

State of Florida



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: April 23, 2020

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Coston) *WC, ED, JH*
Office of the General Counsel (Crawford) *JC*

RE: Docket No. 20200120-GU – Petition for approval of emergency modification to tariff, by Sebring Gas System, Inc.

AGENDA: 05/05/20 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 06/08/20 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

On April 9, 2020, Sebring Gas Systems, Inc. (Sebring or utility) petitioned for approval of an emergency modification to its tariff sheet No. 48 which addresses delinquent bills and late payment charges. On March 1, 2020, Governor Ron DeSantis declared a public health emergency in Florida as a result of the outbreak of the COVID-19 coronavirus and on March 9, 2020, the Governor declared a state of emergency and implemented the state's Emergency Management Plan. In addition, the Governor has issued additional Executive Orders to address the current emergency to include a statewide "Safer at Home" requirement. As a result of this emergency, the utility recognizes the economic impact to some residential and commercial customers. Many businesses are struggling financially and have instituted lay-offs or limited their employees' hours.

Sebring states that during this public emergency, it does not plan to disconnect service to customers for non-payment, as allowed under its current tariff. However, Sebring's current tariff

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does not provide the utility the ability to suspend late payment charges during this, or similar, emergency declarations. The proposed tariff modification would allow the utility flexibility to waive late payment charges during emergency situations, such as natural disasters and the current public health emergency.

Sebring's revised tariff sheet is Attachment 1 to this recommendation. The Commission has jurisdiction over this matter pursuant to Sections 366.04, 366.05, 366.06, Florida Statutes.

Discussion of Issues

Issue 1: Should the Commission approve Sebring’s proposed modifications to Tariff Sheet No. 48?

Recommendation: Yes, the Commission should approve the modifications to Tariff Sheet No. 48, effective May 5, 2020. (Coston)

Staff Analysis: Currently, Sebring’s tariff does not provide the utility the ability to waive late payment charges for any reason. This proposed modification would provide the utility with the flexibility to waive late fees during natural disasters and declared public emergencies issued by an authorized governmental body, including the current public health emergency. The language in this modification is similar to tariff language approved by the Commission for Florida Power & Light Company¹ and Duke Energy Florida, LLC.²

Staff believes the modifications will allow Sebring the flexibility to mitigate customer impact during the current public health emergency and the related Executive Orders issued by Governor DeSantis while still reliably serving its customers. Therefore, staff recommends the Commission should approve the modifications to Tariff Sheet No. 48, effective May 5, 2020.

¹ Order No. PSC-92-0912A-FOF-EI, issued September 16, 1992, in Docket No. 920800-EI, *In re: Petition by Florida Power & Light Company to Waive Certain Service Charges For Good-Paying Customers*. See Tariff Sheet No. 4.020.

² Order No. PSC-2020-0096-TRF-EI, issued April 6, 2020, in Docket No. 2020095-EI, *In re: Petition of approval of emergency modification to Duke Energy’s rate schedule SC-1, tariff sheet 6.110 by Duke Energy Florida, LLC.*

Issue 2: 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 tariff 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. (Crawford)

Staff Analysis: If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariff 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.

Original~~First Revised~~
Sheet No. 48

Sebring Gas System, Inc.
Original Volume No. 2

- G. POOL MANAGER'S CHARGES. Company shall include Pool Manager's charges for the sale of Gas, and may include such reasonable deposit requirements as the Pool Manager may establish, on its monthly bill to Aggregated Transportation Service Customers. Pool Manager's Gas charges shall be separately identified on Company's monthly bill to Customers. The Company shall remit payments received from Customer Accounts for the purchase of Gas to Pool Manager in accordance with procedures established in the Aggregated Transportation Service Agreement. Company shall have no obligation to Pool Manager for non-payment by Customer of amounts due Pool Manager. In the event Company receives a partial payment for the total bill rendered, Company shall first apply any partial payment amount received to satisfy any taxes or fees levied by government to the Company; second to Pool Manager's Gas sales or deposit charges. The remaining balance, if any, shall be applied to Company's Transportation Service or other charges. The Company shall be responsible for a periodic reconciliation of the Pool Managers' Gas charges billed to the payment amounts received from Customer Accounts, including an accounting of bill adjustments, non-payments, partial payments and payments received through collection activities and other means. The Company's payment remittance to Pool Manager, as established in the Aggregated Transportation Services Agreement, shall provide for the periodic true-up of such remittance amounts to account for the payment hierarchy and reconciliation process identified in this section. Company may, at its sole option, include Pool Manager's charges for other services on Company's monthly bill to Customers.
- H. NON-RECEIPT OF BILLS. Failure of Customer to receive a bill shall not relieve Customer of its obligation to pay the bill.
- I. DELINQUENT BILLS AND LATE PAYMENT CHARGES. A bill shall be considered delinquent upon the expiration of twenty (20) days from the date of mailing or other delivery by Company. Charges for services due and rendered which are unpaid as of the past due date are subject to a Late Payment Charge of eighteen (18) percent per year, except the accounts of federal, state, and local governmental entities, agencies, and instrumentalities. A Late Payment Charge shall be applied to the accounts of federal, state, and local governmental entities, agencies, and instrumentalities at a rate no greater than allowed, and in a matter permitted by applicable law. The Company shall have the discretion to waive the Late Payment Charge in the event payment is delayed as a result of significant damage to the customer's premises as a result of a natural disaster, or during periods of declared emergencies issued by a governmental body authorized to make such declaration.
- J. DISCONTINUANCE OF TRANSPORTATION SERVICE FOR NON-PAYMENT. Transportation Service will be discontinued for non-payment of amounts due Company for Transportation Service, but only after Company has made a diligent attempt to have Customer make payment, including at least five (5) business days' written notice to Customer, such notice being separate and apart from any bill for Transportation Service, unless the Customer, submits to the Company in writing, a dispute of the nonpayment amount. Such dispute shall be resolved in a manner prescribed by FPSC regulations.

Issued by: Jerry Melendy, Jr., Vice President
Sebring Gas System, Inc.
3515 U.S. Highway 27, South
Sebring, FL 33870-5452

Effective: JUN-01-2004