

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

April 4, 1996

TO : DIRECTOR, DIVISION OF RECORDS AND REPORTING  
FROM: DIVISION OF ELECTRIC AND GAS (MAKIN, GING, BULECZA-BANKS) *CLERK RLT*  
DIVISION OF LEGAL SERVICES (ELIAS) *RVE*  
RE : DOCKET NO. 960308-GU - PEOPLES GAS SYSTEM, INC. -  
PETITION FOR AUTHORITY TO IMPLEMENT BI-MONTHLY METER  
READING PROGRAM SYSTEM-WIDE  
AGENDA: 04/16/96 - REGULAR AGENDA - PROPOSED AGENCY ACTION -  
INTERESTED PERSONS MAY PARTICIPATE  
CRITICAL DATES: NONE  
SPECIAL INSTRUCTIONS: I:\PSC\EAG\WP\960308.RCM

CASE BACKGROUND

On August 18, 1994, the Commission issued Order No. PSC-94-0999-FOF-GU that approved Peoples Gas System, Inc.'s, (Peoples) petition for authority to implement a one-year pilot bi-monthly meter reading program in Peoples' South Florida Division (October 1994 - September 1995). The Order also granted a temporary exemption from certain provisions of Rules 25-7.084 and 25-7.085, Florida Administrative Code, which requires meters to be read every month.

On October 17, 1995, the Commission issued Order No. PSC-95-1287-FOF-GU approving Peoples' petition to extend the end of the pilot program in its South Florida Division for an addition six-month period (October 1, 1995 - April 1, 1996).

In addition, the Commission's order initially approving the pilot program required Peoples to file quarterly reports and a final report with 90 days after the pilot program was concluded. The reports were required so that the Commission could evaluate the success of the pilot program.

DOCUMENT NUMBER-DATE

03857 APR-4 96

FPSC-RECORDS/REPORTING

DISCUSSION OF ISSUES

**ISSUE 1:** Should the Commission approve Peoples Gas Systems, Inc.'s. (Peoples) petition for authority to implement its bi-monthly meter reading program system-wide?

**RECOMMENDATION:** Yes. The Commission should approve Peoples' petition for authority to implement its bi-monthly meter reading program system-wide effective May 1, 1996. Peoples' request for an exemption from those provisions of Rules 25-7.084 and 25-7.085, Florida Administrative Code, that require monthly meter readings and bills based on those monthly readings should be approved.

**STAFF ANALYSIS:** On March 8, 1996 Peoples filed its petition for authority to implement its bi-monthly meter reading program on a system-wide residential basis. Peoples proposes to stagger the implementation in its operating divisions in order to accommodate training and division-specific program installation. Peoples anticipates implementing the program in May 1996 in its Jacksonville and Orlando Divisions, in July 1996 in its St. Petersburg, Sarasota, and Lakeland Divisions, and in September 1996 in its Tampa, Eustis, and Daytona Divisions.

At this time Peoples does not intend to implement the program in its Highlands or Palm Beach Gardens Divisions. These divisions have such a small number of residential customers that implementation would not be cost effective.

During the first twelve months of the pilot program, an average of 63,996 residential customers in Peoples' South Florida Division were involved. The pilot program has resulted in a reduction to meter-reading expense of approximately \$50,000 for the first twelve months of the program.

During the pilot program, Peoples incurred problems in the estimation routine, computer problems, meters that did not meet a profile to be estimated, and customer complaints. Peoples corrected these problems and projects that the annual savings in meter reading expense by implementing the program on a system-wide basis will be approximately \$300,000.

Commission Order No. PSC-94-099-FOF-GU granted a temporary exemption for the pilot program from certain provisions of Rules 25-7.084 and 25-7.085, Florida Administrative Code, that require meters to be read every month and billings based on those monthly meter readings. Peoples has requested a similar exemption for the system-wide program. If the Commission approves Peoples bi-monthly

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meter reading program on a system-wide basis, staff believes an exemption from those provisions of Rules 25-7.084 and 25-7.085, Florida Administrative Code, is appropriate.

Accordingly, Staff recommends Peoples' petition for authority to implement bi-monthly meter-reading program system-wide be approved. Staff further recommends that Peoples' request for an exemption from those provisions of Rules 25-7.084 and 25-7.085, Florida Administrative Code, that require monthly meter readings and bills based on those monthly readings be approved.

**ISSUE 2:** Should this Docket be closed?

**RECOMMENDATION:** Yes. If no timely protest is filed within 21 days of the issuance of this Order.

**STAFF ANALYSIS:** Pursuant to Rule 25-22.029(4), Florida Administrative Code, any person whose substantial interest are affected by the proposed agency action shall have 21 days after the issuance of the Order to file a protest. If no timely protest is filed, the docket should be closed.