin@fpuc.com); Young Curtis (Curtis_Young@chpk.com); sshoaf@stjoenaturalgas.com; dstitt@stjoegas.com; jmelendy@floridasbestgas.com
Cc: Elisabeth Draper; Pamela H. Page
Subject: DATA REQUEST: Statement of Estimated Regulatory Costs for rule changes to implement changes to Chapter 366, Florida Statutes (F.S.)
Importance: High

***** This email is from an external sender. Be cautious about clicking links or opening attachments from unknown sources. Please forward suspicious phishing emails as an attachment to phishing@tecoenergy.com for analysis by our messaging and cyber security teams. *****

Hello, everyone. Florida Public Service Commission staff is in the process of preparing a Statement of Estimated Regulatory Costs (SERC) for proposed revisions to Chapter 25-6 (Electric Service by Electric Public Utilities) and Chapter 25-7 (Gas Service by Gas Public Utilities), Florida Administrative Code. Revisions to Commission rules are being proposed to incorporate changes made to Chapter 366, F.S., during the 2015 legislative session. The draft rule amendments shown in legislative format are attached.

When the Commission makes changes to its rules, the agency prepares a SERC pursuant to Section 120.541, F.S. The attached file titled "Staff First Data Request" is offered to solicit your input on whether compliance with the new statutory requirements and the Commission's associated rule changes will result in additional costs to investor-owned electric and gas utilities. Draft rule amendments pertaining to electric utilities are in the files labeled 25-6.093, 25-6.097, and 25-6.100 whereas draft rule amendments pertaining to gas utilities are in the files labeled 25-7.079, 25-7.083, and 25-7.085.

If your utility has a parent company that conducts both electric and gas operations, please provide separate data request responses for the electric and the gas operations. If your utility has a parent company with several natural gas operating entities (divisions/subsidiaries), you have the option of either providing a single response consolidated for all gas operating entities or a separate response for each entity, whichever you prefer.

Please provide responses to the attached data request by **October 23, 2015**. Please direct any questions to Don Rome, Division of Economics, at drome@psc.state.fl.us or at (850) 413-6495. Thanks and regards,

Don Rome, Public Utility Analyst
Economics Division – Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
(850) 413-6495 FAX: (850) 413-6496
drome@psc.state.fl.us

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PEOPLES GAS SYSTEM
UNDOCKETED
RULE AMENDMENT - SERC
STAFF'S 1ST DATA REQUEST
REQUEST NO. 1
PAGE 1 OF 1
FILED: OCTOBER 23, 2015

1. Commission Rules 25-6.093 and 25-7.079, F.A.C. (Information to Customers), are being amended to implement paragraph 366.05(1)(d), F.S. In accordance with the statute, if a utility has more than one rate for any customer class, it must notify each customer in that class of the available rates and explain how the rate is charged to the customer. If a customer contacts the utility seeking assistance in selecting the most advantageous rate, the utility must provide good faith assistance to the customer. Please describe your current process for assisting customers for whom multiple rate schedules may be available.
 - a. Please explain whether or not you anticipate that the new statutory customer notification and assistance requirements will result in your company conducting additional customer outreach efforts and/or customer service activities.
 - b. If the answer to a. is affirmative, please describe the additional outreach efforts and/or customer service activities that will be conducted and provide an estimate of the additional (i.e., incremental) costs to your company per year for the next five years.
- A. Peoples has three available interruptible service rates for non-residential commercial or industrial customers that use more than 1,000,000 therms annually. The volumetric distribution rates for these interruptible rate classes are lower than the applicable firm commercial service rate (General Service 5), however these rates are subject to interruption or curtailment at the sole discretion of the company at any time. Customers that are eligible for these rate classes typically are assigned a Peoples account representative who will review these options at initiation of service and the customer may choose the lower rate class with the understanding of the service interruption provision.
 - a. No additional outreach activities are planned at this time.
 - b. Not applicable.

PEOPLES GAS SYSTEM
UNDOCKETED
RULE AMENDMENT - SERC
STAFF'S 1ST DATA REQUEST
REQUEST NO. 2
PAGE 1 OF 2
FILED: OCTOBER 23, 2015

2. Commission Rules 25-6.097 and 25-7.083, F.A.C. (Customer Deposits), are being amended to implement paragraph 366.05(1)(c), F.S. In accordance with the statute, a methodology is prescribed, effective January 1, 2016, that sets a maximum deposit amount that the utility may collect for an existing account or for a new service request. Please describe your current method for calculating customer deposits for new and existing accounts.
 - a. Please explain whether or not you anticipate that the new statutory customer deposit calculation requirements will result in a need by your company to perform any system reprogramming or to make other business process changes to manage the customer deposit function.
 - b. If the answer to a. is affirmative, please describe the changes that will be necessary and provide an estimate of the additional (i.e., incremental) costs to your company per year for the next five years.
- A. The following method is used by Peoples for calculating customer deposits:

Existing and new accounts:

Peoples calculates initial deposits based on two times the average monthly bill, including the amount for metered usage and taxes. The deposit calculation on existing accounts utilizes 12 months of usage/billing history at the premises. If a full 12 months history is not available at the premises, no less than 4 months history is to be used in the calculation.

The average monthly bill is computed by adding all of the billing amounts for each historical billing month and dividing that total by the number of months to arrive at the average monthly bill. Only the most recent histories are used, including months with adjusted lines of billing, and normal billing. Bills with billing amounts of \$0 or prorated billing are excluded.

The deposit amount is calculated by multiplying the average monthly bill times two. If no billing history is available for the premises, or less than 4 months billing history is available, calculation of the deposit is performed using a bill calculation tool by entering factors, including types of

PEOPLES GAS SYSTEM
UNDOCKETED
RULE AMENDMENT - SERC
STAFF'S 1ST DATA REQUEST
REQUEST NO. 2
PAGE 2 OF 2
FILED: OCTOBER 23, 2015

appliances and the number of them at the premises. All deposit amounts are rounded to the closest \$5 increment.

Additional Deposits:

The company reviews the usage to determine if the existing deposit is not sufficient to cover the account by twice the average monthly bill. If an additional deposit is required, the company will request an additional deposit charge from the customer (charges are rounded to closest \$5 increment).

- a. Yes, programming is required for recurring annual deposit reviews to determine if the account is over-secured and, if over-secured, to issue a refund for the excess deposit or to apply it as a credit on the account. This will be an ongoing annual evaluation of all accounts secured by a deposit.
- b. Programming changes are necessary to implement the annual deposit review process described above. Cost for programming, coding and testing is approximately \$5,200.

PEOPLES GAS SYSTEM
UNDOCKETED
RULE AMENDMENT - SERC
STAFF'S 1ST DATA REQUEST
REQUEST NO. 3
PAGE 1 OF 1
FILED: OCTOBER 23, 2015

3. Commission Rules 25-6.100 and 25-7.085, F.A.C. (Customer Billings), are being amended to implement paragraph 366.05(1)(b), F.S. In accordance with the statute, 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.
 - a. Please explain whether or not you anticipate that the new statutory customer billing requirements will result in a need by your company to perform any system reprogramming or to make other business process changes to manage the customer billing function.
 - b. If the answer to a. is affirmative, please describe the changes that will be necessary and provide an estimate of the additional (i.e., incremental) costs to your company per year for the next five years.
- A.
 - a. This question is not applicable to Peoples.
 - b. This question is not applicable to Peoples.

PEOPLES GAS SYSTEM
UNDOCKETED
RULE AMENDMENT - SERC
STAFF'S 1ST DATA REQUEST
REQUEST NO. 4
PAGE 1 OF 1
FILED: OCTOBER 23, 2015

4. Commission Rule 25-6.100, F.A.C. (Customer Billings), is being amended to implement subsection 366.95(4), F.S. In accordance with the statute, if an electric utility has obtained a financing order and caused nuclear asset-recovery bonds to be issued, the utility's electric bills must: (1) explicitly reflect information explaining the nuclear asset-recovery charge and the ownership of that charge, and (2) show a separate line item titled "Asset Securitization Charge" on each customer's bill that includes both the rate and the amount of the charge.
- a. Do you anticipate that the customer billing requirements pursuant to subsection 366.95(4), F.S., will result in a need by your company to perform any system reprogramming or to make other business process changes to manage the customer billing function?
- b. If the answer to a. is affirmative, please describe the changes that will be necessary and provide an estimate of the additional (i.e., incremental) costs to your company per year for the next five years.
- A. a. This question is not applicable to Peoples.
- b. This question is not applicable to Peoples.

Don Rome

From: Stiles II, Billy J. <wjstiles@tecoenergy.com>
Sent: Friday, October 23, 2015 1:57 PM
To: Don Rome
Cc: REGDEPT REGDEPT; Elisabeth Draper; Pamela H. Page; Beasley, Jim
Subject: RE: DATA REQUEST: Statement of Estimated Regulatory Costs for rule changes to implement changes to Chapter 366, Florida Statutes (F.S.)
Attachments: SERC - Staff's 1st DR Nos 1-4 TEC -Final Draft_bates.pdf

Don,

Attached is Tampa Electric Company's response to the data request below.

Please call me if you have any questions.

Billy

Wilbur J. "Billy" Stiles, II
Manager Regulatory Affairs
Tampa Electric Company
106 E. College Avenue
Suite 630
Tallahassee, FL 32301
Office: 850-681-6785
Mobile: 850-294-6589
FAX: 850-681-9808
Email: wjstiles@tecoenergy.com



From: Don Rome [<mailto:DRome@PSC.STATE.FL.US>]
Sent: Tuesday, October 13, 2015 9:52 AM
To: 'Adams, Lynne'; robert.pickels@duke-energy.com; Stiles II, Billy J.; hhenders@southernco.com; mcassel@fpuc.com; aw@macfar.com; Floyd, Kandi M.; cbermude@aglresources.com; ewade@aglresources.com; Keating, Beth (BKeating@gunster.com); mcassel@chpk.com; Martin, Cheryl (Cheryl_Martin@fpuc.com); Young Curtis (Curtis_Young@chpk.com); sshoaf@stjoenaturalgas.com; dstitt@stjoegas.com; jmelendy@floridasbestgas.com
Cc: Elisabeth Draper; Pamela H. Page
Subject: DATA REQUEST: Statement of Estimated Regulatory Costs for rule changes to implement changes to Chapter 366, Florida Statutes (F.S.)
Importance: High

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When the Commission makes changes to its rules, the agency prepares a SERC pursuant to Section 120.541, F.S. The attached file titled "Staff First Data Request" is offered to solicit your input on whether compliance with the new statutory requirements and the Commission's associated rule changes will result in additional costs to investor-owned electric and gas utilities. Draft rule amendments pertaining to electric utilities are in the files labeled 25-6.093, 25-6.097, and 25-6.100 whereas draft rule amendments pertaining to gas utilities are in the files labeled 25-7.079, 25-7.083, and 25-7.085.

If your utility has a parent company that conducts both electric and gas operations, please provide separate data request responses for the electric and the gas operations. If your utility has a parent company with several natural gas operating entities (divisions/subsidiaries), you have the option of either providing a single response consolidated for all gas operating entities or a separate response for each entity, whichever you prefer.

Please provide responses to the attached data request by **October 23, 2015**. Please direct any questions to Don Rome, Division of Economics, at drome@psc.state.fl.us or at (850) 413-6495. Thanks and regards,

Don Rome, Public Utility Analyst
Economics Division – Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
(850) 413-6495 FAX: (850) 413-6496
drome@psc.state.fl.us

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TAMPA ELECTRIC COMPANY
UNDOCKETED
STAFF'S 1ST DATA REQUEST
RULE AMENDMENT - SERC
REQUEST NO. 1
PAGE 1 OF 2
FILED: OCTOBER 23, 2015

1. Commission Rules 25-6.093 and 25-7.079, F.A.C. (Information to Customers), are being amended to implement paragraph 366.05(1)(d), F.S. In accordance with the statute, if a utility has more than one rate for any customer class, it must notify each customer in that class of the available rates and explain how the rate is charged to the customer. If a customer contacts the utility seeking assistance in selecting the most advantageous rate, the utility must provide good faith assistance to the customer. Please describe your current process for assisting customers for whom multiple rate schedules may be available.
 - a. Please explain whether or not you anticipate that the new statutory customer notification and assistance requirements will result in your company conducting additional customer outreach efforts and/or customer service activities.
 - b. If the answer to a. is affirmative, please describe the additional outreach efforts and/or customer service activities that will be conducted and provide an estimate of the additional (i.e., incremental) costs to your company per year for the next five years.
- A. Tampa Electric's current process for assisting customers for whom multiple rate schedules may be available is as follows:

Residential:

Tampa Electric runs a computer program daily by billing cycle that identifies customers who would benefit financially from service under an optional rate. The program compares charges computed on 12 months of usage under the present rate with calculations for the same 12 month history under the potential beneficial rate option. Tampa Electric sends a letter to those customers informing them about the beneficial optional rate and the potential savings based on the customer's previous 12 months of billing. These customers are asked to contact the company if they would like their rate changed to the optional rate. If a customer elects to make the change, the rate is changed prospectively. If the customer does not elect to make the change, the customer will continue to be billed under the current rate and the customer's account is flagged so that another notification letter will not be sent until 12 months have passed.

TAMPA ELECTRIC COMPANY
UNDOCKETED
STAFF'S 1ST DATA REQUEST
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FILED: OCTOBER 23, 2015

Commercial/Demand:

Tampa Electric runs a computer program daily by billing cycle that identifies commercial customers who would benefit financially from service under certain optional rates. Like the residential process described above, the computer program compares electric charges calculated under the current rate using the most recent 12-month billing history with electric charges calculated under the potential beneficial rate option for the same 12-month period. Where found to be beneficial for both the annual period and the current month, the customer's service is changed to the more beneficial rate option without contacting the customer and a revised bill is created with messaging which indicates that the beneficial rate change was made. The customer is advised to contact the company if more information is required. If the customer calls and requests that the rate not be changed, the customer request is accommodated.

Tampa Electric has Account Managers who are assigned to customers who are the largest energy users or have critical needs (e.g., government, hospitals, etc.). These Account Managers meet with their assigned customers from time to time and, among other issues, discuss available rate options.

- a. No additional outreach activities are planned at this time as a result of the new statutory customer notification and assistance requirements.
- b. Not applicable.

TAMPA ELECTRIC COMPANY
UNDOCKETED
STAFF'S 1ST DATA REQUEST
RULE AMENDMENT - SERC
REQUEST NO. 2
PAGE 1 OF 3
FILED: OCTOBER 23, 2015

2. Commission Rules 25-6.097 and 25-7.083, F.A.C. (Customer Deposits), are being amended to implement paragraph 366.05(1)(c), F.S. In accordance with the statute, a methodology is prescribed, effective January 1, 2016, that sets a maximum deposit amount that the utility may collect for an existing account or for a new service request. Please describe your current method for calculating customer deposits for new and existing accounts.
- a. Please explain whether or not you anticipate that the new statutory customer deposit calculation requirements will result in a need by your company to perform any system reprogramming or to make other business process changes to manage the customer deposit function.
- b. If the answer to a. is affirmative, please describe the changes that will be necessary and provide an estimate of the additional (i.e., incremental) costs to your company per year for the next five years.
- A. Tampa Electric's current method for calculating deposits for new and existing accounts is as follows:

Initial deposit for new service turn-ons where usage/billing history exists at the premises:

The initial deposit calculation on a new electric service turn-on is based on 12 months of history, if available, but no less than three months of history will be used in the calculation. Only the most recent histories are used, including months with estimated billings, adjusted lines of billing, and normal billing. Bills with billing amounts of \$0 or prorated billing amounts are excluded.

The average monthly bill is computed by adding all of the billing amounts including metered amounts, flat amounts and taxes for each historical billing month and dividing that total by the number of billing months to arrive at the average monthly bill.

The deposit amount is calculated by multiplying the average monthly bill times two, rounded down to the next \$5.00 increment (e.g., if the multiplied total for a premises is \$257.45 the deposit amount would be \$255.00).

TAMPA ELECTRIC COMPANY
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STAFF'S 1ST DATA REQUEST
RULE AMENDMENT - SERC
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PAGE 2 OF 3
FILED: OCTOBER 23, 2015

Initial deposit for new service turn-ons at new premises:

If no billing history is available for a premises, or less than three months billing history is available, calculation of the deposit will be performed using a Web-based bill calculation tool by entering factors associated with that premises, including the square footage of a new residential premises and type of facility for a commercial or industrial customer. The calculation tool estimates monthly consumption from these inputs, calculates the average monthly bill from the estimated consumption and multiplies the average monthly bill by two to derive the deposit amount which is rounded down to the next \$5.00 increment.

Additional Residential Deposit:

The first time a residential account has collection activity and a disconnect order is produced, a warning letter is sent to the customer advising of the possibility of being billed an additional deposit if the original deposit has been refunded or the existing deposit is not sufficient to cover the account by twice the average monthly bill.

The second time the residential account has collection activity and a disconnect order is produced; the account is reviewed to see if the deposit is adequate. If the existing deposit is within \$50 of twice the average monthly bill, no deposit bill will be generated. If twice the average monthly bill is greater than the existing deposit + \$50, an additional deposit will be billed, and the amount of the additional deposit billed will be rounded down to the nearest \$5.00 increment.

Residential deposits will transfer with the customer if they move to a new service location within the Tampa Electric service area. No re-evaluation of the necessary deposit amount is performed at the time of transfer.

Additional Non-Residential Deposits:

Non-Residential accounts are reviewed periodically to determine if the account is under-secured. If the existing deposit is within \$50 of twice the average monthly bill, no deposit bill will be generated. If twice the average monthly bill is greater than the existing deposit + \$50, an additional deposit will be billed, and the amount of the deposit will be rounded down to the nearest \$5.00 increment.

- a. Yes, the new statutory customer deposit calculation requirements resulted in a need for additional programming to address the recurring

TAMPA ELECTRIC COMPANY
UNDOCKETED
STAFF'S 1ST DATA REQUEST
RULE AMENDMENT - SERC
REQUEST NO. 2
PAGE 3 OF 3
FILED: OCTOBER 23, 2015

annual deposit reviews to determine if the account is over-secured and, if over-secured, to issue a refund for the excess deposit or to apply it as a credit on the account. This will be an ongoing annual evaluation of all accounts secured by a deposit.

- b. The programming changes necessary to implement the annual deposit review process described above required an incremental cost of programming, coding and testing of \$16,250. In addition, there are likely to be a reduction in late fees of an indeterminate amount.

TAMPA ELECTRIC COMPANY
UNDOCKETED
STAFF'S 1ST DATA REQUEST
RULE AMENDMENT - SERC
REQUEST NO. 3
PAGE 1 OF 1
FILED: OCTOBER 23, 2015

3. Commission Rules 25-6.100 and 25-7.085, F.A.C. (Customer Billings), are being amended to implement paragraph 366.05(1)(b), F.S. In accordance with the statute, 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.
 - a. Please explain whether or not you anticipate that the new statutory customer billing requirements will result in a need by your company to perform any system reprogramming or to make other business process changes to manage the customer billing function.
 - b. If the answer to a. is affirmative, please describe the changes that will be necessary and provide an estimate of the additional (i.e., incremental) costs to your company per year for the next five years.
- A.
 - a. Yes. Programming was necessary to accomplish this. The change was implemented in July, 2015.
 - b. The billing program logic was changed for the first tier of the Residential Energy and Demand rate to accommodate additional kWh's resulting from additional days in the billing period by expanding it to allow greater than 1,000 kWh. Incremental cost of programming, coding and testing was \$6,460.

TAMPA ELECTRIC COMPANY
UNDOCKETED
STAFF'S 1ST DATA REQUEST
RULE AMENDMENT - SERC
REQUEST NO. 4
PAGE 1 OF 1
FILED: OCTOBER 23, 2015

4. Commission Rule 25-6.100, F.A.C. (Customer Billings), is being amended to implement subsection 366.95(4), F.S. In accordance with the statute, if an electric utility has obtained a financing order and caused nuclear asset-recovery bonds to be issued, the utility's electric bills must: (1) explicitly reflect information explaining the nuclear asset-recovery charge and the ownership of that charge, and (2) show a separate line item titled "Asset Securitization Charge" on each customer's bill that includes both the rate and the amount of the charge.
 - a. Do you anticipate that the customer billing requirements pursuant to subsection 366.95(4), F.S., will result in a need by your company to perform any system reprogramming or to make other business process changes to manage the customer billing function?
 - b. If the answer to a. is affirmative, please describe the changes that will be necessary and provide an estimate of the additional (i.e., incremental) costs to your company per year for the next five years.
- A.
 - a. No. The customer billing requirements in subsection 366.95(4), F.S., are not applicable to Tampa Electric.
 - b. This question is not applicable to Tampa Electric.

Don Rome

From: Pickels, Robert <Robert.Pickels@duke-energy.com>
Sent: Friday, October 23, 2015 2:29 PM
To: Don Rome
Subject: Data Request: Statement of Estimated Regulatory Costs for rule changes to implement changes to Chapter 366, Florida Statutes (F.S.)
Attachments: DEF's Response to Staff's Data Request re 25-6.docx

Don:

Please find attached the response of Duke Energy Florida to staff's first data request in this matter. Please let me know if you have additional questions. Thanks,

Robert "Bobby" Pickels
Regulatory Affairs Director
Duke Energy

----- Original Message -----

Subject: DATA REQUEST: Statement of Estimated Regulatory Costs for rule changes to implement changes to Chapter 366, Florida Statutes (F.S.)
From: Don Rome <DRome@PSC.STATE.FL.US>
Date: 9:54am, Oct 13, 2015
To: "Adams, Lynne" <Lynne.Adams@fpl.com>, "Pickels, Robert" <Robert.Pickels@duke-energy.com>, wjstiles@tecoenergy.com, hhenders@southernco.com, mcassel@fpuc.com, aw@macfar.com, KFloyd@tecoenergy.com, "cbermude@aglresources.com" <cbermude@aglresources.com>, "ewade@aglresources.com" <ewade@aglresources.com>, "Keating, Beth (BKeating@gunster.com)" <BKeating@gunster.com>, mcassel@chpk.com, "Martin, Cheryl (Cheryl_Martin@fpuc.com)" <Cheryl_Martin@fpuc.com>, "Young Curtis (Curtis_Young@chpk.com)" <Curtis_Young@chpk.com>, "sshoaf@stjoenaturalgas.com" <sshoaf@stjoenaturalgas.com>, "dstitt@stjoegas.com" <dstitt@stjoegas.com>, "jmelendy@floridasbestgas.com" <jmelendy@floridasbestgas.com>

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the files labeled 25-6.093, 25-6.097, and 25-6.100 whereas draft rule amendments pertaining to gas utilities are in the files labeled 25-7.079, 25-7.083, and 25-7.085.

If your utility has a parent company that conducts both electric and gas operations, please provide separate data request responses for the electric and the gas operations. If your utility has a parent company with several natural gas operating entities (divisions/subsidiaries), you have the option of either providing a single response consolidated for all gas operating entities or a separate response for each entity, whichever you prefer.

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Don Rome, Public Utility Analyst
Economics Division – Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
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drome@psc.state.fl.us

**DUKE ENERGY FLORIDA'S RESPONSE TO
STAFF'S FIRST DATA REQUEST
REGARDING AMENDMENTS TO CHAPTERS 25-6 AND 25-7, FLORIDA
ADMINISTRATIVE CODE, (F.A.C.)
IMPLEMENTATION OF CHANGES TO CHAPTER 366, FLORIDA STATUTES (F.S.)
PROMULGATED VIA CHAPTER 2015-129, LAWS OF FLORIDA (EFF. JULY 1, 2015)**

1. Commission Rules 25-6.093 and 25-7.079, F.A.C. (Information to Customers), are being amended to implement paragraph 366.05(1)(d), F.S. In accordance with the statute, if a utility has more than one rate for any customer class, it must notify each customer in that class of the available rates and explain how the rate is charged to the customer. If a customer contacts the utility seeking assistance in selecting the most advantageous rate, the utility must provide good faith assistance to the customer. Please describe your current process for assisting customers for whom multiple rate schedules may be available.

Response:

At least once a year, DEF provides a bill insert to all customers of the current rate schedule or any impending rate changes. The attached inserts are examples of bill inserts that are mailed to the customers: the Residential and Commercial/Industrial (C&I) bill inserts reflect DEF's January 2015 clause rate changes. DEF also provides bill inserts to new customers.



Res Bill Stuffer Jan
2015.pdf



C&I Bill Stuffer Jan
2015.pdf

Additionally, DEF recently implemented a no cost, annual proactive rate review for non-residential customers requiring a signed agreement. This program was developed as a customer service option prior to the legislation.

- a. Please explain whether or not you anticipate that the new statutory customer notification and assistance requirements will result in your company conducting additional customer outreach efforts and/or customer service activities.

Response:

DEF believes it is in compliance with the amendments to section 366.05(1)(d), Florida Statutes, and does not anticipate conducting additional outreach efforts as a result thereof.

- b. If the answer to a. is affirmative, please describe the additional outreach efforts and/or customer service activities that will be conducted and provide an estimate of the additional (*i.e.*, incremental) costs to your company per year for the next five years.

Response:

Not applicable.

2. Commission Rules 25-6.097 and 25-7.083, F.A.C. (Customer Deposits), are being amended to implement paragraph 366.05(1)(c), F.S. In accordance with the statute, a methodology is prescribed, effective January 1, 2016, that sets a maximum deposit amount that the utility may collect for an existing account or for a new service request. Please describe your current method for calculating customer deposits for new and existing accounts.

In new account/existing service accounts, the current method for residential is to sum the most recent 12 months for that premise that have usage amounts that are greater than \$0. There will be no amounts equal to \$0 because even if there is no usage on active accounts, there will be gross receipts and customer charges. Additionally, for new premises a standard amount is used as a proxy for each month. DEF then divides the total by the number of months summed and then multiplies the total by 2.

- a. Please explain whether or not you anticipate that the new statutory customer deposit calculation requirements will result in a need by your company to perform any system reprogramming or to make other business process changes to manage the customer deposit function.

Response:

Yes, new statutory customer deposit calculation requirements will result in DEF performing system reprogramming to implement the new processes described below. Programming is currently underway to meet the January 2016 deadline.

In new construction accounts, the "projected charges" used in the calculation required by section 366.05(1)(c)2, Fla. Stat., will be based on twice the average annual usage for all new home starts on the DEF system from the preceding twelve to fifteen months. Any deposit amount collected that is greater than twice the average annual usage will be credited to the account after twelve months of actual usage.

Multi-account customers and customers holding blanket deposits in the aggregate will be excluded from the process. At the customer's request, these deposits will be reviewed and amended due to the customer's expense of amending surety bonds or letters of credit.

- b. If the answer to a. is affirmative, please describe the changes that will be necessary and provide an estimate of the additional (*i.e.*, incremental) costs to your company per year for the next five years.

Response:

DEF's total estimated budget to comply with the new statutory customer deposit calculation requirements is \$594,800. The budget is estimated at \$531,469 for 2015 and \$63,311 for 2016. The budget is \$0 for 2017 through 2019.

3. Commission Rules 25-6.100 and 25-7.085, F.A.C. (Customer Billings), are being amended to implement paragraph 366.05(1)(b), F.S. In accordance with the statute, 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.
 - a. Please explain whether or not you anticipate that the new statutory customer billing requirements will result in a need by your company to perform any system reprogramming or to make other business process changes to manage the customer billing function.

Response:

No changes are required to comply with the new statutory requirements.

- b. If the answer to a. is affirmative, please describe the changes that will be necessary and provide an estimate of the additional (*i.e.*, incremental) costs to your company per year for the next five years.

Response:

Not applicable

4. Commission Rule 25-6.100, F.A.C. (Customer Billings), is being amended to implement subsection 366.95(4), F.S. In accordance with the statute, if an electric utility has obtained a financing order and caused nuclear asset-recovery bonds to be issued, the utility's electric bills must: (1) explicitly reflect information explaining the nuclear asset-recovery charge and the ownership of that charge, and (2) show a separate line item titled "Asset Securitization Charge" on each customer's bill that includes both the rate and the amount of the charge.
 - a. Do you anticipate that the customer billing requirements pursuant to subsection 366.95(4), F.S., will result in a need by your company to perform any system reprogramming or to make other business process changes to manage the customer billing function?

Response:

Yes. DEF will have to perform system reprogramming to manage the customer billing requirements.

- b. If the answer to a. is affirmative, please describe the changes that will be necessary and provide an estimate of the additional (*i.e.*, incremental) costs to your company per year for the next five years.

Response:

DEF has estimated the total budget to manage the customer billing requirements at \$964,965. The estimated 2015 budget is \$628,216 and the estimated 2016 budget is \$336,749. The budget is \$0 for 2017 through 2019.

Our residential rates as of January 2015



Residential Service (RS-1, RSL-1, RSL-2)

Customer charge	\$8.76 per month
Energy charge	
First 1,000 kWh	7.001¢ per kWh
All kWh above 1,000	8.363¢ per kWh
Fuel charge	
First 1,000 kWh	4.323¢ per kWh
All kWh above 1,000	5.323¢ per kWh

Residential Service Time of Use (RST-1)
(Closed to new customers as of 2/10/10.)

Customer charge	\$16.19 per month*
Energy charge	
On-peak	17.387¢ per kWh
Off-peak	2.880¢ per kWh
Fuel charge	
On-peak	6.189¢ per kWh
Off-peak	3.849¢ per kWh

*For most residential customers. Where an advance special meter payment is made, the charge is \$8.76.

Residential Seasonal Service (RSS-1)
You can reduce your customer charge from \$8.76 per month to \$4.58 per month if you are gone for at least three months during the billing periods of March through October and do not use more than 210 kWh per month (or 7 kWh per day). All other charges as stated in otherwise applicable rate schedules still apply.

Lighting Service (LS-1)
This service is available from dusk to dawn with various automatically controlled light fixtures.

Fixture and maintenance charge	Depends upon fixture type
Customer charge (per line of billing)	
Metered	\$3.42 per month
Unmetered	\$1.19 per month
Energy charge	2.578¢ per kWh
Fuel charge	4.332¢ per kWh

Billing Adjustments (BA-1)
All the energy charges listed above include the following amounts for energy conservation (ECCR), environmental (ECRC), purchased power capacity (CCR) and nuclear cost recovery (NCRC):

Residential – RS-1, RSS-1, RSL-1, RSL-2 and RST-1:	
ECCR	0.270¢ per kWh
ECRC	0.138¢ per kWh
CCR	1.074¢ per kWh
NCRC	0.545¢ per kWh
Lighting – LS-1:	
ECCR	0.097¢ per kWh
ECRC	0.114¢ per kWh
CCR	0.154¢ per kWh
NCRC	0.081¢ per kWh

All rates effective with January 1, 2015 billing.

Important information about Duke Energy Florida's 2015 residential rates

Duke Energy Florida's electric rates are set by the state. As a regulated utility, Duke Energy Florida is allowed to recover the costs necessary to produce and deliver reliable power to the company's 1.7 million customers who rely on electricity 24/7.

The Florida Public Service Commission (FPSC) has approved Duke Energy Florida's annual filings to recover costs associated with fuel and purchased power, energy efficiency programs, environmental improvements and new nuclear generation. When the adjustments in the annual filings are included with previously approved base rates and with gross receipts tax, the changes will result in a reduction of \$0.16 per month on a 1,000-kilowatt-hour (kWh) residential bill. A monthly bill for a residential customer using 1,000 kWh will decrease from the current \$125.29 to \$125.13, beginning with January 2015 billing.

Through cost management and careful planning, Duke Energy Florida has made investments in its electric system to enhance service reliability and significantly reduce emissions while keeping rates stable for our customers.

Breakdown of the 2015 monthly bill statement

This bill belongs to a sample customer who uses 1,500 kWh of electricity each month.

This sample bill shows a breakdown of 2015 residential rates to clearly show costs for the first 1,000 kWh as compared to the costs per kWh above 1,000. Also, below, we've defined some of the other items included in most residential bills.

RSL-1/2 091 Residential Load Management			
	BILLING PERIOD..01/01/15 TO 01/30/15	30 DAYS	
①	CUSTOMER CHARGE		8.76
	ENERGY CHARGE		
②	FIRST 1000 KWH	1000 KWH @ 7.001¢	70.01
	ABOVE 1000 KWH	500 KWH @ 8.363¢	41.82
③	FUEL CHARGE		
	FIRST 1000 KWH	1000 KWH @ 4.323¢	43.23
	ABOVE 1000 KWH	500 KWH @ 5.323¢	26.62
	TOTAL ELECTRIC COST		190.44
④	ENERGYWISE HOME (Load Management) CREDIT		11.50CR
⑤	GROSS RECEIPTS TAX		4.59
⑥	MUNICIPAL FRANCHISE FEE		11.01
⑦	MUNICIPAL UTILITY TAX		13.52
	TOTAL CURRENT BILL		208.06
	TOTAL DUE THIS STATEMENT		208.06

- ① **Customer charge:** A fixed monthly amount to cover the cost of providing service to your location. This charge is applicable whether or not electricity is used.
- ② **Energy charge:** All the costs, other than fuel, involved in producing and distributing electricity.
- ③ **Fuel charge:** This includes the actual cost of fuel used to produce electricity. The company's two largest fuel sources are natural gas and coal. Fuel costs are passed through from fuel suppliers to customers with no profit to the company. This charge is adjusted annually to reflect changes in the cost of fuel.
- ④ **EnergyWise® Home program credit:** EnergyWise Home is a free program that offers qualified participants a credit of up to \$147 a year depending on their monthly energy usage and the appliances enrolled in the program.
- ⑤ **Gross receipts tax:** Collected in accordance with Florida state statutes, this tax is assessed on all electric public utilities and paid directly to the state. Duke Energy Florida does not keep these tax monies.
- ⑥ **Franchise fee:** This is a fee that we collect to compensate communities for using their rights of way. The entire fee is sent back to the local community; Duke Energy Florida does not keep any franchise fees. Fees vary by community.
- ⑦ **County/municipal utility tax:** In accordance with state law, a county/municipality may levy a tax on the purchase of electricity within that area. This tax is paid directly to your county/municipality. Duke Energy Florida does not keep any of these taxes.

For more information about Duke Energy rates, visit duke-energy.com/rates.

Service charges

Opening account at new service location	\$61.00
Reconnect service after normal disconnection	\$28.00
Reconnect service after disconnection for nonpayment or violation of a rule or regulation after normal business hours	\$40.00
Temporary line extension	\$50.00
	\$227.00

Billing adjustments

Each of the rate schedules listed is subject to a Fuel Cost Recovery Factor (the cost of fuel). The Energy Charges include an Energy Conservation Cost Recovery Factor (the cost of energy conservation programs), a Capacity Cost Recovery Factor (new nuclear costs and a portion of the cost of purchasing electricity from sources other than Duke Energy Florida) and an Environmental Cost Recovery Clause Factor (the cost of new environmental programs not in base rates). These factors are reviewed annually by the Florida Public Service Commission and adjusted to reflect changes in the annual costs incurred.

Fuel Cost Recovery Factor

(based on metering voltage)

For General Service Non-Demand and General Service 100% Load Factor

Rate Classes:

Distribution Secondary	
Levelized	4.605¢ per kWh
On-Peak	6.198¢ per kWh
Off-Peak	3.854¢ per kWh
Distribution Primary	
Levelized	4.559¢ per kWh
On-Peak	6.136¢ per kWh
Off-Peak	3.816¢ per kWh
Transmission	
Levelized	4.513¢ per kWh
On-Peak	6.074¢ per kWh
Off-Peak	3.777¢ per kWh
For General Service Demand, Curtailable and Interruptible Rate Classes:	
Distribution Secondary	
Levelized	4.647¢ per kWh
On-Peak	6.255¢ per kWh
Off-Peak	3.890¢ per kWh
Distribution Primary	
Levelized	4.601¢ per kWh
On-Peak	6.193¢ per kWh
Off-Peak	3.851¢ per kWh

Late payment charge	1.5% per month or \$5.00, whichever is greater
Change of account (with LSA)	\$10.00
Returned check	as allowed by Florida Statute 68.065
Investigation of unauthorized use charge	minimum \$75.00

Transmission	
Levelized	4.554¢ per kWh
On-Peak	6.130¢ per kWh
Off-Peak	3.812¢ per kWh
For Lighting Service LS-1	
Levelized	4.332¢ per kWh

Energy Conservation Cost Recovery Factor (ECCR)

Capacity Cost Recovery Factor (CCR)

Environmental Cost Recovery Clause (ECRC)

(Included in the Energy Charge or Demand Charge as applicable)

	ECCR		CCR		ECRC
	¢/kWh	\$/kW*	¢/kWh	\$/kW*	¢/kWh
General Service Non-Demand					
Secondary	0.231		1.282		0.133
Primary	0.229		1.269		0.132
Transmission	0.226		1.256		0.130
General Service — 100% LF					
	0.179		0.883		0.125
General Service Demand					
Secondary	0.79		4.19		0.129
Primary	0.78		4.15		0.128
Transmission	0.77		4.11		0.126
Curtailable Service					
Secondary	0.60		3.13		0.123
Primary	0.59		3.10		0.122
Transmission	0.59		3.07		0.121
Interruptible Service					
Secondary	0.71		3.52		0.122
Primary	0.70		3.48		0.121
Transmission	0.70		3.45		0.120
Lighting Service	0.097		0.235		0.114

*For TOU rates the \$/kW charge will be included in the base demand only.

These schedules are also subject to a Gross Receipts Tax Factor (2.5641 percent), municipal utility taxes, state and county taxes, and franchise fees.

Choose the best rate for your business

You have the option of choosing the best rate schedule for your business. We offer three categories of commercial and industrial rates: General Service, Curtailable Service and Interruptible Service. We also offer time-of-use rates that provide incentives to shift as much consumption as possible to off-peak periods.

Your current rate schedule can be obtained from your most recent electric bill. For information about the rate schedule, visit duke-energy.com/rates and click on "Duke Energy Florida Rates & Tariffs."

For additional information

If you would like more information on these or other rate schedules, or require assistance in determining the most economic rates for you, please contact Duke Energy Florida by calling the number shown on your electric bill.

Duke Energy Florida also provides an enhanced Web page for commercial and industrial customers offering you online access to your account information. The Web page can be reached at <http://www.duke-energy.com/business>. Click on "Large Commercial, Industrial & Government" and log in to the Energy Resource Center.



Commercial/Industrial RATE SCHEDULES

All rates effective with January 1, 2015 billing
Important information about your 2015 rates

Duke Energy Florida's electric rates are set by the state. As a regulated utility, Duke Energy Florida is allowed to recover the costs necessary to produce and deliver reliable power to the company's 1.7 million customers who rely on electricity 24/7.

The Florida Public Service Commission (FPSC) has approved Duke Energy Florida's annual filings to recover costs associated with fuel and purchased power, energy efficiency programs, environmental improvements and new nuclear generation. When the adjustments in the annual filings are included with previously approved base rates and with gross receipts tax, the change to a commercial customer's bill will be between a 0.1 percent decrease and a 1 percent increase. The change to an industrial customer's bill will be between a 3 percent decrease and a 1 percent increase. The specific rate change for commercial and industrial customers will vary according to a number of factors.

Through cost management and careful planning, Duke Energy Florida has made investments in its electric system to enhance service reliability and significantly reduce emissions while keeping rates stable for our customers.

Energy help from the energy experts

For a thorough energy-efficiency assessment of your business, contact Duke Energy Florida for a no-cost Business Energy Check. Through this service, a highly trained Energy Advisor will provide customized, energy-saving advice and determine your eligibility for company rebates toward energy-efficient improvements. A Business Energy Check is a prerequisite to all Duke Energy rebates.

To sign up for a no-cost Business Energy Check or for more information about business rebates and energy efficiency tips that can help you save energy and money, visit duke-energy.com.

Please note the information concerning billing adjustments that is listed following the rate schedules.
Unless stated otherwise, all rates are quoted at secondary voltage.

General Service

Non-Demand (GS-1)

Customer Charges:	
Unmetered Accounts	\$6.54 per month
Metered Accounts:	
Secondary Delivery Voltage	\$11.59 per month
Primary Delivery Voltage	\$146.56 per month
Transmission Delivery Voltage	\$722.90 per month
Energy and Demand Charge	7.049¢ per kWh

Non-Demand – Optional Time of Use (GST-1)

Customer Charges:	
Secondary Delivery Voltage:	
For Single-Phase Service	\$19.01 per month
For Three-Phase Service	\$19.01 per month
Primary Delivery Voltage	\$153.99 per month
Transmission Delivery Voltage	\$730.32 per month
Energy and Demand Charges:	
On-Peak	16.981¢ per kWh
Off-Peak	2.477¢ per kWh

Non-Demand – 100% Load Factor Usage (GS-2)

(For customers with fixed wattage loads operating continuously throughout the billing period)

Customer Charges:	
Unmetered Accounts	\$6.54 per month
Metered Accounts	\$11.59 per month
Energy and Demand Charge	3.235¢ per kWh

Demand (GSD-1)

(For customers with a measured annual kWh consumption of 24,000 kWh or greater)

Customer Charges:	
Secondary Delivery Voltage	\$11.59 per month
Primary Delivery Voltage	\$146.56 per month
Transmission Delivery Voltage	\$722.90 per month
Demand Charge	
	\$10.04 per kW
Energy Charge	2.385¢ per kWh

Demand Optional Time of Use (GSDT-1)

Customer Charges:	
Secondary Delivery Voltage	\$19.01 per month
Primary Delivery Voltage	\$153.99 per month
Transmission Delivery Voltage	\$730.32 per month

Demand Charges:	Base	\$6.22 per kW
	On-Peak	\$3.76 per kW
Energy Charges:	On-Peak	5.040¢ per kWh
	Off-Peak	0.953¢ per kWh

Optional Load Management (GSLM-1)

(Energy Management Program)

(Under this rate, a customer receives load management monthly credits for allowing specified electrical equipment to be interrupted at the option of the company by means of load management devices installed on the customer's premises.) Restricted to existing customers as of July 20, 2000.

Optional Load Management (GSLM-2)

(Under this rate, customers receive monthly credit for running their backup generator when Duke Energy requests.)

Interruptible Service (IS-1*, IS-2)

(Under this rate, customers receive load management monthly credits for allowing their entire electrical service to be interrupted during any time period that the company's generating resources are required to maintain service to the company's firm power customers.)

Customer Charges:	
Secondary Delivery Voltage	\$278.95 per month
Primary Delivery Voltage	\$413.94 per month
Transmission Delivery Voltage	\$990.26 per month

Demand Charge	\$11.11 per kW
Demand Credit (IS-1*)	\$6.24 per kW
Demand Credit (IS-2) (Load factor adjusted)	\$10.88 per kW
Energy Charge	1.117¢ per kWh

Optional Time of Use (IST-1,* IST-2)

Customer Charges:		
Secondary Delivery Voltage	\$278.95 per month	
Primary Delivery Voltage	\$413.94 per month	
Transmission Delivery Voltage	\$990.26 per month	
Demand Charges: Base		
	\$5.32 per kW	
	On-Peak	\$6.02 per kW
	Demand Credit (IST-1*)	\$6.24 per kW
	Demand Credit (IST-2) (Load factor adjusted)	\$10.88 per kW
Energy Charges: On-Peak		
	1.516¢ per kWh	
	Off-Peak	0.935¢ per kWh

*IS-1 and IST-1 closed to new accounts 4/16/96

Standby Service (SS-1, SS-2, SS-3)

(Rate schedules available upon request)

On-Peak Periods for Time-of-Use Rates

On-Peak periods for TOU rates are Monday through Friday as follows:

November through March	6 to 10 a.m. / 6 to 10 p.m.
April through October	Noon to 9 p.m.

All other hours, including Saturday, Sunday and six major holidays (New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas) and the adjacent weekday if a holiday falls on Saturday or Sunday, are considered Off-Peak.

Curtable Service (CS-1,† CS-2, CS-3)

(Under this rate, customers receive monthly credits for agreeing to curtail a portion of their average billing kW (minimum of 500 kW) during any time period that the company's generating resources are required to maintain electrical service to the company's firm power customers.)

Customer Charges:	
Secondary Delivery Voltage	\$75.96 per month
Primary Delivery Voltage	\$210.93 per month
Transmission Delivery Voltage	\$787.26 per month

Demand Charge	\$11.86 per kW
Demand Credit (CS-1†)	\$4.68 per kW
Demand Credit (CS-2) (Load factor adjusted)	\$8.16 per kW
Demand Credit (CS-3) (Contracted kW)	\$8.16 per kW
Energy Charge	1.608¢ per kWh

Optional Time of Use (CST-1,† CST-2, CST-3)

Customer Charges:		
Secondary Delivery Voltage	\$75.96 per month	
Primary Delivery Voltage	\$210.93 per month	
Transmission Delivery Voltage	\$787.26 per month	
Demand Charges: Base		
	\$4.94 per kW	
	On-Peak	\$6.86 per kW
	Demand Credit (CST-1†)	\$4.68 per kW
	Demand Credit (CST-2) (Load factor adjusted)	\$8.16 per kW
	Demand Credit (CST-3) (Contracted kW)	\$8.16 per kW
Energy Charges: On-Peak		
	2.848¢ per kWh	
	Off-Peak	0.942¢ per kWh

†CS-1 and CST-1 closed to new accounts 4/16/96

Lighting Service (LS-1)

(Rate schedules available upon request)

Fixture and Maintenance Metered Charge depends upon fixture type

Customer Charge (per line of billing):	
Metered	\$3.42 per month
Unmetered	\$1.19 per month
Energy and Demand Charge	2.578¢ per kWh

Temporary Service (TS-1)

(Rates from appropriate General Service schedules are applied to service under TS-1.)

Don Rome

From: Adams, Lynne <Lynne.Adams@fpl.com>
Sent: Friday, October 23, 2015 3:49 PM
To: Don Rome
Cc: Elisabeth Draper; Pamela H. Page
Subject: DATA REQUEST: Statement of Estimated Regulatory Costs for rule changes to implement changes to Chapter 366, Florida Statutes (F.S.)
Attachments: Proposed Rulemaking Staff First Data Request Nos 1-4 FPSC Filing.docx

Don,
Attached please find FPL's response to the data request issued October 13, 2015. Please contact me if you have any questions.

Thank you,

Lynne Adams
(850) 521-3904

From: Don Rome [<mailto:DRome@PSC.STATE.FL.US>]
Sent: Tuesday, October 13, 2015 9:52 AM
To: Adams, Lynne; robert.pickels@duke-energy.com; wjstiles@tecoenergy.com; hhenders@southernco.com; mcassel@fpuc.com; aw@macfar.com; KFloyd@tecoenergy.com; 'cbermude@aglresources.com'; 'ewade@aglresources.com'; Keating, Beth (BKeating@gunster.com); mcassel@chpk.com; Martin, Cheryl (Cheryl_Martin@fpuc.com); Young Curtis (Curtis_Young@chpk.com); 'ssoaaf@stjoenaturalgas.com'; 'dstitt@stjoegas.com'; 'jmelendy@floridasbestgas.com'
Cc: Elisabeth Draper; Pamela H. Page
Subject: DATA REQUEST: Statement of Estimated Regulatory Costs for rule changes to implement changes to Chapter 366, Florida Statutes (F.S.)

This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email.

Hello, everyone. Florida Public Service Commission staff is in the process of preparing a Statement of Estimated Regulatory Costs (SERC) for proposed revisions to Chapter 25-6 (Electric Service by Electric Public Utilities) and Chapter 25-7 (Gas Service by Gas Public Utilities), Florida Administrative Code. Revisions to Commission rules are being proposed to incorporate changes made to Chapter 366, F.S., during the 2015 legislative session. The draft rule amendments shown in legislative format are attached.

When the Commission makes changes to its rules, the agency prepares a SERC pursuant to Section 120.541, F.S. The attached file titled "Staff First Data Request" is offered to solicit your input on whether compliance with the new statutory requirements and the Commission's associated rule changes will result in additional costs to investor-owned electric and gas utilities. Draft rule amendments pertaining to electric utilities are in the files labeled 25-6.093, 25-6.097, and 25-6.100 whereas draft rule amendments pertaining to gas utilities are in the files labeled 25-7.079, 25-7.083, and 25-7.085.

If your utility has a parent company that conducts both electric and gas operations, please provide separate data request responses for the electric and the gas operations. If your utility has a parent company with

several natural gas operating entities (divisions/subsidiaries), you have the option of either providing a single response consolidated for all gas operating entities or a separate response for each entity, whichever you prefer.

Please provide responses to the attached data request by **October 23, 2015**. Please direct any questions to Don Rome, Division of Economics, at drome@psc.state.fl.us or at (850) 413-6495. Thanks and regards,

Don Rome, Public Utility Analyst
Economics Division – Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
(850) 413-6495 FAX: (850) 413-6496
drome@psc.state.fl.us

Undocketed

Amendments to Chapters 25-6 and 25-7, Florida Administrative Code, (F.A.C.)

Implementation of Changes to Chapter 366, Florida Statutes (F.S.)

Promulgated via Chapter 2015-129, Laws of Florida (eff. July 1, 2015)

Staff's First Data Request

1. Commission Rules 25-6.093 and 25-7.079, F.A.C. (Information to Customers), are being amended to implement paragraph 366.05(1)(d), F.S. In accordance with the statute, if a utility has more than one rate for any customer class, it must notify each customer in that class of the available rates and explain how the rate is charged to the customer. If a customer contacts the utility seeking assistance in selecting the most advantageous rate, the utility must provide good faith assistance to the customer. Please describe your current process for assisting customers for whom multiple rate schedules may be available.

FPL works with every customer who requests assistance in determining the best rate for their account. These requests vary in complexity depending on the customer's current rate and the availability of data.

Customer requests are handled through various channels: A customer care center that handles residential customers and has specially trained reps to handle business customers; and a field organization that supports Governmental, Major, National, Medium and Small businesses. The role of this organization is to support customers with energy related needs, to deliver energy efficiency expertise and provide customer service.

In general, we work to provide rate reviews on two levels:

1. In compliance with the FPSC rules, FPL works with all individual customers who contact us to ensure they are on the best rate. FPL representatives utilize a rate analysis tool to compare the customer's current rate to alternative rates in order to determine the best rate.
 2. In addition, FPL conducts annual proactive reviews for all commercial customers to identify potential alternative rates that might benefit them. A computer generated list is produced, identifying customer accounts that could potentially benefit by switching to the next best rate. Customer accounts identified as potentially benefiting from a rate change are contacted by phone. Follow up contacts are made by email and US mail, if needed. In all cases where FPL identifies that an account might benefit from a different rate, FPL's practice is to contact the customer to obtain consent before making the rate change.
- a. Please explain whether or not you anticipate that the new statutory customer notification and assistance requirements will result in your company conducting additional customer outreach efforts and/or customer service activities.

FPL does not anticipate conducting any additional customer outreach efforts. FPL currently provides notification of available rate schedules to all customers once a year

and to new customers as they establish service. These notifications are provided by either print or electronic bill insert. Approximately 2.3 million of our 4.8 million customers receive these rate schedules through electronic bill insert. These customers are enrolled in FPL's email bill program, which includes a link to the PDF version of the paper bill insert. While FPL believes the term "bill insert" under Rule 25-6.093(3)(a) F.A.C. provides for customer notification through either print or electronic format, if the Commission restricted the term "bill insert" to only print notification, then FPL would have to provide a paper version copy of the rate schedule to the 2.3 million customers that are enrolled in FPL's email bill program, and significant costs would be incurred by FPL that would become part of its cost of service to customers.

- b. If the answer to a. is affirmative, please describe the additional outreach efforts and/or customer service activities that will be conducted and provide an estimate of the additional (*i.e.*, incremental) costs to your company per year for the next five years.

Although there are no incremental costs for additional outreach, there would be incremental costs if FPL were required to mail a paper version of all available electrical rates to approximately 2.3 million customers enrolled in the FPL email bill program. Annually, these incremental costs would include costs associated with printing the rate schedule, a cover letter, an envelope and postage. Incremental annual costs are estimated to be:

2016: \$1,003,000
2017: \$1,028,000
2018: \$1,055,000
2019: \$1,081,000
2020: \$1,111,000

2. Commission Rules 25-6.097 and 25-7.083, F.A.C. (Customer Deposits), are being amended to implement paragraph 366.05(1)(c), F.S. In accordance with the statute, a methodology is prescribed, effective January 1, 2016, that sets a maximum deposit amount that the utility may collect for an existing account or for a new service request. Please describe your current method for calculating customer deposits for new and existing accounts.

For accounts that do not qualify for a deposit waiver, FPL charges a deposit representing 2 months of average usage calculated as follows:

For an existing account, the total deposit is calculated by adding the monthly charges from the 12-month period immediately preceding the date the deposit is quoted, dividing this total by 12, and multiplying the result by 2. If the account has less than 12 months of actual charges, the deposit is calculated by adding the available monthly charges, dividing this total by the number of months available, and multiplying the result by 2.

For a new service request the total deposit is projected. The projected deposit is calculated by adding the 12 months of projected charges, dividing this total by 12, and multiplying the result by 2.

- a. Please explain whether or not you anticipate that the new statutory customer deposit calculation requirements will result in a need by your company to perform any system reprogramming or to make other business process changes to manage the customer deposit function.

Yes, in order to comply with the new requirements of 366.05(1)(c), F.S., FPL has established new system requirements and is in the process of programming the required changes. FPL does not foresee non-system process changes to manage the customer deposit function. However, we do foresee increases in costs resulting from the higher volume of refunds. The estimated costs for these changes are detailed in the response to Question 2b.

- b. If the answer to a. is affirmative, please describe the changes that will be necessary and provide an estimate of the additional (*i.e.*, incremental) costs to your company per year for the next five years.

System changes and costs: The evaluation of our existing customer information system revealed the need for several changes/additions to be able to evaluate accounts for excess and to apply or refund excess deposit. Also, new reporting must be designed and detail system files created to track activity and compliance. The total one-time cost for system changes is estimated at \$460,000.

Non system costs: Additional costs will be incurred for postage for the increased volume of deposit certificates that will be sent whenever there is a change to a customer deposit. We estimate additional annual volume of 150,000, or total incremental cost of \$150,000 over the next five years at an average postage rate of \$0.20.

3. Commission Rules 25-6.100 and 25-7.085, F.A.C. (Customer Billings), are being amended to implement paragraph 366.05(1)(b), F.S. In accordance with the statute, 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.
 - a. Please explain whether or not you anticipate that the new statutory customer billing requirements will result in a need by your company to perform any system reprogramming or to make other business process changes to manage the customer billing function.

No, the new statutory billing requirement will not result in the need for FPL to perform any system reprogramming or to make other business process changes to manage the customer billing function, as the company is already in compliance with the proposed rule change.

- b. If the answer to a. is affirmative, please describe the changes that will be necessary and provide an estimate of the additional (*i.e.*, incremental) costs to your company per year for the next five years.

N/A

- 4. Commission Rule 25-6.100, F.A.C. (Customer Billings), is being amended to implement subsection 366.95(4), F.S. In accordance with the statute, if an electric utility has obtained a financing order and caused nuclear asset-recovery bonds to be issued, the utility's electric bills must: (1) explicitly reflect information explaining the nuclear asset-recovery charge and the ownership of that charge, and (2) show a separate line item titled "Asset Securitization Charge" on each customer's bill that includes both the rate and the amount of the charge.

- a. Do you anticipate that the customer billing requirements pursuant to subsection 366.95(4), F.S., will result in a need by your company to perform any system reprogramming or to make other business process changes to manage the customer billing function?

Yes, if, in the future, FPL were to request and obtain approval to issue nuclear asset-recovery bonds, system and business process changes would be necessary to meet the requirements to manage the customer billing function.

- b. If the answer to a. is affirmative, please describe the changes that will be necessary and provide an estimate of the additional (*i.e.*, incremental) costs to your company per year for the next five years.

Although FPL does not currently anticipate requesting a financing order for nuclear asset-recovery bonds within the next five years, if FPL did seek such a request during this time frame then system changes would be needed to add a separate Nuclear Securitization line item to the FPL bill. Details of the charge would be available on-line with the ability to hover over the line item for a detailed explanation of the charge, or for hard copy bills details would be on the back of the bill statement. This is consistent to the billing treatment FPL currently provides for the Storm Securitization line item billing. Changes would also include the notification to all customers about the new billing line item, the ability for customers to search for information on FPL.com about the line item and comprehensive billing system testing for the changes. If FPL were to initiate such changes today, the range of first year costs to implement are estimated to be just over \$1 million, with no significant incremental costs in year 2 -5. The time to implement system changes is estimated to be 7 months.

Don Rome

From: Darnes, Melissa Ann <MADARNES@SOUTHERNCO.COM>
Sent: Friday, October 23, 2015 4:53 PM
To: Don Rome
Subject: Staff's First Data Request - Estimated Regulatory Costs
Attachments: 10.23.15 Gulf's response to Staff's 1st Data Request.pdf

Mr. Rome,

Attached please find Gulf Power Company's response to Staff's First Data Request regarding Estimated Regulatory Costs for proposed revisions to Chapter 25-6 and 25-7, F.A.C.

Thanks,

Melissa Darnes

Gulf Power Company • Admin Assistant Sr/Regulatory & Pricing
One Energy Place • Pensacola, FL 32520-0601
Phone: 850.444.6730 • Fax: 850.444.6026

Stay connected with Gulf Power



Robert L. McGee, Jr.
Regulatory & Pricing Manager

One Energy Place
Pensacola, Florida 32520-0780

Tel 850.444.6530
Fax 850.444.0025
RLMCGEE@southernco.com



October 23, 2015

Mr. Don Rome
Division of Economics
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0868

Re: Undocketed

Dear Mr. Rome:

Attached is Gulf Power Company's response to Staff's First Data Request regarding a Statement of Estimated Regulatory Costs (SERC) for proposed revisions to Chapter 25-6 (Electric Service by Electric Public Utilities) and Chapter 25-7 (Gas Service by Gas Public Utilities), Florida Administrative Code.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert L. McGee, Jr." with a stylized flourish at the end.

Robert L. McGee, Jr.
Regulatory and Pricing Manager

md

Attachments

cc w/att.: Beggs and Lane
Jeffrey A. Stone, Esquire

1. Commission Rules 25-6.093 and 25-7.079, F.A.C. (Information to Customers), are being amended to implement paragraph 366.05(1)(d), F.S. In accordance with the statute, if a utility has more than one rate for any customer class, it must notify each customer in that class of the available rates and explain how the rate is charged to the customer. If a customer contacts the utility seeking assistance in selecting the most advantageous rate, the utility must provide good faith assistance to the customer. Please describe your current process for assisting customers for whom multiple rate schedules may be available.
 - a. Please explain whether or not you anticipate that the new statutory customer notification and assistance requirements will result in your company conducting additional customer outreach efforts and/or customer service activities.
 - b. If the answer to a. is affirmative, please describe the additional outreach efforts and/or customer service activities that will be conducted and provide an estimate of the additional (*i.e.*, incremental) costs to your company per year for the next five years.

RESPONSE:

Please see "Attachment A" for Staff's description of Gulf's process for assisting customers for whom multiple rate schedules may be available. Attachment A is an excerpt of a memo used at the June 18, 2015 Internal Affairs meeting.

- a. Gulf's current process is compliant with the new requirements; therefore, the Company does not anticipate conducting additional customer outreach efforts.
- b. Not applicable.

2. Commission Rules 25-6.097 and 25-7.083, F.A.C. (Customer Deposits), are being amended to implement paragraph 366.05(1)(c), F.S. In accordance with the statute, a methodology is prescribed, effective January 1, 2016, that sets a maximum deposit amount that the utility may collect for an existing account or for a new service request. Please describe your current method for calculating customer deposits for new and existing accounts.
- a. Please explain whether or not you anticipate that the new statutory customer deposit calculation requirements will result in a need by your company to perform any system reprogramming or to make other business process changes to manage the customer deposit function.
 - b. If the answer to a. is affirmative, please describe the changes that will be necessary and provide an estimate of the additional (*i.e.*, incremental) costs to your company per year for the next five years.

RESPONSE:

Gulf Power's current billing system provides an average monthly bill for each premise, calculated by using the most recent 12 months' usage data. If a security deposit is needed for a new account, the deposit amount is determined by multiplying the average monthly bill amount by 2 which is then rounded (up or down) to the nearest five dollar increment.

If a Gulf Power customer with an existing account containing a security deposit changes premises, the existing deposit is transferred to the new premise. Gulf Power may also add a deposit to an existing account, or increase the deposit on an existing account, up to 2 times the average monthly bill rounded to the nearest \$5.

- a. The Company anticipates the need to make system programming changes and business process changes in order to comply with the new statutory customer deposit calculation requirements.
- b. The customer service system is being reprogrammed to check for accounts that have 12 monthly bills, use the account's actual usage to calculate a deposit, compare that amount to the current deposit, and then provide a refund if needed. The Company estimates that the cost to perform the programming changes referenced above will be approximately \$220,000. All of these costs are one-time costs, not recurring costs.

The Company will also need to change its current practice of rounding the calculated deposit amount to the nearest \$5.00 because, in cases where the amount is rounded up, this would result in exceeding the limit imposed by the new statute. Gulf anticipates no incremental cost to make this change.

3. Commission Rules 25-6.100 and 25-7.085, F.A.C. (Customer Billings), are being amended to implement paragraph 366.05(1)(b), F.S. In accordance with the statute, 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.
- a. Please explain whether or not you anticipate that the new statutory customer billing requirements will result in a need by your company to perform any system reprogramming or to make other business process changes to manage the customer billing function.
 - b. If the answer to a. is affirmative, please describe the changes that will be necessary and provide an estimate of the additional (*i.e.*, incremental) costs to your company per year for the next five years.

RESPONSE:

- a. Not applicable.
- b. Not applicable.

4. Commission Rule 25-6.100, F.A.C. (Customer Billings), is being amended to implement subsection 366.95(4), F.S. In accordance with the statute, if an electric utility has obtained a financing order and caused nuclear asset-recovery bonds to be issued, the utility's electric bills must: (1) explicitly reflect information explaining the nuclear asset-recovery charge and the ownership of that charge, and (2) show a separate line item titled "Asset Securitization Charge" on each customer's bill that includes both the rate and the amount of the charge.
- a. Do you anticipate that the customer billing requirements pursuant to subsection 366.95(4), F.S., will result in a need by your company to perform any system reprogramming or to make other business process changes to manage the customer billing function?
 - b. If the answer to a. is affirmative, please describe the changes that will be necessary and provide an estimate of the additional (*i.e.*, incremental) costs to your company per year for the next five years.

RESPONSE:

- a. Not applicable.
- b. Not applicable.

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: June 5, 2015
TO: Braulio L. Baez, Executive Director
FROM: Elisabeth J. Draper, Economic Supervisor, Division of Economics *ESD*
James W. Dean, Director, Division of Economics *J.W.D.*
RE: Rates Schedules and Billing Review of Commercial Accounts

CRITICAL INFORMATION: Please place on the June 18, 2015 Internal Affairs.
For background informational purposes. Staff will not make a presentation.

Staff has prepared this summary of investor owned electric utilities procedures for assigning commercial and industrial customers to rate classes.

cc: Charlie Beck, General Counsel
Lisa Harvey, Deputy Executive Director, Technical
April Lynn, Deputy Executive Director, Administrative

Investor Owned Electric Utilities Procedures for
Assigning Customers to Rate Classes

Background

Recent news articles have raised the issue of how customers are assigned to specific rate classes. Rule 25-6.093, Florida Administrative Code, states:

(2) Upon request of any customer, the utility is required to provide to the customer a copy and explanation of the utility's rates and provisions applicable to the type or types of service furnished or to be furnished such customer, and to assist the customer in obtaining the rate schedule which is most advantageous to the customer's requirements.

(3)(a) By bill insert or other appropriate means of communication, the utility shall give to each of its customers a summary of major rate schedules which are available to the class of which that customer is a member, and

(b) The utility shall provide the information contained in paragraph (a) to all its customers:

1. Not later than 60 days after the commencement of service, and
2. Not less frequently than once each year, and
3. Not later than 60 days after the utility has received approval of its new rate schedule applicable to such customer. (Emphasis added)

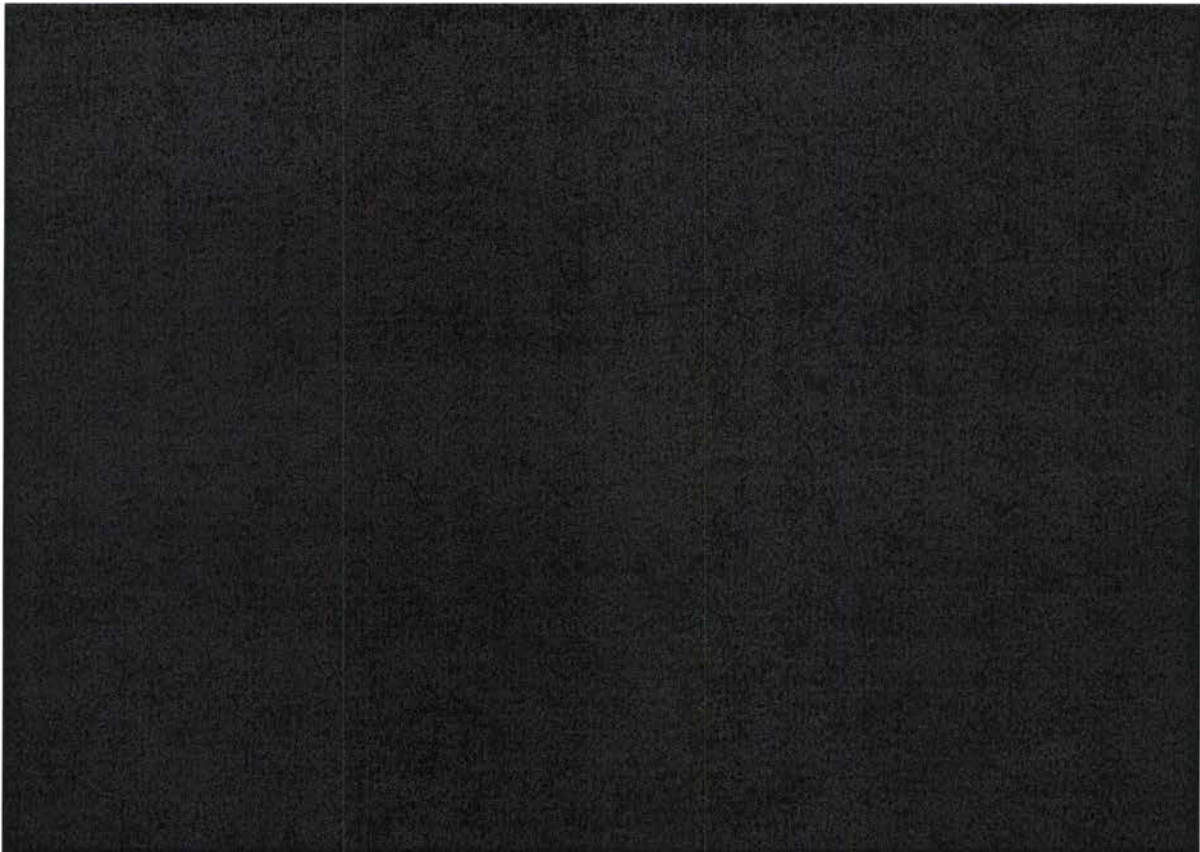
A similar issue arose in a previous docket, Order No. PSC-01-2090-FOF-EI addressed a complaint of a customer requesting a retroactive refund based on their reading of Rule 25-6.093(2), Florida Administrative Code. The case was transferred to the Division of Administrative Hearings. The Administrative Law Judge specifically concluded that:

Under the facts of this case, the reading of Rule 25-6.093(2), Florida Administrative Code, urged by Colony would require the utility to guarantee that its customers obtain the most advantageous rate schedule, to affirmatively canvass its customers to make good on that guarantee, and to provide a refund to any customer who is ultimately found not to have received the most advantageous rate, regardless of whether that customer ever made more than a cursory effort to obtain the desired rate. The PSC may or may not have authority to promulgate such a rule, but it has not done so with Rule 25-6.093, Florida Administrative Code.

Thus, utilities are not obligated to affirmatively notify customers which rate schedule would be optimal. Per Rule 25-6.093, Florida Administrative Code, utilities are required to assist customers in identifying the most advantageous rate schedule when requested by the customer, provide annual summaries of their rates and charges, and provide notice of any rates and charges changes that occur throughout the year.

Frequency of Contact with Customers

The frequency of contact with specific customers is typically based on the size of the account. Large commercial accounts are frequently assigned an account representative that routinely meets with the customer. Below is a description of the contacts utilities have with commercial customers.



Gulf Power Company (Gulf)

Gulf has a National Accounts Group that provides designated customer representatives to all multiple state accounts (e.g., Walmart, Home Depot). In addition, the largest industrial customers have a designated customer representative.

Gulf's representatives outside the National Accounts Group are divided into three districts, where the representatives live and work and are there for familiar with the customer base. While smaller commercial accounts do not have a designated customer representative, their calls are directed to a representative in their district. Representatives are also divided into market segments (e.g., hotels, hospitals, military bases).

Gulf started in January 2015 an in-depth rate plan analysis to determine if a customer could benefit economically by being put on a another rate schedule. Gulf is looking at nine different rate schedules applicable to commercial/industrial customers (GS, GSD, LP, LPT, GSD-TOU, primary or secondary meter points) Specialized rate schedules like Real Time Pricing (RTP) are excluded from the analysis. Gulf has completed reviewing customers on the LP and LPT rate schedules.

Currently GS and GSD customers are being reviewed. Using 2014 billing determinants, Gulf calculates a customer's bill under other applicable rates, and determines the most economical

rate. Gulf then communicates with its field representatives who contact customers and present the analysis. The decision on what rate schedule to take service under stays with the customer.

Gulf does not automatically switch customers, but contacts them if another rate is more economical. Gulf explained that some customers choose not to switch rate schedule for various reasons. For example, a customer may be better off on the RTP rate, but chooses not to switch because of the risk since RTP rates are not known ahead of time and may fluctuate. Customers like the security of having rates known ahead of time. Or customers may not choose a load control program because of the inconvenience. Gulf found that risk appetite goes into a customer's decision on what rate schedule to be on.

Gulf expects this analysis to take up to one year to complete, and plans on performing such an analysis every three years. Gulf last did such a review of all accounts in 2005 and partially in 2008.

In addition, Gulf's billing system flags accounts that have abnormal usage levels, resulting in Gulf further investigating whether the customer is on the applicable rate schedule (GS vs GSD). That is an ongoing monthly process. For example, if a customer's demand is 25 kw or higher, the customer would need to move from the GS to the GSD rate, which would add a demand charge customers may be reluctant to pay. The field representative in such a scenario works with the customer to lower the demand to stay below 25 kw.

Gulf's tariff includes the following language, which has been in the tariff since 1962:

OPTIONAL RATES - When two or more rates are available for certain classes of service, the conditions under which they are applicable to the requirements of particular customers are plainly set forth in the Company's published rate schedules. The choice of such rates lies with the Customer. The Company will at any time upon request advise any Customer as to the rate best adapted to existing or anticipated service requirements as defined by the Customer but the Company does not assume responsibility for the selection of such rate or for the continuance of the lowest annual cost under the rate selected should the volume or character of service change. From time to time, the Company undertakes investigations of operating conditions of its customers with a view to recommending desirable changes from one applicable rate to another, but, lacking knowledge of changes which may occur at any time in such conditions, the Company cannot guarantee that customers will be served under the most favorable rate, nor make refunds covering the difference between the charges under the rate in effect and those under any other rate applicable to the same service.

To conclude, Gulf does not believe it should make the decision for a customer on which rate schedule to be on and to automatically switch customers between rate schedules. Gulf states that it is helpful to the customer to have different rate options available, and to make their own decision with good information. Gulf feels it is important to let the customer make the choice, instead of making the decision for the customer assuming that it is the right one.

Don Rome

From: Carolyn Bermudez <cbermude@aglresources.com>
Sent: Monday, October 26, 2015 5:48 PM
To: Don Rome
Subject: RE: DATA REQUEST: Statement of Estimated Regulatory Costs for rule changes to implement changes to Chapter 366, Florida Statutes (F.S.)
Attachments: FCG Responses to Staffs First DRs.doc

Don,

Attached are the FCG responses. Please let me know if you have additional questions or need more information.

Carolyn J. Bermudez
Vice President of Operations
Florida City Gas

305-835-3606 office
305-219-0887 mobile
305-835-6491 fax
cbermude@aglresources.com



From: Don Rome [<mailto:DRome@PSC.STATE.FL.US>]
Sent: Tuesday, October 13, 2015 9:52 AM
To: 'Adams, Lynne'; robert.pickels@duke-energy.com; wjstiles@tecoenergy.com; hhenders@southernco.com; mcassel@fpuc.com; aw@macfar.com; KFloyd@tecoenergy.com; Carolyn Bermudez; Elizabeth Wade; Keating, Beth (BKeating@gunster.com); mcassel@chpk.com; Martin, Cheryl (Cheryl_Martin@fpuc.com); Young Curtis (Curtis_Young@chpk.com); sshoaf@stjoenaturalgas.com; dstitt@stjoegas.com; jmelendy@floridasbestgas.com
Cc: Elisabeth Draper; Pamela H. Page
Subject: DATA REQUEST: Statement of Estimated Regulatory Costs for rule changes to implement changes to Chapter 366, Florida Statutes (F.S.)

Hello, everyone. Florida Public Service Commission staff is in the process of preparing a Statement of Estimated Regulatory Costs (SERC) for proposed revisions to Chapter 25-6 (Electric Service by Electric Public Utilities) and Chapter 25-7 (Gas Service by Gas Public Utilities), Florida Administrative Code. Revisions to Commission rules are being proposed to incorporate changes made to Chapter 366, F.S., during the 2015 legislative session. The draft rule amendments shown in legislative format are attached.

When the Commission makes changes to its rules, the agency prepares a SERC pursuant to Section 120.541, F.S. The attached file titled "Staff First Data Request" is offered to solicit your input on whether compliance with the new statutory requirements and the Commission's associated rule changes will result in additional costs to investor-owned electric and gas utilities. Draft rule amendments pertaining to electric utilities are in the files labeled 25-6.093, 25-6.097, and 25-6.100 whereas draft rule amendments pertaining to gas utilities are in the files labeled 25-7.079, 25-7.083, and 25-7.085.

If your utility has a parent company that conducts both electric and gas operations, please provide separate data request responses for the electric and the gas operations. If your utility has a parent company with several natural gas operating entities (divisions/subsidiaries), you have the option of either providing a single response consolidated for all gas operating entities or a separate response for each entity, whichever you prefer.

Please provide responses to the attached data request by **October 23, 2015**. Please direct any questions to Don Rome, Division of Economics, at drome@psc.state.fl.us or at (850) 413-6495. Thanks and regards,

Don Rome, Public Utility Analyst
Economics Division – Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
(850) 413-6495 FAX: (850) 413-6496
drome@psc.state.fl.us

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Florida City Gas™

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Hialeah, FL 33013

305 691 8710 phone
www.floridacitygas.com

October 26, 2015

Don Rome
Public Utility Analyst
Florida Public Service Commission – Economics Division
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Staff's First Data Request

Dear Mr. Rome:

Below are the Florida City Gas responses to the data request for proposed revisions to Chapter 25-6 (Electric Service by Electric Public Utilities) and Chapter 25-7 (Gas Service by Gas Public Utilities), Florida Administrative Code. Revisions to Commission rules are being proposed to incorporate changes made to Chapter 366, F.S., during the 2015 legislative session.

1. Commission Rules 25-6.093 and 25-7.079, F.A.C. (Information to Customers), are being amended to implement paragraph 366.05(1)(d), F.S. In accordance with the statute, if a utility has more than one rate for any customer class, it must notify each customer in that class of the available rates and explain how the rate is charged to the customer. If a customer contacts the utility seeking assistance in selecting the most advantageous rate, the utility must provide good faith assistance to the customer. Please describe your current process for assisting customers for whom multiple rate schedules may be available.

Response

Customer classes and corresponding rates are included in the tariff and Florida City Gas maintains the current version of the tariff on its website for customer accessibility and convenience. For customers who contact Florida City Gas seeking assistance regarding the availability of multiple rate schedules, customer representatives provide a detailed explanation about the rates in their customer class, their criteria based rate and how their bill is calculated.

- a. Please explain whether or not you anticipate that the new statutory customer notification and assistance requirements will result in your company conducting additional customer outreach efforts and/or customer service activities.

Response

Although we provide access to the rates available and extend a detailed explanation upon customer request, we currently do not notify the customer of available rates. Therefore, we propose updating customer bills to include direction to review available customer classes and rates which will supplement existing customer service activities. Expanding our outreach effort for bill inclusion will reach and inform all Florida City Gas customers every month.

- b. If the answer to a. is affirmative, please describe the additional outreach efforts and/or customer service activities that will be conducted and provide an estimate of the additional (*i.e.*, incremental) costs to your company per year for the next five years.

Response

Including direction to customers on the bill as proposed will require modification of the current bill backer or standard bill messaging as applicable. Modifying our bill backer or standard messaging is within existing bill print modification permissions or PeopleSoft system modification permissions. Therefore, we do not anticipate any incremental costs to Florida City Gas per year for the next five years for this type of modification. However, if Florida City Gas incurs any additional costs associated with the billing function, the company would seek to recover any such prudently incurred costs through the normal ratemaking process.

2. Commission Rules 25-6.097 and 25-7.083, F.A.C. (Customer Deposits), are being amended to implement paragraph 366.05(1)(c), F.S. In accordance with the statute, a methodology is prescribed, effective January 1, 2016, that sets a maximum deposit amount that the utility may collect for an existing account or for a new service request. Please describe your current method for calculating customer deposits for new and existing accounts.

Response

For deposit calculation, Florida City Gas complies with the existing tariff of two times the estimated monthly bill. The tariff allows for the connect or disconnect charge to be part of the maximum deposit calculation, however, Florida City Gas does include those components in its deposit calculation.

- a. Please explain whether or not you anticipate that the new statutory customer deposit calculation requirements will result in a need by your company to perform any system reprogramming or to make other business process changes to manage the customer deposit function.

Response

Due to Florida City Gas being in compliance and not in excess of the maximum deposit calculation, we do not anticipate reprogramming or changes to the customer deposit function to remain compliant with the requirements.

- b. If the answer to a. is affirmative, please describe the changes that will be necessary and provide an estimate of the additional (*i.e.*, incremental) costs to your company per year for the next five years.

Response

Though we do not anticipate changes that will result in additional costs, if Florida City Gas incurs any additional costs associated with the deposit function, the company would seek to recover any such prudently incurred costs through the normal ratemaking process.

3. Commission Rules 25-6.100 and 25-7.085, F.A.C. (Customer Billings), are being amended to implement paragraph 366.05(1)(b), F.S. In accordance with the statute, 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.
 - a. Please explain whether or not you anticipate that the new statutory customer billing requirements will result in a need by your company to perform any system reprogramming or to make other business process changes to manage the customer billing function.

Response

While Florida City Gas does apply a tiered rate structure based on usage, that rate does not result in charging a customer a higher rate. Moreover, no higher rate is charge to a customer because of an increase in usage attributable to an extension of the billing period nor is the meter reading date advanced or postponed more than five business days for routine operating reasons without prorating the billing for the period. Therefore, we do not anticipate reprogramming or changes to the billing function.

- b. If the answer to a. is affirmative, please describe the changes that will be necessary and provide an estimate of the additional (*i.e.*, incremental) costs to your company per year for the next five years.

Response

Though we do not anticipate changes that will result in additional costs, if Florida City Gas incurs any additional costs associated with the billing function, the company would seek to recover any such prudently incurred costs through the normal ratemaking process.

4. Commission Rule 25-6.100, F.A.C. (Customer Billings), is being amended to implement subsection 366.95(4), F.S. In accordance with the statute, if an electric utility has obtained a financing order and caused nuclear asset-recovery bonds to be issued, the utility's electric bills must: (1) explicitly reflect information explaining the nuclear asset-recovery charge and the ownership of that charge, and (2) show a separate line item titled "Asset Securitization Charge" on each customer's bill that includes both the rate and the amount of the charge.
- a. Do you anticipate that the customer billing requirements pursuant to subsection 366.95(4), F.S., will result in a need by your company to perform any system reprogramming or to make other business process changes to manage the customer billing function?

Response

This requirement is not applicable to Florida City Gas.

- b. If the answer to a. is affirmative, please describe the changes that will be necessary and provide an estimate of the additional (*i.e.*, incremental) costs to your company per year for the next five years.

Response

Per above, not applicable.

If you have any questions or need additional information, I can be reached by phone at (305) 835-3606 or by email at cbermude@aglresources.com.

Sincerely,

Carolyn Bermudez

Carolyn Bermudez
VP Operations, Florida City Gas

Don Rome

From: Keating, Beth <BKeating@gunster.com>
Sent: Monday, October 26, 2015 6:12 PM
To: Don Rome
Subject: RE: DATA REQUEST: Statement of Estimated Regulatory Costs for rule changes to implement changes to Chapter 366, Florida Statutes (F.S.)
Attachments: FPUC-Chesapeake Rule Amendment Data Responses.PDF

Don,

Attached are the data responses for FPUC and Chesapeake. As always, please don't hesitate to let me know if you have any questions.

Sincerely,
Beth

From: Don Rome [mailto:DRome@PSC.STATE.FL.US]
Sent: Tuesday, October 13, 2015 9:52 AM
To: 'Adams, Lynne'; robert.pickels@duke-energy.com; wjstiles@tecoenergy.com; hhenders@southernco.com; mcassel@fpuc.com; aw@macfar.com; KFloyd@tecoenergy.com; 'cbermude@aglresources.com'; 'ewade@aglresources.com'; Keating, Beth; mcassel@chpk.com; Martin, Cheryl (Cheryl.Martin@fpuc.com); Young Curtis (Curtis.Young@chpk.com); 'ssoaf@stjoenaturalgas.com'; 'dstitt@stjoegas.com'; 'jmelendy@floridasbestgas.com'
Cc: Elisabeth Draper; Pamela H. Page
Subject: DATA REQUEST: Statement of Estimated Regulatory Costs for rule changes to implement changes to Chapter 366, Florida Statutes (F.S.)

Hello, everyone. Florida Public Service Commission staff is in the process of preparing a Statement of Estimated Regulatory Costs (SERC) for proposed revisions to Chapter 25-6 (Electric Service by Electric Public Utilities) and Chapter 25-7 (Gas Service by Gas Public Utilities), Florida Administrative Code. Revisions to Commission rules are being proposed to incorporate changes made to Chapter 366, F.S., during the 2015 legislative session. The draft rule amendments shown in legislative format are attached.

When the Commission makes changes to its rules, the agency prepares a SERC pursuant to Section 120.541, F.S. The attached file titled "Staff First Data Request" is offered to solicit your input on whether compliance with the new statutory requirements and the Commission's associated rule changes will result in additional costs to investor-owned electric and gas utilities. Draft rule amendments pertaining to electric utilities are in the files labeled 25-6.093, 25-6.097, and 25-6.100 whereas draft rule amendments pertaining to gas utilities are in the files labeled 25-7.079, 25-7.083, and 25-7.085.

If your utility has a parent company that conducts both electric and gas operations, please provide separate data request responses for the electric and the gas operations. If your utility has a parent company with several natural gas operating entities (divisions/subsidiaries), you have the option of either providing a single response consolidated for all gas operating entities or a separate response for each entity, whichever you prefer.

Please provide responses to the attached data request by **October 23, 2015**. Please direct any questions to Don Rome, Division of Economics, at drome@psc.state.fl.us or at (850) 413-6495. Thanks and regards,

Don Rome, Public Utility Analyst

Economics Division – Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
(850) 413-6495 FAX: (850) 413-6496
drome@psc.state.fl.us



October 26, 2015

EMAIL

Don Rome, Public Utility Analyst
Economics Division – Florida Public Service Commission
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Undocketed - Statement of Estimated Regulatory Costs for rule changes to implement changes to Chapter 366, Florida Statutes

Dear Mr. Rome:

Attached, please find the responses of Florida Public Utilities Company (Natural Gas Divisions), Florida Division of Chesapeake Utilities Corporation, and Florida Public Utilities Company (Electric Division) to Staff's Data Requests dated October 13, 2015.

As always, please don't hesitate to let me know if you have any questions whatsoever.

Kind regards,

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

MEK

Undocketed

Amendments to Chapters 25-6 and 25-7, Florida Administrative Code, (F.A.C.)

Implementation of Changes to Chapter 366, Florida Statutes (F.S.)

Promulgated via Chapter 2015-129, Laws of Florida (eff. July 1, 2015)

Staff's First Data Request (*Florida Public Utilities Company – Natural Gas Divisions and Florida Division of Chesapeake Utilities Corporation*)

1. Commission Rules 25-6.093 and 25-7.079, F.A.C. (Information to Customers), are being amended to implement paragraph 366.05(1)(d), F.S. In accordance with the statute, if a utility has more than one rate for any customer class, it must notify each customer in that class of the available rates and explain how the rate is charged to the customer. If a customer contacts the utility seeking assistance in selecting the most advantageous rate, the utility must provide good faith assistance to the customer. Please describe your current process for assisting customers for whom multiple rate schedules may be available.

Company Response:

In the event a customer contacts the Company requesting assistance in selecting a rate schedule, the Company works with, and will continue to work with, each individual customer to identify and assign the most appropriate rate schedule based on the needs of that individual customer and the type of service being requested; ie. sales service, transportation, time of use, special contract etc.

The potential for this situation occurring would be in regards to the customers who elect the Company's Gas Transportation Service and would therefore be billed accordingly for the gas commodity by a third party supplier (Pool Manager) through the Company.

Upon notification of any material changes in Customer's installation or load conditions, Company will assist in determining if a change in rates is desirable, but unless required by substantial changes in the Customer's installation, not more than (1) such change in rates will be made within any twelve (12) month period.

- a. Please explain whether or not you anticipate that the new statutory customer notification and assistance requirements will result in your company conducting additional customer outreach efforts and/or customer service activities.

Company Response:

The Company does not anticipate additional customer outreach efforts or customer service activities as a result of the new statutory customer notification and assistance requirements.

- b. If the answer to a. is affirmative, please describe the additional outreach efforts and/or customer service activities that will be conducted and provide an estimate of the additional (*i.e.*, incremental) costs to your company per year for the next five years.

Company Response:
Not applicable.

2. Commission Rules 25-6.097 and 25-7.083, F.A.C. (Customer Deposits), are being amended to implement paragraph 366.05(1)(c), F.S. In accordance with the statute, a methodology is prescribed, effective January 1, 2016, that sets a maximum deposit amount that the utility may collect for an existing account or for a new service request. Please describe your current method for calculating customer deposits for new and existing accounts.

Company Response:

Unless credit is otherwise established in accordance the Company's regulation on such, the customer shall make a deposit. The amount of the initial deposit may not exceed an amount necessary to cover charges for service two (2) month's average billings to be calculated either:

- previous billings at the service address;
- average billings for the class of Customer (residential or non-residential);
- average billings based on the type of equipment/appliances in service or to be put in service.

A residential customer may request the amount of the initial deposit be billed and paid in even installments over a two (2) month's for deposit amounts between \$50 and \$150 and three (3) month's for deposits over \$150, which may be granted at the Company's discretion.

Company may require, upon reasonable written notice of not less than 30 days, such a notice being separate and apart from any bill for service, a new deposit where previously waived or returned, or an additional deposit, in order to secure payment of current bills; provided, however, that the total amount of the required deposit shall not exceed an amount equal to the average actual charges for service for two billing periods for the 12-month period immediately prior to the date of notice. In the event the customer has had service for less than 12 months, then the Company shall base its new or additional deposit upon the average actual monthly billing available.

- a. Please explain whether or not you anticipate that the new statutory customer deposit calculation requirements will result in a need by your company to perform any system reprogramming or to make other business process changes to manage the customer deposit function.

Company Response:

The Company does not anticipate that the new statutory customer deposit calculation requirements will result in a need by the Company to perform any system reprogramming or to make other business process changes to manage the customer deposit function. Its current method of calculating customer deposits is

in accordance with the implementation of paragraph 366.05(1)(c) of the Florida Statutes.

- b. If the answer to a. is affirmative, please describe the changes that will be necessary and provide an estimate of the additional (*i.e.*, incremental) costs to your company per year for the next five years.

Company Response:

Not applicable.

3. Commission Rules 25-6.100 and 25-7.085, F.A.C. (Customer Billings), are being amended to implement paragraph 366.05(1)(b), F.S. In accordance with the statute, 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.

- a. Please explain whether or not you anticipate that the new statutory customer billing requirements will result in a need by your company to perform any system reprogramming or to make other business process changes to manage the customer billing function.

Company Response:

The Company does not anticipate that the new statutory customer billing requirements will result in a need by the Company to perform any system reprogramming or to make other business process changes to manage the customer billing function. Rather than advance or postpone the regular meter reading dates of customer billing period, the Company allows the process to bill normally and any corrections to be made would be adjusted immediately afterwards.

- b. If the answer to a. is affirmative, please describe the changes that will be necessary and provide an estimate of the additional (*i.e.*, incremental) costs to your company per year for the next five years.

Company Response:

Not applicable

4. Commission Rule 25-6.100, F.A.C. (Customer Billings), is being amended to implement subsection 366.95(4), F.S. In accordance with the statute, if an electric utility has

obtained a financing order and caused nuclear asset-recovery bonds to be issued, the utility's electric bills must: (1) explicitly reflect information explaining the nuclear asset-recovery charge and the ownership of that charge, and (2) show a separate line item titled "Asset Securitization Charge" on each customer's bill that includes both the rate and the amount of the charge.

- a. Do you anticipate that the customer billing requirements pursuant to subsection 366.95(4), F.S., will result in a need by your company to perform any system reprogramming or to make other business process changes to manage the customer billing function?

Company Response:

Not applicable.

- b. If the answer to a. is affirmative, please describe the changes that will be necessary and provide an estimate of the additional (*i.e.*, incremental) costs to your company per year for the next five years.

Company Response:

Not applicable.

Undocketed
Amendments to Chapters 25-6 and 25-7, Florida Administrative Code, (F.A.C.)
Implementation of Changes to Chapter 366, Florida Statutes (F.S.)
Promulgated via Chapter 2015-129, Laws of Florida (eff. July 1, 2015)
Responses to Staff's First Data Request (Florida Public Utilities – Electric Division)

1. Commission Rules 25-6.093 and 25-7.079, F.A.C. (Information to Customers), are being amended to implement paragraph 366.05(1)(d), F.S. In accordance with the statute, if a utility has more than one rate for any customer class, it must notify each customer in that class of the available rates and explain how the rate is charged to the customer. If a customer contacts the utility seeking assistance in selecting the most advantageous rate, the utility must provide good faith assistance to the customer. Please describe your current process for assisting customers for whom multiple rate schedules may be available.

Company Response:

In the event a customer contacts the Company requesting assistance in selecting a rate schedule, the Company works with, and will continue to work with, each individual customer to identify and assign the most appropriate rate schedule based on the needs of that individual customer and the type of service being requested; ie. sales service, transportation, time of use, special contract etc.

Upon notification of any material changes in Customer's installation or load conditions, Company will assist in determining if a change in rates is desirable, but unless required by substantial changes in the Customer's installation, not more than (1) such change in rates will be made within any twelve (12) month period.

- a. Please explain whether or not you anticipate that the new statutory customer notification and assistance requirements will result in your company conducting additional customer outreach efforts and/or customer service activities.

Company Response:

The Company does not anticipate additional customer outreach efforts or customer service activities as a result of the new statutory customer notification and assistance requirements.

- b. If the answer to a. is affirmative, please describe the additional outreach efforts and/or customer service activities that will be conducted and provide an estimate of the additional (*i.e.*, incremental) costs to your company per year for the next five years.

Company Response:

Not applicable.

2. Commission Rules 25-6.097 and 25-7.083, F.A.C. (Customer Deposits), are being amended to implement paragraph 366.05(1)(c), F.S. In accordance with the statute, a methodology is prescribed, effective January 1, 2016, that sets a maximum deposit amount that the utility may collect for an existing account or for a new service request. Please describe your current method for calculating customer deposits for new and existing accounts.

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Company may require, upon reasonable written notice of not less than 30 days, such a notice being separate and apart from any bill for service, a new deposit where previously waived or returned, or an additional deposit, in order to secure payment of current bills; provided, however, that the total amount of the required deposit shall not exceed an amount equal to the average actual charges for service for two billing periods for the 12-month period immediately prior to the date of notice. In the event the customer has had service for less than 12 months, then the Company shall base its new or additional deposit upon the average actual monthly billing available.

- a. Please explain whether or not you anticipate that the new statutory customer deposit calculation requirements will result in a need by your company to perform any system reprogramming or to make other business process changes to manage the customer deposit function.

Company Response:

The Company does not anticipate that the new statutory customer deposit calculation requirements will result in a need by the Company to perform any system reprogramming or to make other business process changes to manage the customer deposit function. Its current method of calculating customer deposits is in accordance with the implementation of paragraph 366.05(1)(c) of the Florida Statutes.

- b. If the answer to a. is affirmative, please describe the changes that will be necessary and provide an estimate of the additional (*i.e.*, incremental) costs to your company per year for the next five years.

Company Response:

Not applicable.

3. Commission Rules 25-6.100 and 25-7.085, F.A.C. (Customer Billings), are being amended to implement paragraph 366.05(1)(b), F.S. In accordance with the statute, 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.
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- b. If the answer to a. is affirmative, please describe the changes that will be necessary and provide an estimate of the additional (*i.e.*, incremental) costs to your company per year for the next five years.

Company Response:

Not applicable

4. Commission Rule 25-6.100, F.A.C. (Customer Billings), is being amended to implement subsection 366.95(4), F.S. In accordance with the statute, if an electric utility has obtained a financing order and caused nuclear asset-recovery bonds to be issued, the utility's electric bills must: (1) explicitly reflect information explaining the nuclear asset-recovery charge and the ownership of that charge, and (2) show a separate line item titled

“Asset Securitization Charge” on each customer’s bill that includes both the rate and the amount of the charge.

- a. Do you anticipate that the customer billing requirements pursuant to subsection 366.95(4), F.S., will result in a need by your company to perform any system reprogramming or to make other business process changes to manage the customer billing function?

Company Response:

Not applicable.

- b. If the answer to a. is affirmative, please describe the changes that will be necessary and provide an estimate of the additional (*i.e.*, incremental) costs to your company per year for the next five years.

Company Response:

Not applicable.