

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: September 11, 2015

TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk

FROM: Kyeshia Mapp, Attorney, Office of the General Counsel

RE: Docket No. 150000-OT - Undocketed Filings – Documents to be discussed during 9/16/15 Informal Meeting Re: TECO's Customer Service Management System.

Please place the attached documents in the above-referenced docket file. The information contained within will be discussed at the informal meeting on Wednesday September 16, 2015 with Tampa Electric. The document is in relation to their Customer Service Management System.

KRM/as

Clearing Rules for Tampa Electric Company and Peoples Gas System

Background

The hierarchy of clearing payments is very important in utility billing and becomes substantially more complicated when a single utility bill includes payments for not only regulated and unregulated charges, but regulated and unregulated charges for two utilities, which is an outcome resulting from the implementation of the Customer Relationship Management (CRM) system at Tampa Electric and Peoples Gas. This payment hierarchy, often referred to as the clearing rules, indicates the order in which outstanding charges are settled when partial payment is made.

A rational and consistent approach in determining how partial payments settle outstanding charges is required. While the clearing rules have no impact for customers who pay their bills in full, they will be very important in the application of partial payments. The clearing rules will be systematically defined within the CRM system and all incoming partial payments will automatically clear in this order. However, CRM has the ability to redirect payments in a different order at the customer's request.

Some key considerations are taken into account within the clearing rules:

- (1) if regulated charges are not cleared in a timely manner, disconnection of regulated service can result,
- (2) clearing rules must ensure that regulated services are not disconnected for failure to pay unregulated charges, and
- (3) clearing rules must follow a logical application that can be easily explained to customers.

Clearing Rules

There are two main components of the clearing rules: the type of charge and the age of the charge.

Type of Charge

The following is the clearing hierarchy for the types of charges that may appear in the combined bill, in hierarchical order.

1. Gas regulated service
2. Electric regulated service
3. Lighting regulated service
4. Unregulated products or services

The rationale for this order begins with clearing gas regulated charges before electric regulated charges. Clearing gas charges before electric charges will avoid the greater inconvenience to gas customers who are disconnected for nonpayment because reconnection involves scheduling an in-home appointment with the customer. Conversely, electric service can be reconnected from outside the home. Additionally, gas bills are typically smaller. By clearing the smaller bill first, it is more likely that the partial payment will satisfy the gas bill and make disconnection of both services less likely.

The next part of the hierarchical order is to clear electric regulated charges before lighting regulated charges. This is driven by the desire to avoid the likely greater disruption to customers that comes with an electric disconnection as compared to an outdoor electric lighting disconnection.

Finally, regulated charges take precedence over any unregulated charges; therefore, unregulated charges will clear last. This ensures that regulated services will not be disconnected for failure to pay unregulated charges

Age of charge

With regard to the second component, age of charge, all past due charges will be cleared in the order listed above (gas, electric, lighting, unregulated) prior to clearing any current and not past due charges. In addition, all regulated past due charges would be cleared before any unregulated past due charges. Then, when all past due charges have been cleared, the current charges would follow the same order (gas, electric, lighting, unregulated).

In a final notice, only the regulated past due charges will be included as the amount that must be paid to avoid regulated service disconnection. As long as the customer pays that amount, no regulated service disconnection will result.

This clearing hierarchy contemplates that application of payments to past due charges takes precedence to any charges that are not yet due. While it is impossible to know how each and every customer intends for their payment to be applied, the basis for this approach is most customers would expect to pay a past due charge prior to a current and not yet due charge.

Below is a visual depiction of the clearing rules incorporating both the various charge types and ages of each charge type.

Clearing Order	Due Dates		
	Feb 10 Past Due	Mar 10 Past Due	Apr 10 Current / Not Yet Due
Gas Regulated Charges	1 st	2 nd	5 th
• Deposit	↓	↓	↓
• Consumption	↓	↓	↓
• Miscellaneous Charges	↓	↓	↓
Electric Regulated Charges			
• Deposit	↓	↓	↓
• Consumption	↓	↓	↓
• Lighting Deposit	↓	↓	↓
• Lighting	↓	↓	↓
• Miscellaneous Charges	↓	↓	↓
Unregulated Charges	3 rd	4 th	6 th

Examples

A combined customer with unregulated charges has the following outstanding charges in the amount of \$750.

	Due Dates		
	Feb 10 Past Due	Mar 10 Past Due	Apr 10 Current / Not Yet Due
Gas Regulated Charges			
• Deposit	-	-	-
• Consumption	\$40	\$40	\$40
• Miscellaneous Charges	\$5	\$10	\$15
Electric Regulated Charges			
• Deposit	-	-	-
• Consumption	\$150	\$150	\$150
• Lighting Deposit			
• Lighting	-	-	-
• Miscellaneous Charges	\$10	\$20	\$30
Unregulated Charges	\$30	\$30	\$30

Scenario 1 – If the customer sent in a payment of \$455 on March 25th, all past due regulated charges would be paid and \$30 of unregulated past due are paid in the order noted next to the outstanding charge amount in superscript. In this example, the customer has paid all past due regulated charges and would not be up for disconnection for any regulated service. However, they remain delinquent in unregulated charges.

Clearing Order	Due Dates		
	Feb 10 Past Due	Mar 10 Past Due	Apr 10 Not Yet Due
Gas Regulated Charges			
• Deposit	-	-	-
• Consumption	\$40 ¹	\$40 ⁵	\$40
• Miscellaneous Charges	\$5 ²	\$10 ⁶	\$15
Electric Regulated Charges			
• Deposit	-	-	-
• Consumption	\$150 ³	\$150 ⁷	\$150
• Lighting Deposit			
• Lighting	-	-	-
• Miscellaneous Charges	\$10 ⁴	\$20 ⁸	\$30
Unregulated Charges	\$30 ⁹	\$30	\$30

Scenario 2 – If the customer sent in a payment of \$540 on March 25th, all past due regulated and unregulated charges would be paid and \$55 of current regulated charges are paid in the order noted next to the outstanding charge amount in superscript. In this example, the customer has paid all past due regulated and unregulated charges and would not be up for disconnection for any service. Additionally, they were able to fully satisfy their outstanding gas charges that are not yet due.

Clearing Order	Due Dates		
	Feb 10 Past Due	Mar 10 Past Due	Apr 10 Not Yet Due
Gas Regulated Charges			
• Deposit	-	-	-
• Consumption	\$40 ¹	\$40 ⁵	\$40 ¹¹
• Miscellaneous Charges	\$5 ²	\$10 ⁶	\$15 ¹²
Electric Regulated Charges			
• Deposit	-	-	-
• Consumption	\$150 ³	\$150 ⁷	\$150
• Lighting Deposit			
• Lighting	-	-	-
• Miscellaneous Charges	\$10 ⁴	\$20 ⁸	\$30
Unregulated Charges	\$30 ⁹	\$30 ¹⁰	\$30

Summary

The clearing rules are as follows:

All past due are cleared first in the following order:

1. Gas regulated service
2. Electric regulated service
3. Lighting regulated service
4. Unregulated products or services

Then, current charges clear in the same order as above.

While these rules will be systematically defined and all incoming payments will clear in this order, the system has the ability to redirect payments at the customer's request.