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REDACTED

June 28, 2012

HAND DELIVERED

RECEIVED-FPSC
12 JUN 28 PM 3:51
COMMISSION
CLERK

claim of confidentiality
notice of intent
X request for confidentiality
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For DN 0429112, which
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Ms. Ann Cole, Director
Division of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: UNDOCKETED – Review of Payment Arrangement Programs Offered by the Florida Electric Industry

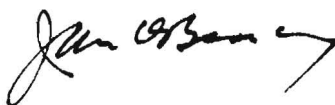
Dear Ms. Cole:

Enclosed for filing in the above-referenced matter are the original and seven (7) copies of Tampa Electric Company's Request for Confidential Classification and Motion for Temporary Protective Order.

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,



James D. Beasley

JDB/pp
Enclosure

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DOCUMENT NUMBER DATE
04290 JUN 28 12
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of Payment Arrangement)
Programs Offered by the Florida Electric)
Industry.)
_____)

UNDOCKETED

FILED: June 28, 2012

**TAMPA ELECTRIC COMPANY'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION
AND MOTION FOR TEMPORARY PROTECTIVE ORDER**

Tampa Electric Company ("Tampa Electric" or "the company"), pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, hereby request confidential classification of the yellow highlighted information contained in the following described document(s) ("the Document(s)") stamped "CONFIDENTIAL" and all information that is or may be printed on yellow paper stock stamped "CONFIDENTIAL" within the Document(s), all of said confidential information being hereinafter referred to as "Confidential Information."

Description of the Document(s)

Four pages associated with a report and relating workpapers pertaining to Review of Payment Arrangement Programs Offered by the Florida Electric Industry, dated July 2012, by the Commission's Office of Auditing and Performance Analysis:

Pages 35 and 39 of the above-referenced report.

Staff Audit Workpaper entitled Tampa Electric Company, Undocketed: Customer Payment Arrangements, filed April 6, 2012 and bearing Bates stamp page 44.

An unnumbered landscape formatted Staff Audit Workpaper entitled Document #: 5 in the upper left hand corner and containing "Tampa Electric Credit Score" and

DOCUMENT NUMBER: DATE
04290 JUN 28 2012
FPSC-COMMISSION CLERK

"Guidelines" subheadings in the lower portion of the page. Single copies of each of the four pages are being filed this date with the Commission on a confidential basis under a separate transmittal letter with confidential information highlighted in yellow. In support of this request, the company states:

1. Subsection 366.093(1), Florida Statutes, provides that any records "found by the Commission to be propriety confidential business information shall be kept confidential and shall be exempt from s. 119.07(1), Florida Statutes [requiring disclosure under the Public Records Act]." Proprietary confidential business information includes, but is not limited to "[i]nformation concerning . . . contractual data, the disclosure of which would impair the efforts of the public utility or its affiliates to contract for goods or services on favorable terms." Subsection 366.093(3)(d), Florida Statutes. Proprietary confidential business information also includes "[i]nformation relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information." Section 366.093(3)(e), Florida Statutes. The Confidential Information that is the subject of this request and motion falls within the statutory categories and, thus, constitutes propriety confidential business information entitled to protection under Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code.

2. Attached hereto as Exhibit "A" is a justification for confidential treatment of the Confidential Information contained in the Document(s).

3. Attached hereto as Exhibit "B" are two public versions of the Document(s) with the Confidential Information redacted, unless previously filed as indicated.

4. The Confidential Information contained in the Document(s) is intended to be and is treated by Tampa Electric as private and has not been publicly disclosed.

5. For the same reasons set forth herein in support of its request for confidential classification, Tampa Electric also moves the Commission for entry of a temporary protective order pursuant to Rule 25-22.006(6)(c), Florida Administrative Code, protecting the Confidential Information from public disclosure.

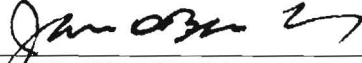
Requested Duration of Confidential Classification

6. Tampa Electric requests that the Confidential Information be treated by the Commission as confidential proprietary business information for at least the 18 month period prescribed in Rule 25-22.006(9)(a), Florida Administrative Code. If, and to the extent that the company is in need of confidential classification of the Confidential Information beyond the 18 month period set forth in the Commission rule, the justification and grounds for such extended confidential treatment are set forth in Exhibit "C" to this request and motion.

WHEREFORE, Tampa Electric Company respectfully requests that the Confidential Information that is the subject of this request and motion be accorded confidential classification for the reasons set forth herein and for a minimum period of 18 months, subject to any request for a longer period of confidential classification as may be set forth in Exhibit "C" to this request and motion. The company further moves for the entry of a temporary protective order pursuant to Rule 25-22.006(6)(c), Florida Administrative Code, protecting the Confidential Information from public disclosure.

DATED this 28th day of June, 2012.

Respectfully submitted,



JAMES D. BEASLEY
J. JEFFRY WAHLEN
Ausley & McMullen
Post Office Box 391
Tallahassee, Florida 32302
(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

**JUSTIFICATION FOR CONFIDENTIAL TREATMENT OF
HIGHLIGHTED PORTIONS OF TAMPA ELECTRIC'S REPORT**

<u>Document Description</u>	<u>Detailed Description</u>	<u>Rationale</u>
Pages 35 and 39 of the report entitled Review of the Payment Arrangement Programs Offered by the Florida Electric Industry	The yellow highlighted numbers	(1)
Staff Audit Workpaper entitled Tampa Electric Company, Undocketed: Customer Payment Arrangements, filed April 6, 2012 and bearing Bates stamp page 44	The yellow highlighted number	(1)
An unnumbered landscape formatted Staff Audit Workpaper entitled Document #: 5 in the upper left hand corner and containing "Tampa Electric Credit Score" and "Guidelines" subheadings in the lower portion of the page	The yellow highlighted number	(1)

-
- (1) Disclosing the maximum duration or a credit arrangement could encourage customers who might not otherwise need or request a payment arrangement to request one if they are informed that they can get an additional period of time to pay their bills. This could delay Tampa Electric's collection of amounts owed for electric service which, in turn, could increase the company's cost of doing business. Increases in the cost of doing business ultimately negatively impact all utility customers. Under Section 366.093(3), Florida Statutes, proprietary confidential business information includes information the disclosure of which would cause harm to the ratepayers or the business operations of the company that relies on the confidential business information. Both of those impacts would occur if the maximum number of days of a payment arrangement is disclosed publicly.

PUBLIC VERSION(S) OF THE DOCUMENT(S)

Attached hereto (unless previously filed as may be noted below) are two public versions of the Document(s) with the Confidential Information redacted.

Public Version(s) of the Document(s) attached X

Public Version(s) of the Document(s) previously filed on _____

5.0 TAMPA ELECTRIC COMPANY

5.1 COMPLAINTS AND INQUIRIES REGARDING PAYMENT ARRANGEMENTS

Over the 2007-2011 period, the number of TECO customer contacts to the FPSC related to billing, which were warm transfers⁷ or resulted in complaints, is shown in **Exhibit 25**. Specifically, in 2007, the FPSC handled 490 billing warm transfers and complaints from TECO customers. In 2008 and 2009, the number increased from 649 to 751. Since 2009, the number of billing warm transfers and complaints has decreased from 676 in 2010 to 575 in 2011. This decrease in billing-related issues may correlate to some improvement in economic conditions.

TAMPA ELECTRIC COMPANY FPSC WARM TRANSFER / COMPLAINT ACTIVITY 2007 - 2011				
Year	Billing Warm Transfers	Billing Complaints	Total Billing Warm Transfers and Complaints	Payment Arrangement Warm Transfers ⁸
2007	416	74	490	252
2008	542	107	649	335
2009	630	121	751	398
2010	550	126	676	409
2011	482	93	575	372

EXHIBIT 25

Source: FPSC Complaint Database

On average, 67 percent of billing-related calls warm transferred back to TECO involved payment arrangements. For the five-year period 2007 through 2011, the company received 2,620 billing warm transfers of which 1,766 had a preliminary close type of payment arrangements. The billing and payment arrangement warm transfer records show similar downward trends with the number of payment arrangements peaking at 409 in 2010 and declining to 372 in 2011.

5.2 PAYMENT ARRANGEMENT MONITORING AND INTERNAL CONTROLS

5.2.1 TRENDS IN PAYMENT ARRANGEMENTS

TECO offers payment arrangements to customers who are having difficulty paying their bills, if the customers meet certain criteria. The payment arrangement typically extends a customer due date for [REDACTED] days from the delinquent date. Audit staff reviewed *Bad Debt Arrears Studies* used by management to monitor the effectiveness of the bill collection process. TECO replaced its Interactive Voice Response (IVR) unit on April 17, 2009. Prior to that time TECO tracked arrangements that were granted by the IVR, but not arrangements

⁷ The term "warm transferred" refers to a situation where a customer calls the FPSC Call Center and after discussing and documenting the billing complaint details, the FPSC analyst transfers (or "warm transfers") the call to TECO for further assistance.

⁸ A subset of the number of billing warm transfers which may include both payment arrangement complaints and inquiries.

customers to assist them with bill payment such as providing the following energy conservation or special needs programs:

- ◆ TECO's Energy Planner;
- ◆ TECO's Medical Watch.

Unfortunately, in some instances the CIS results may indicate a recommendation to deny the payment arrangement.¹⁰ The specialist, however, continues to assist the customer by providing locally-available governmental social services or community relief organizations, as well as referrals to federal programs that may be of assistance such as:

- ◆ State-wide 211 Social Services Network;
- ◆ Federal LIHEAP/EHEAP Programs.¹¹

5.3.3 PAYMENT ARRANGEMENT POLICIES AND PROCEDURES

TECO maintains job aids in its Customer Information System (CIS) for use by company representatives as guidelines when dealing with payment arrangement requests. If a customer's account qualifies for a credit arrangement, the representative advises the customer of the terms of the arrangement placed on the account. A transaction and/or a remark is placed on the account. If the account does not qualify for an arrangement, the customer is advised that, according to the guidelines established by Tampa Electric, the account does not qualify.

TECO uses an internal algorithm to assign a customer a score. This score is the key factor for whether a credit arrangement is approved. If approved, the credit arrangement may be granted for █ days from the delinquent date. Company representatives are authorized to grant an arrangement despite the score, if there are mitigating circumstances. Company representatives may also extend credit arrangements longer than the standard 20 days from the delinquent date. The TECO internal score is based on these specific items:

- ◆ Amount in arrears
- ◆ Payment history
- ◆ Age of account
- ◆ Exposure (balance due versus deposit amount)
- ◆ Miscellaneous factors (broken arrangements, returned checks, billing of late fees)

5.3.4 COLLECTION POLICIES AND PROCEDURES

TECO's customers receive a monthly bill describing the usage and billing for the previous month. If payment is submitted on or prior to the specified due date, customers will not receive a final notice or incur late charges. If payment is not received and the customer does not meet the company criteria for final bill suppression, a final notice will produce. The final notice specifies the date by which payment must be submitted to avoid interruption of service.

If a customer's payment is not received by the final notice date, a disconnection transaction is generated. Payment of the past due amount is required prior to service being restored. Once the customer has made the payment and contacted Customer Service prior to 6:00 P.M., a reconnection transaction is generated. The customer is advised service will be

¹⁰ Note that in an approval situation, it is TECO's policy that the customer is still responsible for paying the late fee.

¹¹ According to the FPSC's Bureau of Consumer Assistance, there were a limited number of formal payment arrangement complaints filed against the IOUs during the three-year review period and they almost exclusively involved disputed back-billing issues.

TAMPA ELECTRIC COMPANY
 UNDOCKETED: CUSTOMER PAYMENT
 ARRANGEMENTS
 FILED: APRIL 6, 2012

**Payment Arrangements
 Tampa Electric Company**

Steps taken prior to disconnect or reconnect	
21 meter reading and billing cycles	Meter Reading and billing process takes place
1 business day after meter is read	Account goes through billing Initial monthly bill is generated the evening of billing process
1 business day after bill generated	Initial monthly bill is mailed to Customer
21 st calendar day after bill generated	Initial monthly bill becomes due Payment arrangement may be requested prior to overdue bill and during any of the days that follow up to 10 calendar days from the delinquent date via CSP, IVRU, or website
22 nd calendar day after initial bill is generated	If payment is not received or payment arrangement is not granted, a final notice bill may be generated
10 calendar days from date final notice is generated	Final Notice due date
If payment is not received by final notice due date	Disconnect order is generated that evening during billing process Disconnect order is routed to Field Operations
1 business day after final notice due date	Field Operations will manually disconnect service in the field at the AMR meter The Field Technician does <i>not</i> attempt to collect payment in the field
If payment is received the same day as the scheduled disconnect and the disconnect order has <i>not</i> been completed	Field Operations will cancel (no action) the disconnect order Service remains on; no further action is taken
If payment is received the same day as the scheduled disconnect and service <i>has</i> been disconnected	Service can be reconnected the same business day if Customer Service is contacted <i>prior</i> to 6:00p.m., otherwise service will be reconnected the following business day Field Operations will manually reconnect the service in the field at the AMR meter
If payment <i>is</i> received but the Customer does <i>not</i> contact Customer Service to request reconnection	Auto Reconnect process will take place throughout day and evening Reconnect order will be generated Service will be reconnected within 24 hours
If payment is <i>not</i> received and the Customer does <i>not</i> request reconnection of service	Account will be finaled 15 business days after disconnect date

Document #: 5
Date Requested:
Date Received:
Comments: (i.e., Confidential)

Document Title and Purpose of Review:

Please provide the policies and procedures regarding:

- a) customers that are seeking payment options/arrangements and/or entering into these arrangements. (this excludes budget or level billing)
- b) the establishment of credit by customers for payment of service bills.
- c) disconnection for non-payment and reconnection of customer's service.
- d) the past due collection process.

Summary of Contents:

Response:

- a) If the customer's account qualifies for an arrangement, the representative advises the customer of the arrangement placed on the account and a transaction and/or a remark is placed on the account.

If the customer's account does not qualify for an arrangement, the customer is advised that, according to the guidelines established by Tampa Electric, the account does not qualify for an arrangement.

Tampa Electric Credit Score	Guidelines
Equal or <i>less</i> than requirement	Complete credit arrangement for [REDACTED] calendar days from the delinquent date
<i>Greater</i> than requirement	No credit arrangement granted

- b) The customer accounts have a Tampa Electric credit score which will impact their ability to make an arrangement, participate in company programs, and receive a refund of their deposit. Below are specific items that will impact the customer's Tampa Electric credit score:

- 1. Amount in arrears. The customer's Tampa Electric credit score begins to be affected once the customer's bill is past due. The longer a customer's bill is in arrears, the more the customer's Tampa Electric credit score will be impacted.

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1. Amount in arrears. The customer's Tampa Electric credit score begins to be affected once the customer's bill is past due. The longer a customer's bill is in arrears, the more the customer's Tampa Electric credit score will be impacted.

REQUESTED DURATION OF CONFIDENTIAL CLASSIFICATION

Tampa Electric requests that the Confidential Information that is the subject of this request be treated as proprietary confidential business information exempt from the Public Records Law for a minimum of 18 months from the date of the order granting such classification. To the extent the company needs confidential protection of the Confidential Information for a period longer than 18 months, the company's justification therefor is set forth below:

The information in question should be maintained on a confidential basis for at least three years as the company does not plan on altering its payment arrangement maximum duration in the foreseeable future. Tampa Electric will follow up with a request to renew confidential treatment before the end of the requested three-year period.