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| State of Florida  pscSEAL | | 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: | September 3, 2015 | | |
| TO: | Office of Commission Clerk (Stauffer) | | |
| FROM: | Division of Economics (Ollila)  Office of the General Counsel (Mapp) | | |
| RE: | Docket No. 150159-EI – Petition for approval of tariff revisions to implement customer relationship management (CRM) project, by Tampa Electric Company. | | |
| AGENDA: | 09/15/15 – Regular Agenda – Tariff Filing – Interested Persons May Participate | | |
| COMMISSIONERS ASSIGNED: | | | All Commissioners |
| PREHEARING OFFICER: | | | Administrative |
| CRITICAL DATES: | | | 60-Day Suspension Date Waived by the Company Until the 9/15/15 Agenda Conference |
| SPECIAL INSTRUCTIONS: | | | Place Docket No. 150160-GU adjacent to this docket |

Case Background

On June 25, 2015, Tampa Electric Company (Tampa Electric or the Company) filed a petition for approval of tariff revisions related to the implementation of Tampa Electric’s and Peoples Gas System’s (Peoples) Customer Relationship Management (CRM) project. Tampa Electric and Peoples are both owned by TECO Energy. Tampa Electric seeks approval of modifications to its levelized payment plan, deposit, and summary billing tariff provisions so as to align these provisions with those proposed by Peoples in Docket No. 150160-GU.

Currently, Tampa Electric and Peoples are served by legacy mainframe customer billing and meter information systems. The CRM project will update and modernize these systems with new hardware and software. Tampa Electric requests approval of its proposed tariff revisions to be effective on the transition date to the CRM system, expected to occur on or about July 5, 2016.

Tampa Electric and Peoples met with staff and the Office of Public Counsel in noticed meetings on March 31 and June 1, 2015, to provide an overview of the CRM project. Staff issued one data request. On August 19, 2015, Tampa Electric filed a corrected tariff page to correct an inadvertent omission. The proposed tariff pages are contained in Attachment 1. The tariff pages are in legislative format in order to display the proposed changes in type-and-strike. The Commission has jurisdiction over this matter pursuant to Sections 366.03, 366.04, 366.05, and 366.06, Florida Statutes.

Discussion of Issues

Issue :

 Should the Commission approve Tampa Electric's proposed tariff revisions?

Recommendation:

 Yes. The Commission should approve Tampa Electric’s proposed tariff revisions effective on the transition date of the CRM system, expected to occur on or about July 5, 2016. No later than 30 days prior to the transition date the Company should notify the Commission in writing of the actual transition date. (Ollila)

Staff Analysis:

 Tampa Electric proposes changes to its levelized payment plan, deposits, and summary billing. Each of the proposed changes is discussed below.

Proposed Tariff Changes

Levelized Payment Plan

The Levelized Billing Plan is an option available to residential and small commercial customers. It is designed to levelize or smooth out the peaks and valleys in monthly payments for metered electric service. The levelized monthly payment is calculated based on average monthly consumption, including the current month, for the most recent 12 full months. The levelized amounts, which are adjusted every month, are less volatile than standard billing amounts; however, they are rarely the same for two or more consecutive months. According to Tampa Electric, most customers expect the same payment every month from a budget billing-type plan. The Company further states that continual monthly adjustments to the payment make the plan more difficult for consumers to understand and for Tampa Electric’s customer service representatives to explain.

The Company proposes replacing the Levelized Payment Plan with the Budget Billing Plan, consistent with Peoples’ proposed plan in Docket No. 150160-GU. Under the proposed plan, a monthly budgeted amount will be calculated by taking the average of the previous 12 months of electric billing amounts, including applicable taxes and fees. On the anniversary date of the customer’s election to participate in the proposed plan, the monthly payment amount will be replaced with a recalculated amount based on the most current 12-month period. Any deferred balance will be trued-up by crediting next month’s bill with a deferred credit or by applying 1/12 of a deferred debit to the newly calculated monthly payment amount. The Company may also recalculate the amount on a date other than the anniversary at the customer’s request or at its quarterly review. If the recalculated amount differs by 15 percent or more from the budget bill, the budgeted amount may change to the recalculated amount.

The proposed Budget Billing Plan has less restrictive qualifying criteria than the current plan. Under the Levelized Billing Plan a customer must not have a balance due in order to participate, which means that the customer can only sign up for the plan between the time the current bill is paid and the next bill is received. Tampa Electric proposes that the qualification be changed so that customers without an overdue amount and no pending service disconnection for non-payment will be eligible.

Deposits

Tampa Electric proposes to add an option for residential customers that will verify credit through an external/independent credit monitoring service to determine if the security deposit may be waived. According to Tampa Electric, the credit verification will have no impact on a customer’s credit score. The Company has made this voluntary option available to customers in the past; however, the option was not described in the tariff.

Summary Billing Plan

Tampa Electric currently offers a summary billing plan to customers with ten or more accounts and no bills in arrears. Under the plan, customers receive a single date for the billing and payment of the accounts included in the plan. The current plan requires that the accounts included in summary bills be separated into groups and that the groups be billed once a month. According to the Company, most plan customers prefer to receive one bill per month; therefore, Tampa Electric proposes that the separation of accounts into groups be an option, rather than a requirement. The current plan also states that a customer’s failure to pay within ten days from the mailing date of the summary bill *will* result in the customer’s removal from the plan; the proposed plan replaces “will” with “may.” Tampa Electric avers that this program is mutually beneficial to the customer and Company; therefore, Tampa Electric will work with customers to keep them on the program.

Communications Plan

Tampa Electric plans to carry out what it describes as a comprehensive communications plan so that customers and others affected by the proposed changes will be fully informed. The Company’s plan includes the use of various owned media (e.g., bill inserts, newsletters, websites, etc.) and external media (e.g., newspaper/online advertisements, social media, press releases, etc.) to communicate the CRM project changes and benefits to its customers. The communications will be tailored to each customer segment.

Proposed Effective Date

Tampa Electric expects the transition date of the CRM system to occur on or about July 5, 2016. The Company requests that, if approved, the proposed tariff revisions be made effective as of the transition date.

Summary

Staff believes Tampa Electric’s proposed tariff revisions are reasonable and should be approved. No later than 30 days prior to the transition date the Company should notify the Commission in writing of the actual transition date.

Issue :

 Should this docket be closed?

Recommendation:

 No. If a protest is filed within 21 days of the issuance of the order, any revenues collected once the tariff becomes effective should be 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. (Mapp)

Staff Analysis:

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