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| State of Florida  pscSEAL | | 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: | May 24, 2017 | | |
| TO: | Office of Commission Clerk (Stauffer) | | |
| FROM: | Division of Economics (Rome, Draper)  Office of the General Counsel (Brownless) | | |
| RE: | Docket No. 170090-GU – Petition for approval of tariff modifications to natural gas tariff, in compliance with recent amendment to Florida statutes and Commission rules, by Peoples Gas System. | | |
| AGENDA: | 06/05/17 – Regular Agenda – Tariff Filing – Interested Persons May Participate | | |
| COMMISSIONERS ASSIGNED: | | | All Commissioners |
| PREHEARING OFFICER: | | | Administrative |
| CRITICAL DATES: | | | 06/19/17 (60-Day Suspension Date) |
| SPECIAL INSTRUCTIONS: | | | Place following Docket No. 170088-EI |

Case Background

On April 20, 2017, Peoples Gas System (Peoples or Company) filed a petition requesting Commission approval of amendments to Tariff Sheet Nos. 5.301, 5.301-1, and 5.301-2 (Deposits). During the 2015 session, the Florida Legislature enacted House Bill 7109 which was incorporated into Chapter 2015-129, Laws of Florida. Among other things, the legislation created Section 366.05(1)(b) and (c), Florida Statutes (F.S.). Paragraph (1)(b) addresses billing periods and Paragraph (1)(c) addresses customer deposits. These laws became effective on July 1, 2015. The Commission adopted amendments to Rules 25-7.085 (Customer Billing) and 25-7.083 (Customer Deposits), Florida Administrative Code (F.A.C.), respectively, to implement the laws enacted in July 2015.[[1]](#footnote-1)

Peoples is requesting tariff modifications at this time to ensure that the Company’s tariff language continues to conform to the applicable statutes and Commission rules. On May 15, 2017, Peoples filed an amended version of Tariff Sheet No. 5.301 to reflect scrivener’s editorial changes. The Commission has jurisdiction in this matter pursuant to Sections 366.03, 366.05, and 366.06, F.S.

Discussion of Issues

Issue :

 Should the Commission approve Peoples' proposed tariff modifications?

Recommendation:

 Yes, the Commission should approve Peoples’ requested modifications to Tariff Sheet Nos. 5.301, 5.301-1, and 5.301-2, as reflected in Attachment A, effective June 5, 2017. (Rome, Draper)

Staff Analysis:

 Peoples’ proposed tariff modifications are designed to conform Peoples’ tariff to the applicable statutes and Commission rules. The Company’s proposed tariff modifications address customer deposits. At this time, Peoples does not have tiered rate schedules; therefore, Peoples is not proposing any changes to its tariff as a result of changes to Section 366.05(1)(b), F.S., and Rule 25-7.085, F.A.C.

Customer Deposits

Section 366.05(1)(c), F.S., provides that for an existing account, the total deposit may not exceed two months of average actual charges. For a new service request, the total deposit may not exceed two months of projected charges. Once a new customer has had continuous service for a 12-month period, the amount of the deposit shall be recalculated using actual data. Any difference between the projected and actual amounts must be resolved by the customer paying the additional amount that may be billed by the utility or the utility returning any overcharge.

The Commission amended Rule 25-7.083(1), F.A.C., to state that the utility’s methodology for determining customer deposits for existing and new accounts shall conform to Section 366.05(1)(c), F.S.[[2]](#footnote-2) The prior rule language already required that the total amount of a deposit not exceed twice the average monthly bill.

Peoples’ proposed revisions to Tariff Sheet No. 5.301 conform to the new statutory language regarding the recalculation of the deposit after 12-months. Peoples’ proposed amendments to Tariff Sheet No. 5.301 comport with the statute by providing that: (a) if the recalculated deposit amount based on the previous 12-months billing history is less than the customer’s current deposit amount, the difference between the deposit amounts will be refunded or applied as a credit to the customer account; and (b) if the recalculated deposit amount exceeds the customer’s current deposit amount, the Company may request an additional deposit amount. Peoples also proposed some administrative revisions to Tariff Sheet Nos. 5.301-1 and 5.301-2 to conform to Rule 25-7.083, F.A.C.

Pursuant to Rule 25-7.083(7), F.A.C., utility customers receive refunds of their deposits with interest after a period of 23 months of continuous service, assuming their payment record is satisfactory. Therefore, for the majority of utility customers, the deposit amount recalculation after a 12-month period of continuous service occurs only once.

Conclusion

Based on a review of the applicable statutes, Commission rules, and proposed tariffs filed by Peoples, staff believes that the tariff sheet revisions conform to the applicable statutes and Commission rules. Therefore, staff recommends that the Commission approve Peoples’ requested modifications to Tariff Sheet Nos. 5.301, 5.301-1, and 5.301-2, as reflected in Attachment A, effective June 5, 2017.

Issue :

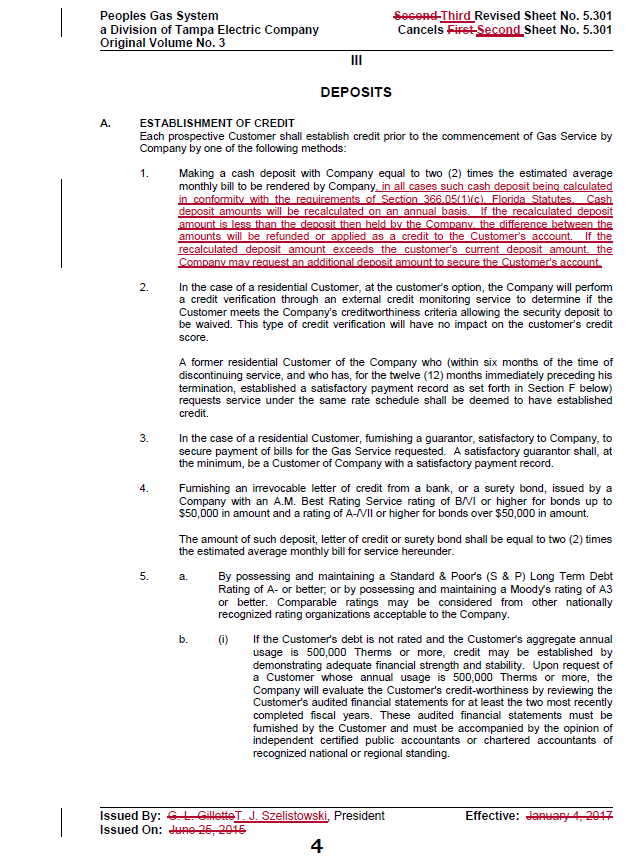
 Should this docket be closed?

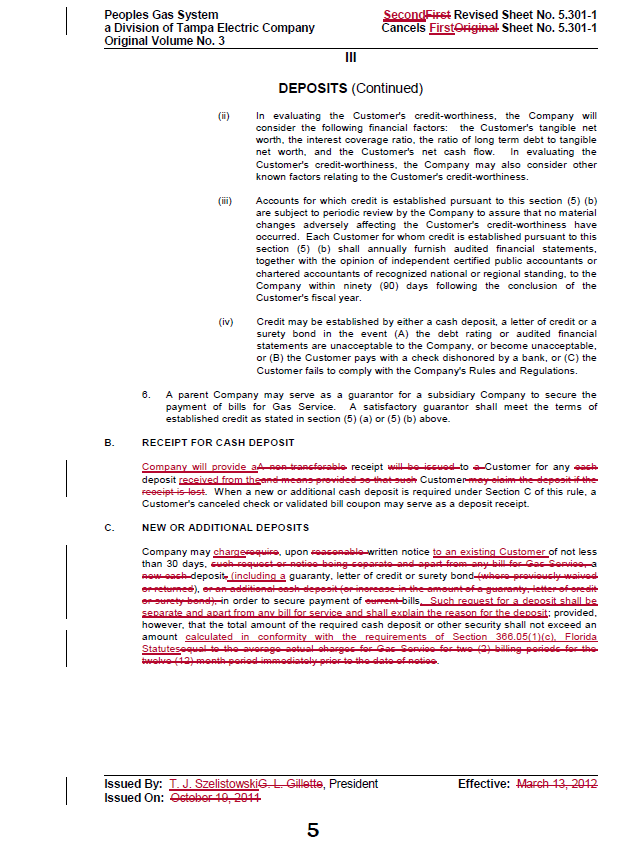
Recommendation:

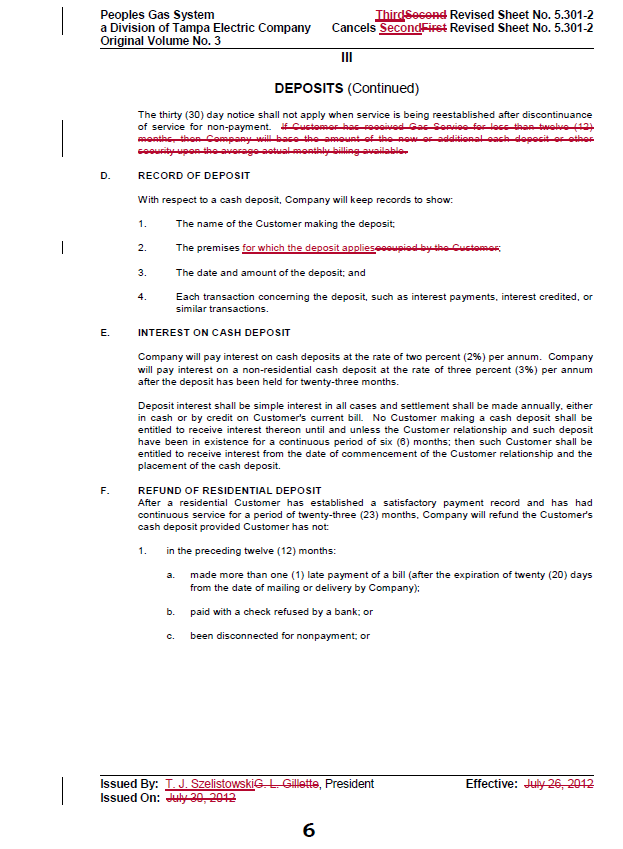
 If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order. (Brownless)

Staff Analysis:

 If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.







1. Order No. PSC-16-0024-FOF-PU, issued January 12, 2016, in Docket No. 150241-PU, *In re: Proposed amendments to Rules 25-6.093, Information to Customers; 25-6.097, Customer Deposits; 25-6.100, Customer Billings; 25-7.079, Information to Customers; 25-7.083, Customer Deposits; and 25-7.085, Customer Billing, F.A.C*. [↑](#footnote-ref-1)
2. *Id*. [↑](#footnote-ref-2)