

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of temporary electric restoration payment program on expedited basis, by Florida Public Utilities Company.

DOCKET NO. 20180203-EI
ORDER NO. PSC-2018-0568-TRF-EI
ISSUED: December 4, 2018

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman
JULIE I. BROWN
DONALD J. POLMANN
GARY F. CLARK
ANDREW GILES FAY

ORDER APPROVING TEMPORARY ELECTRIC RESTORATION
PAYMENT PROGRAM ON AN EXPEDITED BASIS

BY THE COMMISSION:

Background

Florida Public Utility Company (FPUC or Utility) provides electricity to more than 32,000 customers located in North Florida. FPUC's Northwest Division serves Jackson, Calhoun and Liberty counties, and is commonly called the "Marianna Division." The Utility's Northeast Division is located in the Fernandina Beach area, and serves Nassau County. FPUC does not generate any of the power it sells, but meets the needs of its customers through contracts for purchased power.

On October 10, 2018, Hurricane Michael made landfall in the Florida Panhandle near Mexico Beach at just below Category 5. The storm then proceeded north through the central Panhandle with the eye carving a path of destruction from south to north directly through the inland communities served by FPUC, with very little weakening of the storm until it was well into Georgia. As a result of the extensive damage caused by the storm, 100% of FPUC's customers in the NW division experienced power outages.

Many of the homes and businesses served by FPUC were, however, so severely damaged that even as power lines and facilities were re-energized, those premises could not receive power due to the damage they had sustained. As of November 1, 2018, FPUC's system has been restored to approximately 97% of the customers that are able to take power in the Northwest Division. However, the Utility estimates that up to 9% (approximately 1,100) of customers'

homes in these areas cannot be reconnected to FPUC's system due to damage to the electric facilities owned by the customer.

FPUC states that many of the homes and businesses served by FPUC in its Northwest service territory have been either totally destroyed or rendered uninhabitable as a result of Hurricane Michael. Access to some locations remains limited due to downed trees, other debris, and related hazardous conditions. Even in those areas in which mail service has been reinstated by the U.S. Postal Service, many customers are unable to take delivery due to the condition of their premises.

Due to the catastrophic effects of Hurricane Michael, a substantial number of FPUC's customers in Jackson, Calhoun, and Liberty Counties are unable to take electric service from FPUC. On November 1, 2018, FPUC filed a petition for approval of an optional, temporary electric restoration payment program on an expedited basis. The program is intended to assist these customers in expediting the repair of the customer-owned equipment necessary for the resumption of essential electric service, the continued interruption of which is an immediate danger to the public health, safety, and welfare.

We find it necessary and fair under the circumstances to conduct a meeting on an emergency basis on November 5, 2018, to consider FPUC's petition, in order to protect the public interest, pursuant to Section 120.525(3), Florida Statutes (F.S.). We have jurisdiction pursuant to Sections 366.04, 366.05, and 366.06, F.S.

Decision

In an effort to assist customers faced with the prospect of having to repair customer-owned electrical equipment in order to have service restored, FPUC proposes to offer an temporary program that would allow customers the opportunity to have the repairs made as expeditiously as possible, but with payments spread out over a reasonable period of time. FPUC's Electric Restoration Payment Program (program) is a proposed optional program that would allow customers to obtain the services of a licensed and bonded electrician as quickly as possible, but FPUC would pay the upfront cost of the work performed by the electrician. Under the program, FPUC would pay for an electrician's materials and labor in an amount up to \$1,500 for the replacement or repair of the following specified equipment: ground wire and rod, meter box, riser conduit, service stack, attachment hardware, and weather head. FPUC would then bill the customer the amount paid by FPUC for the electrician's services, plus an associated administrative fee of \$20.00, over a 12-month billing period. The unpaid balance would be held in Accounts Receivable separate from utility billing accounts. The applied administrative fee would enable the Utility to mitigate costs associated with administering the program. No interest would be assessed by FPUC. The facilities installed or repaired will remain the property of the customer. Consequently, the Utility would not earn additional returns as a result of this proposed program. Customers would not be at risk of disconnection in the event that they fail to complete payments under the program, but would be subject to other collection mechanisms available to the Utility under Florida law. Any unpaid, uncollected amounts would be recorded as bad debt expense for consideration in FPUC's next rate proceeding.

As part of this program, customers would be able to select their preferred electrician, as long as the electrician is licensed and bonded. Given the limited number of electricians in the area, FPUC has also identified reputable electricians that work in the Utility's Northwest territory that would be willing and able to participate in this program for the Northwest customers, thus providing an additional supply of electricians to facilitate faster restoration for more customers. FPUC is asking that this temporary program remain in effect for a limited period of 60 days from Commission approval. This should provide sufficient time for those customers interested in the program to be made aware of it and sign up.

FPUC submitted as part of its petition an Attachment A, showing the required new electric tariff sheet (in legislative and clean formats) reflecting the incorporation of language addressing the Utility's proposed program. FPUC also included with its petition an Attachment B, reflecting the calculation of the administrative fee, and a revised Attachment C, reflecting the participation form that the Company anticipates utilizing for participating customers and electricians.

Based on our review of the information provided in the petition, we find that FPUC's petition for approval of temporary electric restoration payment program on expedited basis is reasonable and appropriate, and the program is hereby approved. The program shall remain in effect for a period of 60 days from the date of our approval, November 5, 2018.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Public Utilities Company's Petition for approval of temporary electric restoration payment program on an expedited basis is approved, as reflected in Attachment A hereto, effective for a period of 60 days from the date of our vote, November 5, 2018. It is further

ORDERED that if a protest is filed within 21 days of issuance of the Order, the tariff shall remain in effect with any charges held subject to refund pending resolution of the protest. It is further

ORDERED that if no timely protest is filed, this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 4th day of December, 2018.



CARLOTTA S. STAUFFER
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

JSC

NOTICE OF FURTHER PROCEEDINGS

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the proposed action files a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on December 26, 2018.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

Florida Public Utilities Company
F.P.S.C. Electric Tariff
Third Revised Volume No. I

First Revised Sheet No. 67
Cancels Original Sheet No. 67

RESERVED FOR FUTURE USE **TEMPORARY ELECTRIC RESTORATION PAYMENT PROGRAM**

Availability:

This optional payment program will be made available, for 60 days starting from the date of Commission approval, to all residential (RS) customers within the territory served by the Company in Jackson, Calhoun and Liberty Counties who are unable to take electric service from the Company as a result of damages sustained by Hurricane Michael.

Applicability:

To support a safe and reliable storm restoration, the Company will offer temporary assistance financing the repair or replacement of customer-owned equipment that was damaged as a result of Hurricane Michael. Repair or replacement of the following customer-owned equipment, including labor, is covered by this program:

- Ground Wire and Rod
- Meter Box
- Riser Conduit
- Service Stack
- Attachment Hardware
- Weather Head

Miscellaneous Terms and Conditions:

The Company will provide a list of contractors, or the customer may choose their own licensed and bonded electrician to complete the work required.

The Company will reimburse the selected electrician up to \$1,500, per Customer of Record, for the service rendered under this temporary tariff.

Each electrician will complete a Temporary Electric Restoration Payment Program request form, including the customer's signature, and supply that form, along with an invoice for the work completed and attributable to Hurricane Michael, to the Company for reimbursement.

Monthly Rate:

The Customer of Record is responsible for repayment of all amounts received under the Temporary Electric Payment Program tariff. The total cost of the restoration job up to \$1,500.00, plus an administrative fee of \$20 to mitigate associated Company expenses, will be divided into monthly payments over a twelve-month period. The monthly payments will be invoiced to the customer separately from the customer's electric bill. After the twelve-month repayment period, all remaining unpaid balances will be subject to debt collection mechanisms available to the Company under Florida law. No interest will be applied to the customer's balance and customers will not be subject to disconnection for any unpaid, past due balance.

Issued by: Jeffrey M. Householder, President

Effective: NOV-01-2014

Florida Public Utilities Company
F.P.S.C. Electric Tariff
Third Revised Volume No. I

First Revised Sheet No. 67
Cancels Original Sheet No. 67

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Issued by: Jeffry M. Householder, President

Effective: