



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-

RECORDED AND REPORTING
DEC 8 PM 4:02
RECEIVED PSC

DATE: December 9, 1999

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYÓ)

FROM: DIVISION OF ELECTRIC AND GAS (GING) *JY DPW*
DIVISION OF LEGAL SERVICES (ELIAS) *RUE*

RE: DOCKET NO. 991662-EI - PETITION BY FLORIDA POWER CORPORATION FOR APPROVAL TO CONVERT RESIDENTIAL SEASONAL SERVICE RIDER FROM EXPERIMENTAL TO PERMANENT STATUS.

AGENDA: 12/21/99 - REGULAR AGENDA - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 60-DAY SUSPENSION DATE: 1/05/2000

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\EAG\WP\991662.RCM

CASE BACKGROUND

On December 12, 1997 the Commission approved FPC's petition for an experimental Residential Seasonal Service Rider. The Rider was expected to alleviate some of the problems associated with the large number of seasonal customers who disconnect service in the spring and reconnect service in the fall. FPC estimated that it had between 30,000 and 35,000 residential customers who typically disconnect service to their residences upon their departure after the winter season and reconnect service upon their return before the next winter season, with an average absence from the FPC system of four to five months. These seasonal customers were motivated to have their service disconnected while away from their residence to avoid paying a monthly customer charge of \$8.85.

The rider was available during the billing months of March through October to customers who were planning on being absent from their residence for at least three months. The rider remained in effect during this period for each billing month in which

DOCUMENT NUMBER-DATE

15008 DEC-89

RECORDS AND REPORTING

consumption did not exceed 210 kWh, or 7 kWh per day for billing months over 30 days. If consumption exceeded this consumption threshold, the full customer charge was billed. (This consumption threshold was intended to recognize when occupancy of the residence had been resumed, while allowing minimal usage when unoccupied for lighting, security devices, etc.) For customers who requested service under the rider, service remained active and was subject to a reduced customer charge of \$3.00 per month. The reduced customer charge, was intended to minimize the existing economic incentive to disconnect service.

Because these seasonal customers typically leave during the spring and return during the fall this created a burden on customer service and field personnel to schedule and perform the associated disconnects and subsequent reconnects. This led to excess overtime and a backlog of disconnects for non-pay as well.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve Florida Power Corporation's petition to convert its residential seasonal service rider from experimental to permanent status?

RECOMMENDATION: Yes. The Commission should approve FPC's petition to convert its residential seasonal service rider from experimental to permanent status.

STAFF ANALYSIS: In FPC's petition for the experimental Residential Seasonal Service Rider (RSS-1) it was anticipated that 10,000 to 15,000 customers would participate. Since FPC's RSS-1 Rider has been in effect 28,000 of the approximately 35,000 eligible customers have elected to participate in the program.

The program has provided benefits to both customers and the utility. The customer benefits from not having to arrange for disconnect and reconnect while allowing them to use minimal amounts of electricity for security lights and other limited use appliances they may want to operate in their absence. The Company has benefitted from reduced overtime expenses and backlog of disconnects and reconnects during the busiest time of year. They have also benefitted from increased revenues due to the \$3.00 customer charge and kWh usage which would otherwise be lost.

DOCKET NO. 991662-EI

DATE: DECEMBER 9, 1999

Staff believes that the Rider should be approved on a permanent basis because it will provide cost savings to the company and convenience to the customers. It allows FPC to better manage its customer service personnel during peak periods of disconnection and reconnection while offering savings to the customer with the added benefits of continuous electric service. The program has been well received by customers, participation is voluntary, and there are no additional charges or fees for non-participants.

DOCKET NO. 991662-EI
DATE: DECEMBER 9, 1999

ISSUE 2: What is the appropriate effective date of the proposed tariff change? (GING)

RECOMMENDATION: December 21, 1999.

STAFF ANALYSIS: If the Commission approves the proposed tariff at the December 21, 1999 agenda conference, they should become effective on that date.

DOCKET NO. 991662-EI

DATE: DECEMBER 9, 1999

ISSUE 3: Should this docket be closed?

RECOMMENDATION: Yes, if no protest is filed within 21 days of the issuance of the order.

STAFF ANALYSIS: If a protest is filed within 21 days of the Commission order approving this tariff, the tariff should remain in effect pending resolution of the protest, with any changes held subject to refund pending resolution of the protest. If no protest is filed, this docket should be closed upon the issuance of a consummating order.