

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition to extend) DOCKET NO. 961527-EI
application of optional) ORDER NO. PSC-97-0265-FOF-EI
levelized payment plan to) ISSUED: March 11, 1997
general service customers by)
Tampa Electric Company.)
_____)

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman
SUSAN F. CLARK
J. TERRY DEASON
JOE GARCIA
DIANE K. KIESLING

ORDER APPROVING TARIFF REVISION

BY THE COMMISSION:

On December 23, 1996, Tampa Electric Company ("TECO" or "the company") filed a petition requesting our approval to revise TECO's Tariff Sheet No. 3.020 to extend application of its optional levelized payment plan to General Service ("GS") customers. For the reasons that follow, we approve TECO's request.

TECO explains that its levelized payment plan reduces the peaks and valleys of normal billing created by seasonal usage. The customer's bills are smoothed by averaging the previous eleven months' bills and the current month's bill. If a customer's bill exceeds the average amount, a portion of the deferred balance is added to the following month's bill (10% for deferrals less than \$250, 20% for deferrals greater than or equal to \$250). This reduces the potential for a customer to accumulate large deferred balances. This method of billing provides the customer with an opportunity to budget their energy expense.

In its petition, TECO states that, in response to a customer service survey, approximately 20% of the company's GS customers expressed an interest in a levelized payment plan. Currently only Residential Service ("RS") customers have the option of being billed under a levelized plan.

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TECO states in its petition that the GS class is comprised of small businesses with load and total energy characteristics similar to those of RS customers, and TECO's rate for the GS class is identical to that of the RS class. TECO suggests that bad debt and cash flow risks associated with providing a levelized payment plan are similar for both classes. According to TECO's petition, some form of security deposit is required for all commercial accounts. Therefore, if a GS customer subscribing to the levelized payment plan were to default on payment while owing a deferred balance, TECO could retain the deposit in lieu of the total balance owed.

We believe that the ability to smooth out seasonal fluctuations in energy costs over a twelve month period will allow small businesses to better match revenues and costs. This should reduce defaults during high energy usage months and enhance long term viability of participating small businesses.

In addition to expanding the availability of a levelized payment plan to GS customers, TECO requests approval of two changes to the plan's qualifying criteria. The first change addresses the delay between termination and eligibility to resubscribe to the levelized payment option. Currently, if a customer requests to be removed from the payment plan, he or she may not re-join the plan for twelve months. This restriction was originally included to prevent customers from "gaming" the system by taking advantage of credit balances. According to TECO's petition, attempts to "game" the system have been infrequent. TECO states that elimination of this restriction will give the company more flexibility to work with its customers. The second change concerns outstanding balances. Previous limitations inherent in TECO's customer billing system prohibited any customer transferring from one account to another from subscribing to the levelized billing option until his or her account was paid in full. TECO now has the ability to transfer outstanding balances between accounts and requests that it be allowed to remove the prohibitive language. We believe that these changes are reasonable and that TECO is the best judge of its ability to handle these situations with its customers.

We find that approval of TECO's Revised Tariff Sheet No. 3.020 will allow the company to accommodate its GS customers' request, will provide a beneficial service to those customers, and will not create any significant burden on its general body of ratepayers.

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Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Tampa Electric Company's Revised Tariff Sheet No. 3.020, which extends application of an optional levelized payment plan to general service customers and which modifies the plan's qualifying criteria as discussed in the body of this Order, is approved. It is further

ORDERED that the effective date of Tampa Electric Company's Revised Tariff Sheet No. 3.020 is February 21, 1997.

ORDERED if a protest is filed in accordance with the requirements set forth below, the tariff shall remain in effect, with any increase in revenues held subject to refund, pending resolution of the protest. It is further

ORDERED that if no protest is filed in accordance with the requirements set forth below, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 11th day of March, 1997.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay Flynn
Chief, Bureau of Records

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

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 action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on April 1, 1997.

In the absence of such a petition, this order shall become final on the day subsequent to the above date.

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.

If this Order becomes final on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the date this Order becomes final, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.