



January 9, 2009

Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RE: Customer deposit policy of Progress Energy Florida, Inc. (PEF) and Sumter Electric Cooperative, Inc. (SECO) regarding the joint amended territorial agreement in Sumter, Lake, Marion, Levy and Citrus Counties by Sumter Electric Cooperative, Inc. and Progress Energy Florida, Inc.; Docket No. 080632-EU

Dear Ms. Cole:

Regarding the submission of the joint amended territorial agreement between SECO and PEF, this letter is being provided to address and clarify the agreement of the parties as to the process for customer deposits related to the transfer of customers required by the agreement. It is parties' desire that transferred customers suffer no hardship due to requirements of the agreement to transfer their electric account.

As agreed to by the parties, customers will not be required to pay a deposit greater than the deposit that was previously charged by the other party from which the account is being transferred. Therefore, if the transferring party has no deposit on hand for the transferring account, the receiving party will not require a deposit. Further, if the transferring party does have a deposit on hand, the receiving party will collect a deposit not greater than the amount held by the transferring party.

While our respective policies require payment of a deposit in full prior to the establishment of new electric service, the parties agree to bill the new customer the deposit allowing the customer 30 days to pay the deposit. In addition, should the customer have a hardship paying the deposit in full, the parties agree to work with the customers to make arrangements when appropriate for installment payments toward the full amount of the deposit. The transfer of deposit policy described herein does not preclude additional deposits as determined by subsequent credit history or periodic review.

To further assist the customers in understanding the special policy being established under this agreement, the parties will send written communications approximately 30 days prior to the transfer of their account explaining the policy and provide contact information (phone, address, email) for each utility should they have any questions or concerns.

Should you have any further questions regarding our customer deposit issue, please contact me at (727) 820-5509.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gail Simpson".

Gail Simpson
Manager, Public Policy and Constituent Relations

cc: John Burnett, Esquire
Ben Brickhouse, Sumter Electric
Lewis Stone, Esquire