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August 16th 2015
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June 28, 2012

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120202-EI

Ms. Ann Cole, Director
Division of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

CONFIDENTIAL

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

CONFIDENTIAL INFORMATION ENCLOSED

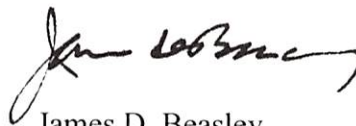
Dear Ms. Cole:

We submit on behalf of Tampa Electric Company on a confidential basis 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. These pages are stamped "Confidential" and the confidential information they contain is highlighted in yellow. This filing is being accompanied by a Request for Confidential Classification and Motion for Temporary Protective Order being separately filed this date with your office.

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

DOCUMENT NUMBER: DATE
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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 20 calendar 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.

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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 20 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.

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**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 20 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

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

Document Title and Purpose of Review:

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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 20 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.