

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Petition to Initiate Emergency Rulemaking to)
Prevent Electric Utility Shutoffs)
_____)

DOCKET NO. 20200219-EI

FILED: September 29, 2020

**TAMPA ELECTRIC COMPANY’S COMMENTS REGARDING PETITION TO
INITIATE EMERGENCY RULEMAKING, BY LEAGUE OF UNITED LATIN
AMERICAN CITIZENS, ZORAIDA SANTANA, AND JESSE MOODY**

Tampa Electric Company (“Tampa Electric” or “the company”), submits the following Comments addressing the Petition to Initiate Emergency Rulemaking filed by League of United Latin American Citizens of Florida (“LULAC”), Zoraida Santana, and Jesse Moody on September 22, 2020 (“the Petition”). The Petition asks the Commission to initiate emergency rulemaking to modify Rule 25-6.105 of the Florida Administrative Code. As explained in greater detail below, Tampa Electric does not believe emergency rulemaking to modify Rule 25-6.105 is necessary at this time.

Introduction

Although Tampa Electric does not believe that the proposed emergency rule should be adopted at this time, it acknowledges that the topic of the proposed rulemaking is important and appreciates the opportunity the Petition has provided to explain: (1) the extensive efforts Tampa Electric has undertaken to work with customers to avoid disconnection and (2) the positive results those efforts have achieved. Tampa Electric acknowledges that the COVID-19 pandemic has been disruptive to many customers; however, when past-due customers contact the company, Tampa Electric can almost always work with them to avoid disconnection, either by providing access to third party agencies for paying past due amounts, or by working out a payment arrangement. Of the final notices of disconnection the company sent through September 24, only about 52 percent resulted in a disconnect order. Only about 40 percent of those disconnect orders resulted in actual

disconnections. This means that only 21 percent of the final notices resulted in actual disconnections. Of those disconnected customers, nearly 87 percent have been reconnected to date.

Stated another way, less than 3 percent of those customers who received a final notice of disconnection remain disconnected today. Tampa Electric has made efforts to contact all of the customers that remain disconnected. Of those the company has successfully reached, only a small number remain disconnected. These customers remain disconnected for several reasons, including refusal of an alternative payment plan, refusal of a referral for payment assistance, or because they have not yet returned appropriate documentation to an assistance agency. The company cannot overstate the importance of communications between past due customers and the company or the benefits that those communications yield.

Although it may seem punitive to some, resumption of disconnections has substantially increased the number of customers who are contacting the company, thereby enabling the company to work with customers to manage or eliminate past due balances. The company is concerned that adopting the emergency rule would result in fewer customers calling for and receiving assistance and would actually result in more disconnections in the long run, not fewer. There are payment assistance resources available now that may not be available in the future and allowing past-due balances to grow without a payment plan or other assistance may cause the balance to become larger than customers can ultimately manage. The company is also concerned that adopting the proposed rule may limit the company's flexibility to assist customers with past due balances. The company's extensive efforts to work with its customers, and the positive results of those efforts, are explained further below.

Tampa Electric's Coronavirus Response

1. Since the onset of the coronavirus pandemic in March of 2020, Tampa Electric has taken several proactive steps to assist customers, including: (1) a moratorium on disconnections from March until September 14; (2) modified payment arrangements allowing residential customers with past due balances to make an initial down payment of 10-40 percent of the balance owed, with the remainder spread over 3-12 monthly, interest-free installment payments; and (3) a mid-course correction to the company's fuel and capacity cost recovery factors, which resulted in bill credits in June, July, and August and lower fuel charges through December of 2020.

2. The company has also increased the frequency of customer communications with the goals of providing pandemic-related information and prompting customers to address past due balances through alternative payment plans or assistance from third parties.

3. Tampa Electric informed customers about available payment assistance resources through several mediums, including: (1) the company's website; (2) mass e-mails in March, May, and July; (3) bill inserts in April, June, and July; and (4) social media posts in April, May, June, July, August, and September; and (5) an editorial written by Tampa Electric President Nancy Tower published in the Tampa Bay Times in September that urged customers to contact the company to make arrangements for past due balances.

4. Beginning in June, the company also completed several rounds of communications targeted specifically to customers with past due balances. These communications offered flexible payment extensions and directed customers to government and non-profit entities offering utility bill payment assistance. Business customers also received personal outbound calls from specially trained representatives to assist with payment arrangement information.

Resources Available to Customers

5. There are several government agencies and non-profit organizations that offer utility bill payment assistance to residents of West Central Florida. These include:
- a. The Salvation Army Share Program provides assistance to electric and gas utility customers with paying utility bills. Tampa Electric customers, employees, and the company itself all make donations to the Program. Due to the large volume of donations and applications for assistance, Tampa Electric is providing assistance to the Salvation Army in administering the application process.
 - b. Tampa Electric partnered with the Tampa Bay Lightning to provide customers with bill payment assistance. To date, the Lightning have paid \$150 per bill on nearly 100 customer bills.
 - c. The City of Tampa currently offers bill payment assistance to residential customers.
 - d. The Low-Income Energy Assistance Program (“LiHEAP”) and Emergency Home Energy Assistance for the Elderly Program (“EHEAP”) are federal funds that provide bill-payment assistance to vulnerable, low income, disabled, or elderly customers of electric and gas utilities.
 - e. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act provides funding to local governments to help customers pay electric and gas bills. Tampa Electric assisted local governments with applying for this federal funding.
 - f. For residents of Hillsborough County, The Rapid Response Recovery Assistance Program (“R3”) directs CARES Act funds to the community. The R3 Program

provides assistance of up to \$750 for past-due utility bills for residents that experienced reduced wages or are newly unemployed as a result of the pandemic.

g. The Society of St. Vincent DePaul Conferences in Hillsborough County established a process for Tampa Electric to refer customers with past due balances. In some instances, the Society Conferences will make a commitment to pay the entire past due balance. The Society Conferences also provide referred customers with assistance in navigating the R3 application process.

6. The company itself is also working to provide pandemic-related aid to the community. Tampa Electric partnered with nonprofit organizations, governments, and local businesses to provide aid. Tampa Electric and its sister company Peoples Gas donated \$1 million to local organizations providing pandemic relief, and worked with organizations including the Tampa Bay Lightning, the City of Tampa and the American Red Cross to create new initiatives.

7. Many of the above-described resources can provide timely bill payment assistance to customers who qualify. The R3 Program, for example, is currently accepting applications and at present has no backlog of applications under review.

8. Funding remains available from these sources and the level of assistance can be significant. Some Tampa Electric customers were guaranteed payments as large as \$2,500 towards their past due balances after the company directed them to these resources.

9. Between January 1 and September 24, 2020, 27,879 Tampa Electric customers received bill payment assistance totaling more than \$7.6 million.

Company Experience with Disconnections

10. Despite Tampa Electric's coronavirus response efforts, the number of customers with past-due balances increased over the period of March through July 2020. Between January

and June of 2020, the company's bad debt expense was projected to increase to 0.40 percent – slightly more than double the amount in the same period in 2019. Also, 25 percent of the company's accounts receivable were in arrears – over double the amount in the same period in 2019. This incremental bad debt expense for 2020 is estimated to result in write-offs of \$3 to \$4 million for Tampa Electric.

11. Rule 25-6.105 governs utility disconnections. It states that utilities may discontinue service for non-payment of bills. *See* R. 25-6.105(5)(g), F.A.C. Prior to discontinuing service for non-payment, however, the utility must make “a diligent attempt to have the customer comply, including at least 5 working days’ notice to the customer, such notice being separate and apart from any bill for service...” R. 25-6.105(5)(g), F.A.C.

12. Tampa Electric resumed disconnections on September 14. Before resuming disconnections, Tampa Electric went above and beyond the minimum notice requirement of the Rule. In addition to the increased customer communications described above, customers in arrears also received: (1) communications during the weeks of June 15 and June 29; (2) a 30-day notice of resumption of disconnections during the week of July 13; (3) a 15-day notice the week of July 20; (4) a communication prior to the first final notice during the week of July 27; and (5) an additional communication the week of August 24. The company also mailed a first final notice on July 31, mailed a second final notice on September 1, and delivered a final automated phone call one day prior to disconnection.¹

¹ The company's disconnection moratorium was originally scheduled to expire in August but was later extended until September 14, meaning customers received several rounds of communication regarding the resumption of disconnections.

13. Despite all of these attempts at communication, many past due customers did not contact Tampa Electric to resolve their past due balances until they received a final notice of disconnection or were actually disconnected.

14. Tampa Electric's experience is that final notices of disconnection and actual disconnections are effective at prompting customers to address their past due balances, and that the vast majority of customers are ultimately reconnected. More specifically:

- a. After the company sent final notices in September, the volume of final notices sent decreased by approximately 15 percent compared to the same billing cycle in August.
- b. Of all final notices sent through September 24, only 52 percent resulted in a disconnect order.
- c. Of all disconnect orders generated, only 40 percent resulted in actual disconnections.
- d. Only 21 percent of the final notices resulted in actual disconnections.
- e. Of all disconnections, the company has been able to reconnect approximately 87 percent of those customers through payment plans and third-party assistance to date. Disconnected customers with AMI meters can be reconnected the same day.
- f. Stated another way, less than 3 percent of those customers that received a final disconnection notice remain disconnected. Tampa Electric has made efforts to contact all of these customers. Of those the company has successfully reached, only a small number remain disconnected.

- g. During the first 25 days of September, 3,492 Tampa Electric customers received bill payment assistance totaling more than \$1,178,110. This is nearly three times greater than the pre-COVID monthly average of assistance contribution.
- h. During the week of September 14-18, the company's 60-day or greater past due balances decreased by \$300,000.

15. To summarize: (1) out of all customers who have received a final disconnection notice through September 24, only 3 percent remain disconnected; (2) the amount of bill payment assistance remains high; and (3) the company's 60-day or greater past due balances are decreasing. This illustrates that, following resumption of disconnections, more customers are taking action to address their past due balances and that the vast majority of those customers are able to avoid disconnection of service.

Emergency Rulemaking is Unnecessary at this Time

16. Petitioners ask the Commission to modify Rule 25-6.105 to prohibit nonpayment disconnections for customers that are able to certify that they meet seven specified criteria. The utility would also be prohibited from disconnecting any customer for nonpayment until they document "that they offered the customer an opportunity to make the certification and the customer was unable to make the certification or refused to make the certification."² Pursuant to Section 120.54(4)(c) of the Florida Statutes, this emergency provision would expire after a maximum of 90 days.

17. To implement this proposed emergency rule, utilities would be required to contact all customers that are scheduled for disconnection and provide them "an opportunity" to make the certification contemplated by the rule. Since the rule does not specify the length of this

² Petition, Document No. 08425-2020, filed September 22, 2020 in Docket No. 20200219-EI, at page 14.

“opportunity,” it could presumably last as long as the rule remains in effect. In short, all final notices of disconnection and actual disconnections could be suspended for up to 90 days.

18. Given the company’s experience since disconnections resumed on September 14, Tampa Electric does not believe emergency rulemaking to modify Rule 25-6.105 is necessary at this time. The company’s data illustrates that final disconnection notices and actual disconnections are effective at prompting customers to contact the company, and that in the vast majority of cases the company is able to reconnect the customer the same day or the next day through payment of the past due balance in full, alternative payment arrangements, or receipt of third-party bill payment assistance.

19. Tampa Electric is also concerned that the emergency rule may result in more disconnections than the existing rule. While utility bill payment assistance is currently available, it may not remain available forever if non-profit organizations exhaust their funding or if government programs expire. Final notices of disconnection and actual disconnections incentivize customers to pursue these resources now while they remain available. Furthermore, past due balances will continue to grow for an additional 90 days while the emergency rule remains in effect. These past due balances may ultimately become unmanageable for customers.

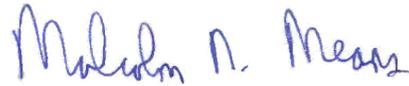
20. Tampa Electric strives to avoid disconnecting any customer because they are unable to pay. As explained above, the company is taking several proactive measures to prevent that outcome and these efforts are largely successful. While the proposed Rule amendment would expire after 90 days, Tampa Electric will continue its assistance efforts as long as the pandemic persists and even beyond.

21. For the reasons outlined in these comments, Tampa Electric respectfully requests that the Commission deny the Petitioners’ request to initiate emergency rulemaking at this time.

WHEREFORE, Tampa Electric Company submits the foregoing as its Comments regarding the Petition to Initiate Emergency Rulemaking filed on September 22, 2020.

DATED this 29th day of September 2020

Respectfully submitted,



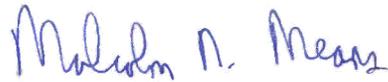
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ATTORNEYS FOR TAMPA ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Post-Workshop Comments, filed on behalf of Tampa Electric Company, has been furnished by electronic mail on this 29th day of September, 2020 to the following:

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