



Dianne M. Triplett
Deputy General Counsel

October 16, 2018

VIA ELECTRONIC FILING

Ms. Carlotta Stauffer, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: *Duke Energy Florida, LLC's Petition for a Temporary Waiver from Application of Rule 25-6.100, Florida Administrative Code; Undocketed*

Dear Ms. Stauffer:

Enclosed for filing on behalf of Duke Energy Florida, LLC ("DEF") is DEF's Petition for a Temporary Waiver from Application of Rule 25-6.100, F.A.C.

Thank you for your assistance in this matter. Please feel free to call me at (727) 820-4692 should you have any questions concerning this filing.

Sincerely,

/s/ Dianne M. Triplett

Dianne M. Triplett

DMT/cmkn
Enclosure

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Duke Energy Florida, LLC,
for a Temporary Waiver From Application of
Rule 25-6.100, Florida Administrative Code

Docket No. _____

Filed: October 16, 2018

**DUKE ENERGY FLORIDA, LLC’S PETITION FOR A TEMPORARY WAIVER
FROM APPLICATION OF RULE 25-6.100, FLORIDA ADMINISTRATIVE CODE**

Duke Energy Florida, LLC (“DEF”), pursuant to Section 120.542, Florida Statutes (“F.S.”), and Rule 28-104.002, Florida Administrative Code (“F.A.C.”), hereby petitions for a temporary waiver of Rule 25-6.100, F.A.C, because strict application of this rule during the aftermath of Hurricane Michael will create a substantial hardship for DEF and its customers dealing with the aftermath of the storm. In support of this Petition, DEF states the following:

1. DEF¹ is an investor-owned utility operating under the jurisdiction of the Commission pursuant to the provisions of Chapter 366, F.S. DEF’s principal place of business is located at 299 1st Avenue North, St. Petersburg, Florida 33701.

2. For purposes of this Petition and the resulting proceeding, DEF’s address shall be that of its undersigned counsel. Any pleading, motion, notice, order or other document required to be served upon DEF or filed by any party to this proceeding should be served upon DEF’s undersigned counsel.

Background and Overview

3. DEF serves more than 1.8 million retail customers in Florida. Its service area includes the counties of Gulf, Franklin, Bay, and Wakulla in the Florida Panhandle.

4. On October 8, 2018, Hurricane Michael reached hurricane-force winds. On October 10, 2018, Hurricane Michael made landfall near Mexico Beach in the Florida Panhandle

¹ DEF is a wholly-owned subsidiary of Duke Energy Corporation.

with wind speeds as high as 155 miles per hour (just under Category 5), possibly making it the strongest hurricane to ever hit the Florida panhandle. The Category 4 storm slammed coastal towns in the Panhandle, leveling buildings and structures, flooding streets and leaving a trail of destruction.

5. During and after Hurricane Michael, the number of power outages amongst DEF customers in the affected areas exceeded 77,000. The largest share of outages were seen in the coastal areas of Bay County, home to Mexico Beach and Panama City, and the nearby counties of Gulf, Franklin, and Wakulla, where a substantial number of DEF customers lost power. As of the filing of this Petition, DEF is continuing to perform substantial amounts of restoration work in response to Hurricane Michael.

6. Most significantly, the homes and businesses of many DEF customers in the affected areas were either destroyed or made uninhabitable by Hurricane Michael. Roads that normally provide access to the homes and businesses of DEF customers are presently not accessible by normal means due to flooding and debris. As a consequence of these conditions, mail delivery has been temporarily suspended by the U.S. Postal Service to many DEF customers who reside in these areas².

The Rule From Which DEF Seeks a Temporary Waiver

7. It is against this backdrop that DEF seeks a temporary waiver of the requirements set forth in Rule 25-6.100, F.A.C. This rule requires DEF to perform services that necessitate physical access by the U.S. Postal Service to customer residences in the areas affected by Hurricane Michael.

² An updated list of the areas to which mail delivery service has been interrupted is available at <http://about.usps.com/news/service-alerts/> (last visited Oct. 16, 2018).

8. Rule 25-6.100, F.A.C., in relevant part, requires DEF to mail bills to customers on a monthly basis:

Bills shall be rendered monthly and as promptly as possible following the reading of meters.

9. In light of the mandate set forth in Rule 25-6.100, F.A.C., DEF is uncertain whether during the aftermath of Hurricane Michael, DEF may temporarily suspend the rendering of bills to customers in the areas affected by Hurricane Michael.

Statutes Implemented by the Rule

10. Rule 25-6.100, F.A.C., implements Sections 366.03, 366.04(2), 366.041(1), 366.05(1), 366.051, 366.06(1), 366.8260(4), and 366.95(4), F.S.

Type of Action Requested

11. DEF is requesting a temporary waiver from the requirement imposed by Rule 25-6.100, F.A.C., that DEF render monthly bills to its customers in Bay, Gulf, Franklin, and Wakulla Counties.

12. In particular, DEF is proposing to suspend the rendering of monthly bills to these customers (approximately 28,523) until DEF has completed restoration for all customers that may receive service in that particular county. Given the varying extent of damage in these four counties, the time period during which DEF does not render bills is likely to vary. For example, as of the filing of this variance petition, DEF resumed issuing bills for Wakulla County customers; however, during the restoration effort, monthly bills could not be rendered to some customers in that county. DEF will not impose any penalties or interest on bills not paid by DEF customers during this one-month period, and will provide necessary payment arrangement plans to any of its customers that need additional time to pay their bills. DEF will also provide the suspended bill information to customers as soon as restoration in their county is complete, so

customers will receive all information related to their usage. They will only not receive this bill in strict compliance with the timing requirements of Rule 25-6.100, F.A.C.

13. DEF further proposes to notify customers in the affected areas of these temporary suspensions via text messages and updates to its website. DEF will also issue a news release.

14. If this Petition is granted by the Commission, DEF will resume the rendering of bills to customers in these counties when restoration is complete. DEF cannot give a firm date at this point, given the nature of the extensive damage to these counties, but DEF will inform Staff when it resumes normal billing operations in the affected counties.

Substantial Hardship and Principles of Fairness Necessitate the Requested Waiver

15. Pursuant to section 120.542(2), the Commission is required to grant a waiver when:

the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness. For purposes of this section “substantial hardship” means a demonstrated economic, technological, legal, or other type of hardship to the person requesting the variance or waiver. For purposes of this section, “principles of fairness” are violated when a literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule.

16. Unless the Commission temporarily waives the requirements imposed by Rule 25-6.100, F.A.C., DEF will be unable, due to circumstances that are beyond its control, to satisfy the requirements of the rules.

17. DEF's inability to fulfill these requirements will subject DEF to scrutiny and the possible imposition of penalties by the Commission,³ which creates a substantial hardship for DEF.

18. In addition, a literal application of the rules to DEF under the present circumstances caused by Hurricane Michael would affect DEF in a manner that is significantly different from the way the rules affect other utilities not impacted by the effects of Hurricane Michael.

19. As discussed above, compliance with Rule 25-6.100, F.A.C., necessitates good physical access to the residences of DEF customers in the affected areas. At the present time, such access has been rendered impossible or impracticable by the destruction caused by Hurricane Michael.

20. Roads are impassible due to residual flooding and the large quantity of debris that remains on the roads. As a consequence, the U.S. Postal Service does not have safe physical access to the residences of these customers. Due to this reason, the U.S. Postal Service cannot deliver bills to these customers.

21. Even assuming residences in the affected areas are accessible by normal means, many of the mailboxes for these residences are themselves not serviceable because they were either destroyed or made non-functional by Hurricane Michael.

22. Unless the Commission grants the waiver sought in this Petition, DEF will suffer a substantial hardship and principles of fairness will be violated.

The Requested Waiver Will Serve the Purpose of the Underlying Statutes

23. The overall purpose of the statutory provisions implemented by Rule 25-6.100, F.A.C., is to ensure fair, reasonable and timely charges are made by utilities to their customers.

³ See Section 366.05(10), F.S.

24. The temporary waivers sought by DEF in this Petition will serve this purpose. During the short period of time that DEF suspends bill rendering, DEF will not impose any interest or penalty on customer bills. As a result, customers will not suffer any negative effect from the waiver.

25. To the contrary, DEF customers will be enabled by the waiver sought by DEF to focus the limited resources they would otherwise have to dedicate to resolving their utility bills to more pressing issues, such as returning to work and school and to making repairs to their homes.

26. No adverse impacts on service to DEF customers will result from the temporary waiver sought by DEF. The temporary waiver in conjunction with DEF's decision to not impose interest or penalties on customer bills during the waiver period will ensure that DEF's bills to its customers in the affected area are fair, reasonable and timely.

WHEREFORE, Duke Energy Florida, LLC, requests that it be granted a temporary waiver, until the completion of restoration efforts, from the requirement contained in Rule 25-6.100, F.A.C, that DEF render bills to customers on a monthly basis.

Respectfully submitted,

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