

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-

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COMMISSION
CLERK

DATE: November 29, 2012

TO: Office of Commission Clerk (Cole)

FROM: Office of the General Counsel (Miller) *CM S.M.C.*
Division of Economics (McNulty) *J.W.D.*

RE: Docket No. 120252-EI – Revision to Rules 25-6.050, Location of Meters, and 25-6.100, Customer Billings, F.A.C.

AGENDA: 12/10/12 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Brown

RULE STATUS: Proposal May Be Deferred.

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\GCL\WP\120252.RCM.DOC

Case Background

Rule 25-6.050, F.A.C., addresses the location of customer meters for public utilities. Rule 25-6.100, F.A.C., addresses customer billings for public utilities. In our continuing review of rules, staff thought it important to clarify existing practices in these two rules.

A Notice of Rule Development appeared in the March 9, 2012, edition of the Florida Administrative Weekly, and a rule development workshop was held on May 17, 2012. Tampa Electric Company, Progress Energy Florida, Inc., Florida Power and Light Company, and Gulf Power Company participated at the workshop.

DOCUMENT NUMBER - DATE:

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FPSC-COMMISSION CLERK

Docket No. 120252-EI
Date: November 29, 2012

This recommendation addresses whether the Commission should propose the amendment of Rule 25-6.050, F.A.C., Location of Meters, and Rule 25-6.100, F.A.C., Customer Billings. The Commission has jurisdiction pursuant to Section 120.54, Florida Statutes (F.S.).

Discussion of Issues

Issue 1: Should the Commission propose the amendment of Rule 25-6.050, F.A.C, Location of Meters, and Rule 25-6.100, F.A.C, Customer Billings?

Recommendation: Yes, the Commission should propose the amendment of Rules 25-6.050 and 25-6.100, as set forth in Attachment A. (Miller, McNulty)

Staff Analysis: Rule 25-6.050, F.A.C., addresses location of meters. However, the rule is silent on situations where a customer requests a different meter location. Staff recommends that the rule be amended to clarify that applicants who request a different meter location than identified by the utility must pay the incremental cost of installing or relocating the meter at the different location. Also, the relocation must be acceptable to the utility.

Rule 25-6.100, F.A.C., addresses a number of matters on customer billing. The rule refers to local offices where a bill may be paid. However, local offices have been phased out in general. Thus, staff recommends that references to local offices on customers' bills be deleted and, instead, the rule be amended to require a toll-free number where customers may receive information about their bill as well as locations where they can pay their bill. Staff further recommends that the payment location information provided to customers who call the toll-free number include locations where no surcharge is required.

STATEMENT OF ESTIMATED REGULATORY COSTS (SERC)

The Statement of Estimated Regulatory Costs (Attachment B) analyzed whether the rule amendments are likely to have an adverse impact on economic growth, private sector job creation or employment, or private sector investment in excess of \$1 million in the aggregate within 5 years after implementation. Also, the statute requires consideration of whether the draft rules are likely to have an adverse impact on business competitiveness, productivity, or innovation in excess of the above amount. These rule amendments are not expected to have any of these types of adverse impacts.

Also, the rule amendments do not require legislative ratification pursuant to Section 120.541(3), F.S. The amendments do not exceed any of the criteria set forth in Section 120.541, F.S.

Staff recommends that the Commission propose the amendment of Rule 25-6.050, F.A.C, Location of Meters, and Rule 25-6.100, F.A.C, Customer Billings.

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Issue 2: Should this docket be closed?

Recommendation: Yes. If no requests for hearing or comments are filed, the rules should be filed with the Department of State, and the docket should be closed. (Miller)

Staff Analysis: If no requests for hearing or comments are filed, the rules should be filed with the Department of State, and the docket should be closed.

1 25-6.050 Location of Meters.
2 The utility shall designate to an applicant or its customers the location for meter placement.
3 Locations of meters ~~shall should~~ be easily accessible for reading, testing, and making
4 necessary adjustments and repairs. If an applicant requests a different location for meter
5 placement from that designated by the utility on initial application for service and the utility
6 agrees that the different meter location is acceptable to the utility, the applicant shall pay the
7 incremental cost of installing the meter at the different location. If an existing customer
8 requests relocation of an existing installed meter and the utility agrees that the different meter
9 location is acceptable to the utility, the existing customer shall pay the incremental cost of
10 relocating the meter at the different location.

11 *Specific Authority 366.05(1) FS. Law Implemented 366.05(1) FS. History—New 7-29-69,*
12 *Amended XX-XX-XX, Formerly 25-6.50.*

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CODING: Words underlined are additions; words in ~~struck through~~ type are deletions from existing law.

1 25-6.100 Customer Billings.

2 (1) Bills shall be rendered monthly and as promptly as possible following the reading of
3 meters.

4 (2) By January 1, 1983, each customer's bill shall show at least the following information:

5 (a) The meter reading and the date the meter is read, in addition to the meter reading for the
6 previous period. If the meter reading is estimated, the word "estimated" shall be prominently
7 displayed on the bill.

8 (b)1. Kilowatt-hours (KWH) consumed including on and off peak if customer is time-of-day
9 metered.

10 2. Kilowatt (KW) demand, if applicable, including on and off peak if customer is time-of-day
11 metered.

12 (c) The dollar amount of the bill, including separately:

13 1. Customer charge.

14 2. Energy (KWH) charge, exclusive of fuel, in cents per KWH, including amounts for on and
15 off peak if the customer is time-of-day metered, and energy conservation costs.

16 3. Demand (KW) charge, exclusive of fuel, in dollar cost per KW, if applicable, including
17 amounts for on and off peak if the customer is time-of-day metered.

18 4. Fuel cost in cents per KWH (no fuel costs shall be included in the base charge for demand
19 or energy).

20 5. Total electric cost which is the sum of the customer charge, total fuel cost, total energy cost,
21 and total demand cost.

22 6. Franchise fees, if applicable.

23 7. Taxes, as applicable on purchases of electricity by the customer.

24 8. Any discount or penalty, if applicable.

25 9. Past due balances shown separately.

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- 1 | 10. The gross and net billing, if applicable.
- 2 | (d) Identification of the applicable rate schedule.
- 3 | (e) The date by which payment must be made in order to benefit from any discount or avoid
4 | any penalty, if applicable.
- 5 | (f) The average daily KWH consumption for the current period and for the same period in the
6 | previous year, for the same customer at the same location.
- 7 | (g) The delinquent date or the date after which the bill becomes past due.
- 8 | (h) Any conversion factors which can be used by customers to convert from meter reading
9 | units to billing units. Where metering complexity makes this requirement impractical, a
10 | statement must be on the bill advising that such information may be obtained by contacting the
11 | utility's local business office.
- 12 | (i) Where budget billing is used, the bill shall contain the current month's consumption and
13 | charges separately from budgeted amounts.
- 14 | (j) The name and address of the utility plus the toll-free number(s) where customers can
15 | receive information about their bill as well as locations where the customers can pay their
16 | utility bill. Such information must identify those locations where no surcharge is incurred.
17 | ~~address and telephone number of the local office where the bill can be paid and any questions~~
18 | ~~about the bill can be answered.~~
- 19 | (3) When there is sufficient cause, estimated bills may be submitted provided that with the
20 | third consecutive estimated bill the company shall contact the customer explaining the reason
21 | for the estimated billing and who to contact in order to obtain an actual meter reading. An
22 | actual meter reading must be taken at least once every six months. If an estimated bill appears
23 | to be abnormal when a subsequent reading is obtained, the bill for the entire period shall be
24 | computed at a rate which contemplates the use of service during the entire period and the
25 | estimated bill shall be deducted. If there is reasonable evidence that such use occurred during

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- 1 only one billing period, the bill shall be computed.
- 2 (4) The regular meter reading date may be advanced or postponed not more than five days
3 without a pro-ration of the billing for the period.
- 4 (5) Whenever the period of service for which an initial or opening bill is rendered is less than
5 the normal billing period, the charges applicable to such service, including minimum charges,
6 shall be pro-rated except that initial or opening bills need not be rendered but the energy used
7 during such period may be carried over to and included in the next regular monthly billing.
- 8 (6) The practices employed by each utility regarding customer billing shall have uniform
9 application to all customers on the same rate schedule.
- 10 (7) Franchise Fees.
- 11 (a) When a municipality charges a utility any franchise fee, the utility may collect that fee only
12 from its customers receiving service within that municipality. When a county charges a utility
13 any franchise fee, the utility may collect that fee only from its customers receiving service
14 within that county.
- 15 (b) A utility may not incorporate any franchise fee into its other rates for service.
- 16 (c) For the purposes of this subsection, the term "utility" shall mean any electric utility, rural
17 electric cooperative, or municipal electric utility.
- 18 (d) This subsection shall not be construed as granting a municipality or county the authority to
19 charge a franchise fee. This subsection only specifies the method of collection of a franchise
20 fee, if a municipality or county, having authority to do so, charges a franchise fee.
- 21 *Specific Authority 366.05(1), 366.04(2) FS. Law Implemented 366.03, 366.04(2), 366.041(1),*
22 *366.051, 366.06(1) FS. History—New 2-25-76, Amended 4-13-80, 12-29-81, 6-28-82, 5-16-83,*
23 *XX-XX-XX*
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DATE: September 11, 2012
TO: Cindy B. Miller, Senior Attorney, Office of the General Counsel
FROM: William B. McNulty, Economic Analyst, Division of Economic Regulation *wbm*
RE: Statement of Estimated Regulatory Costs for Draft Rule Amendments to Rules 25-6.050, Location of Meters, and Rule 25-6.100, Customer Billings

Summary of Draft Rule Amendments

Rules 25-6.050, Florida Administrative Code (F.A.C.), addresses the location of customers' electric meters. Rule 25-6.100, F.A.C., addresses customer billings.

Rule 25-6.050, F.A.C., Location of Meters, as amended, would clarify that applicants for electric service who request a different meter location than that designated by the utility on the initial application for service must pay the incremental costs of meter installation. Also, the amended rule would clarify that existing customers who request a change in meter location must pay the incremental costs of relocating an installed meter.

Rule 25-100, F.A.C., Customer Billings, would amend the requirement that customer bills contain the address and telephone number of the local office where bills can be paid and bill questions can be answered. Under the amended requirement, customer bills would contain the address of the utility and toll-free number(s) where customers can receive information about their bills, including locations where customer can pay their utility bills. Customers who call the toll free number(s) to get payment location information would be informed of locations where they can make their bill payments without incurring a surcharge. The draft amendment modifies the current bill information requirements in recognition of the fact that many local offices have been closed in recent years.

Economic Analysis Showing Whether the Rules Are Likely to Have an Adverse Impact on Either Economic Growth or Business Competitiveness In Excess of \$1 Million Within 5 Years.

Subparagraph 120.541(2)(a)1, Florida Statutes (F.S.), requires an economic analysis showing whether the draft rule directly or indirectly is likely to have an adverse impact on economic growth, private sector job creation or employment, or private sector investment in excess of \$1 million in the aggregate within 5 years after the implementation of the rule. Subparagraph 120.541(2)(a)2, F.S., requires an economic analysis showing whether the draft rule directly or indirectly is likely to have an adverse impact on business competitiveness in excess of \$1 million in the aggregate within 5 years after the implementation of the rule. The draft rule

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amendments were evaluated for the potential for having adverse impacts on measures of economic activity noted above.

Rule 25-6.050, F.A.C., under the draft amendment, is expected to have none of the adverse impacts on the economic measures identified in Subparagraphs 120.541(2)(a)1 and 2, F.S. The draft amendment clarifies the current utility practice of charging customers for the incremental costs of relocating existing meters based on the customer's request or performing a new installation at a location other than the approved meter location based on the customer's request. This practice is consistent with the notion that the cost causer pays the incremental cost for non-standard service and is reflected in approved utility tariffs. The clarification does not modify the current practice and therefore has no impact on economic growth, private sector job creation, or private sector investment. For the same reason, the draft amendment is not expected to adversely impact business competitiveness.

Rule 25-6.100, F.A.C., under the draft amendment, is expected to have no adverse impacts on the measures of economic activity identified in Subparagraphs 120.541(2)(a)1 and 2, F.S. The draft amendment requires customer bills to specify the address of the utility, the toll-free number(s) where customers can receive information about their bills, and locations where customers can pay their utility bills, including locations where no surcharge is incurred. Customers today have several options for paying bills or obtaining customer service. Bills typically contain a toll-free telephone number, and most utilities provide access to customer service through the utility's website, including on-line payment options. In an effort to accommodate customer needs, most utilities also contract with other local businesses to accept utility payments, expanding the number of physical payment locations beyond the number of original utility-owned local offices. As utilization of company owned local offices declined, utilities began closing those locations as a cost savings measure. The draft amendment to Rule 25-6.100, F.A.C., would recognize current industry practice and thus is not expected to impact economic growth, private sector job creation, or private sector investment. For the same reason, the draft amendment is not expected to adversely impact business competitiveness.

Economic Analysis Showing Whether the Rules Are Likely to Increase Regulatory Costs In Excess of \$1 Million Within 5 Years

Subparagraph 120.541(2)(a)3, F.S., requires an economic analysis showing whether the draft rule directly or indirectly is likely to increase regulatory cost, including any transactional costs, in excess of \$1 million in the aggregate within 5 years after the implementation of the rule. Upon review, the draft amendment to Rule 25-6.050, F.A.C., clarifies the requirements of the rule, but does not change utilities' meter installation practices and related billing. Thus, the transactional costs associated with the rule amendment are not expected to change. The draft amendment to Rule 25-6.100, F.A.C., updates the requirements of the rule pertaining to bill information, but the incremental costs for utilities to modify bill information is de minimus. Neither of the draft rule amendments are expected to introduce new transactional costs or costs to the agency, the two components of regulatory costs.

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Estimated Number of Entities Required to Comply and General Description of Individuals Affected

Subparagraph 120.541(2)(b), F.S., requires a good faith estimate of the number of individuals and entities likely to be required to comply with the rule, together with a general description of the types of individuals anticipated to be affected by the rule. Five investor-owned electric utilities would be required to comply with the draft amendments to Chapter 25-6.050, F.A.C., and 25-6.100, F.A.C., including Florida Power and Light Company (FPL), Progress Energy Florida (PEF), Tampa Electric Company (TECO), Gulf Power Company, and Florida Public Utilities Corporation (FPUC). Utility customers are expected to be unaffected by the draft rule amendments, if adopted.

Rule Implementation and Enforcement Costs and Impact on Revenues For The Agency and Other State and Local Government Entities

Section 120.541(2)(c), F.S., requires a good faith estimate of the cost to the agency, and to any other state and local government entities, of implementing and enforcing the proposed rule, and any anticipated effect on state or local revenues. Neither of the draft rule amendments are expected to require increases in costs related to their implementation or enforcement. Neither of the draft rule amendments are expected to have any effect on state or local revenues.

Estimated Transactional Costs to Individuals and Entities

Section 120.541(2)(d), F.S., requires a good faith estimate of the transactional costs likely to be incurred by individuals and entities, including local government entities, required to comply with the requirements of the rule. Again, the draft amendment to Rule 25-6.050, F.A.C., clarifies the requirements of the rule, but does not change the practices of the utility. Thus, the transactional costs associated with the rule amendment are not expected to change. The draft amendment to Rule 25-6.100, F.A.C., updates the requirements of the rule pertaining to bill information, but the incremental costs for utilities to modify bill information is de minimus. Neither of the draft rule amendments are expected introduce new transactional costs.

Impact On Small Businesses, Small Cities, Or Small Counties

Section 120.541(2)(e), F.S., requires an analysis of the impact of the proposed changes on small businesses as defined by Section 288.703, F.S., and an analysis of the impact on small counties and small cities as defined in Section 120.52, F.S. The draft amendments to Rules 25-6.050 and 25-6.100, F.A.C., are expected to have no impact on small businesses, small counties, small cities in regards to meter installation or meter relocation costs or certain customer billing services since the amendments codify current utility practices.

Additional Information Deemed Useful By The Agency

None.

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Date: November 29, 2012

Attachment B

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cc: Marshall Willis
Jim Dean
Connie Kummer