

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: March 24, 2020

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Hampson, Coston) *wsc JON*
Office of the General Counsel (Brownless) *JSC Man*

RE: Docket No. 20200095-EI – Petition for approval of emergency modification to Duke Energy's rate schedule SC-1, tariff sheet 6.110 by Duke Energy Florida, LLC.

AGENDA: 03/31/20 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 05/18/2020 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

On March 19, 2020, Duke Energy Florida (DEF or utility) petitioned for approval of an emergency modification to its Service Charge Rate Schedule (Tariff Sheet No. 6.110). This modification is in response to the public health emergency in Florida related to the outbreak of COVID-19 and the related Executive Orders issued by Governor Ron DeSantis. DEF states it has already temporarily suspended disconnecting customers for non-payment and will offer more robust payment arrangements for customers in need.¹ Further, the utility states it will make the necessary adjustments to its plans to continue to serve customers, and that this may require additional requests to the Commission.

¹Rule 25-6.105(5), Florida Administrative Code, states "As applicable, each utility may refuse or discontinue service under the following conditions. . . (g) For non-payment of bills or non-compliance with the utility's rules and regulations. . ."

The current tariff allows the utility to waive the Establishment of Service charges in situations of natural disasters or other similar conditions for which an emergency has been declared by an authorized governmental body. The March 19, 2020 tariff modification seeks to give DEF the additional discretion to waive late payment charges, returned check charges, and charges for investigating unauthorized use of electricity. Additionally, the tariff modification expands the waiver language to include any period of declared emergencies by an authorized governmental body, not just those involving natural disasters. On March 23, 2020, the utility modified its petition to exclude the waiver of charges related to the investigation of unauthorized use of electricity.

DEF'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 the DEF's proposed modifications to Tariff Sheet No. 6.110?

Recommendation: Yes, the Commission should approve the modifications to Tariff Sheet No. 6.110, effective March 31, 2020. (Hampson)

Staff Analysis: Currently, Tariff Sheet No. 6.110 allows DEF the discretion to waive applicable charges related to establishment of service and reconnection for customers impacted by natural disasters or similar situations where an emergency has been declared by a governing body. This modification would expand the waiver language to encompass late payment charges and returned check charges. Furthermore, the modification expands the waiver language to apply to any emergency declaration by an authorized governmental body. Florida Power & Light Company has a similar provision in its Commission-approved tariff regarding miscellaneous service charges.²

Staff believes the modifications will allow DEF further flexibility to mitigate customer impact during the current public health emergency and the related Executive Orders issued by Governor DeSantis, while still reliably serving customers as a whole. Therefore, staff recommends the Commission should approve the modifications to Tariff Sheet No. 6.110, effective March 31, 2020.

² Florida Power & Light Company Fourteenth Revised Sheet No. 4.020 approved by 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*.

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. (Brownless)

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.



SECTION NO. VI
NINETEENTH TWENTIETH REVISED SHEET NO. 6.110
CANCELS EIGHTEENTH NINETEENTH REVISED SHEET NO. 6.110

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RATE SCHEDULES SC-1
SERVICE CHARGES

Establishment of Service:

A service charge shall be made for each establishment or re-establishment of service. This charge shall apply to each new service connection, service reconnection and transfer of account from one occupant to another. It shall also apply to reconnections after disconnection for non-payment or violation of Company or Florida Public Service Commission (Commission) Rules.

1. A charge of \$61.00 will be made for initial establishment of service to a premise.
2. A charge of \$28.00 will be made for each subsequent re-establishment of service to said premise.
3. A charge of \$10.00 will be made for each subsequent re-establishment of service to said premise where the customer has executed and has on file a Leave Service Active (LSA) agreement for units of a multi-family rental housing complex situated on a contiguous property and having an on-site manager.
4. A charge of \$40.00 will be made for the reconnection of service after disconnection for nonpayment or violation of Company or Commission Rules where such reconnection is performed during normal working hours (M-F, 7AM-7PM). For reconnection of lighting service, the Company may assess this charge for each lighting installation on an account.
5. A charge of \$50.00 will be made for the reconnection of service for nonpayment or violation of Company or Commission Rules where such reconnection is performed outside of normal working hours. For reconnection of lighting service, the Company may assess this charge for each lighting installation on an account.

~~The Company shall have the discretion to waive any of the foregoing charges that would otherwise apply to customers as a consequence of significant damage to their premises caused by a natural disaster or other similar conditions for which an emergency has been declared by a governmental body authorized to make such a declaration.~~

Late Payment Charge:

Charges for services due and rendered which are unpaid as of the past due date are subject to a Late Payment Charge of the greater of \$5.00 or 1.5%, 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 manner permitted, by applicable law.

Returned Check Charge:

A service charge as allowed by Florida Statute 68.065 shall be added to the Customer's bill for electric service for each check or draft dishonored by the bank upon which it is drawn. Termination of service shall not be made for failure to pay the returned check charge.

Waiver Clause for Above Charges:

~~The Company shall have the discretion to waive any of the foregoing charges that would otherwise apply to customers as a consequence of significant damage to their premises caused by a natural disaster, or during periods of declared emergencies, or other similar conditions for which an emergency has been declared by a governmental body authorized to make such a declaration.~~

Investigation of Unauthorized Use Charge:

The Customer shall be assessed a charge by the Company for reimbursement of all investigative expenses related to a premise for which the Customer has undertaken unauthorized use of service and the Company has not elected to seek full recovery by prosecution under the law. The charge shall not be less than \$75.00, and such charge may be assessed in lieu of proof of actual expenses incurred. In addition to this charge, the Customer is responsible for any damages to the Company's facilities, correction of measured consumption, and/or any other service charges which may be applicable.

ISSUED BY: Javier J. Portuondo, **Director Vice President, Rates & Regulatory Strategy – FL**

EFFECTIVE: April 29, 2013