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March 19, 2007

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Ms. Blanca S. Bayo, Director  
Division of Commission Clerk  
and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

070182-EL

Re: UNDOCKETED – Review of Customer Deposit Procedures of Florida's Five Investor-Owned Utilities

**REQUEST FOR SPECIFIED CONFIDENTIAL TREATMENT  
(CONFIDENTIAL DOCUMENTS ENCLOSED)**

Dear Ms. Bayo:

Pursuant to a Request for Confidential Treatment Tampa Electric is simultaneously filing with your office, we enclose a single unredacted confidential version of Exhibit 2, page 11 of the Executive Summary and page 63 of the Commission's Staff draft report entitled Customer Deposit Procedures of Florida's Five Investor-Owned Utilities. The confidential information contained in this filing is highlighted in yellow and stamped "CONFIDENTIAL." We would appreciate your maintaining confidential treatment of the enclosed material.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to this writer.

Thank you for your assistance in connection with this matter.

Sincerely,

12-29-08  
**DECLASSIFIED**

*James D. Beasley*  
James D. Beasley

**CONFIDENTIAL**

JDB/pp  
Enclosure

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

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**Operational Process Comparison of Florida's  
Investor-Owned Utilities**

					TEC
Initial Deposit Requirement					Twice average monthly bill
Waiver Criteria Residential					Equifax > 896, Previous customer, Guarantor - - -
Waiver Criteria Non-Residential					Letter of Credit, Surety bond, Guarantor, - Blanket S&P A-/Moody's A3 -
Triggers for Additional Deposit Review - Residential					Late payments, Disconnect order for non-payment
Triggers for Additional Deposit Review - Nonresidential					Disconnect order, Gap > \$500 in calculated deposit, 4 late payments, S&P A- or Moody's A3
Credit Threshold for Additional Deposits - Large Corporate					Below S&P A- or Moody's A3
Accounts with Deposits Residential					44 percent
Accounts with Deposits Nonresidential					89 percent
Total Deposit Dollars as a % of Total Revenue(2005)					5.0 percent
Accounts without Deposits as % of Net Bad Debt (2005)					40 percent
Net Bad Debt as a Percent of Total Revenues (2005)					.29 percent
Deposit Review Residential					Monthly
Deposit Review Nonresidential					Semi-annually

**EXHIBIT 2**

*Source: Data Requests 1, 2, and 3, Interviews, Sampling*

DOCUMENT NUMBER - DATE  
02442 MAR 19 2006  
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determine credit worthiness. The score used by Equifax is generated by a proprietary model used specifically for the purpose of determining whether a customer deposit is required and is not the same as the customer's FICO credit scores. Results of this scoring will determine whether the deposit can be waived. TEC will not waive a deposit and one will be required if the score is between 0 and 896. Deposits will be waived for scores above 896.

In lieu of cash deposits, residential customers may furnish a satisfactory guarantor or establish credit worthiness via a credit check by Equifax. TEC customer service procedures state these options are not actively promoted but are available if a customer inquires. Deposits and other security in lieu of deposits assist the company to limit and control exposure to loss created by billing for services already provided. Deposits are automatically calculated by the system during account set-up.

#### **Nonresidential Accounts**

For nonresidential customers, a deposit is required equal to two times the average monthly service bill as determined by TEC's engineers or field personnel, historical data, or the company's best estimate of consumption. In lieu of a cash deposit, nonresidential customers may furnish an irrevocable line of credit, surety bond, satisfactory guarantor, or may obtain a deposit waiver based on bond rating. A Standard & Poor's long term debt rating of A- or better or Moody's rating of A3 or better is required to qualify for an alternative form of security. Nonresidential accounts exempt from deposit requirements include government, public schools, tax-exempt non-profit organizations, and regulated utilities.

For existing commercial customers who request a new account, such as multiple location businesses, TEC will allow the customer to choose one of its accounts to serve as a "master" depository account for all of the associated accounts. This allows a commercial or corporate customer to more efficiently manage its deposit. When the new account is opened, TEC reviews the master account to determine what additional deposit may be required.

### **6.2.2 Additional Deposits**

#### **Residential Accounts**

When a residential customer does not maintain a satisfactory payment history, TEC conducts a review of the account to determine if an additional deposit should be required. The company reviews specific patterns when determining if an account should be billed an additional deposit. These include the following:

- ◆ Disconnect for nonpayment order is produced,
- ◆ Deposit billing does not exist,
- ◆ Amount of additional deposit needed is \$50 or greater,
- ◆ Does not have a pending credit arrangement,
- ◆ Does not have a guarantor,
- ◆ An additional deposit notification letter was previously generated, or
- ◆ If a customer fails to make timely payments

If a bill for an additional deposit becomes 30 days past due, any payments made on the account will first be credited towards the additional deposit obligation, and then to the electric service portion of the bill. This procedure prevents customers from avoiding the deposit by