

REQUEST TO ESTABLISH DOCKET
(PLEASE TYPE)

Date 12/28/1998

Docket No. 981972-EX

1. Division Name/Staff Name EAG / Elisabeth Draper
2. OPR Elisabeth Draper
3. OCR Tiffany Collins, Legal
4. Suggested Docket Title Position by Florida Power Corporation to allow for payment through a third party vendor

5. Suggested Docket Naming List (attach separate sheet if necessary)

- A. Provide NAMES ONLY for regulated companies or ACRONYMS ONLY regulated industries, as shown in Rule 25-22.104, F.A.C.
- B. Provide COMPLETE name and address for all others. (Match representatives to clients.)

1. Parties and their representatives (if any)

Florida Power Corporation

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

2. Interested Persons and their representatives (if any)

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

6. Check one:

- Documentation is attached.
 Documentation will be provided with recommendation.

DOCUMENT NO.

Dec 28



**Florida
Power**
CORPORATION

December 22, 1998

Ms. Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. N/A 981972-EI

Dear Ms. Bayó:

Enclosed for filing are the original and 15 copies of Petition to Revise Tariff for Service Charges for Payment Through a Third Party Vendor by Florida Power Corporation.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. Also enclosed is a 3.5 inch diskette containing the above-referenced Petition and Tariff Revision in WordPerfect format. Thank you for your assistance in this matter.

Sincerely,

Shauna T. Burkes
Shauna T. Burkes

Enclosures

F

REGISTRY
DEC 28 1998
ELECTRIC

ADMINISTRATIVE MAIL ROOM
RECEIVED
DEC 23 4 05 PM '98

DOCUMENT NO.
14588-48
12-28-98

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition to revise tariff for
service charges for payment
through a third party vendor.

Docket No. _____

Submitted for filing:
December 22, 1998

**FLORIDA POWER CORPORATION'S
PETITION FOR TARIFF REVISION**

Florida Power Corporation ("Florida Power"), hereby files this Petition for authority to immediately revise Rate Schedule SC-1, Service Charges, of its Tariff for Retail Electric Service, by creating a subsection entitled "Payment Through a Third Party Vendor", which would provide a mechanism for customers to use credit card, debit card, check, and check-by-phone or other similar types of option for the payment of electric utility bills. In support of this Petition, Florida Power states as follows:

Introduction

1. Petitioner, Florida Power, is a public utility subject to the jurisdiction of the Commission under Chapter 366, Florida Statutes. Florida Power's General Offices are located at 200 Central Avenue, St. Petersburg, Florida 33731.

2. All notices, pleadings, and other communications required to be served on Petitioner should be directed to:

James A. McGee, Esquire
Post Office Box 14042
MAC-A4A
St. Petersburg, FL 33733-4042
Telephone: (727) 866-5184
Facsimile: (727) 866-4931

For express deliveries by private courier, the address is:

DOCUMENT NO.
14588-98
12-28-98

3201 34th Street South
St. Petersburg, FL 33711

Background

3. In 1992 Florida Power began accepting credit card payments from its customers. In that year, the number of credit card payments received and processed totaled 7,193. The number of credit card transactions have dramatically increased since 1992, with the total number of credit card payments expected to exceed 180,000 by year end 1998.

4. From August 1997 through July 1998, 51,505 account holders made one or more payments with credit cards. Of that number, 32% of the transactions were for accounts with collection arrangements or eligible for cut; 22% were for deposit payments; and 46% for regular monthly bill payments.

5. Florida Power currently has five payment options consisting of business offices, automated agents, mail-in payments, electronic funds transfer, and credit card payments by telephone. The number of transactions processed utilizing each current option and the cost per transaction for each are illustrated in Attachment A. The most costly option for Florida Power is the credit card by telephone option, costing \$3.91 per transaction.

6. The advantages for accepting credit card payments are: customer satisfaction, customer convenience, guaranteed/validated money, credit savings, charge-off reduction, use of credit card to purchase other products and services, and strategic value. The disadvantages for accepting credit card payments are: high costs, additional employee time, and the increasing number of credit card transactions.

7. With the number of credit card processing requests expected to exceed 180,000 by year end 1998, the costs for processing those requests are expected to exceed \$700,000. (See Attachment B for a breakdown of those costs).

8. Due to the rising costs, additional employee time, and increased number of transactions, Florida Power considered three options for accepting credit card payments: (1) purchase a system for in house processing; (2) use an outside third party vendor; or (3) discontinue offering the credit card payment option.

9. The most cost effective option is the use of an outside third party vendor. The advantages of this third party vendor option includes: a toll free 800 number; electronic posting every half hour; the benefit of accepting checks and debit cards by telephone; customers continual option to use their credit card; and for Florida Power, the substantial decrease in employee time and labor costs. The common advantage to any third party vendor is the customer convenience and option of making payment either by credit card, debit card, check, and check-by-phone or other similar types of payment. The one disadvantage is that customers will be required to pay a separate transaction processing fee.

10. Florida Power wishes to provide the option of making credit card, debit card, check, and check-by-phone payments or other similar types of payment through a third party vendor. The customer would be responsible for any vendor charges associated with this type of payment. Customers will call a toll free number or visit the third party vendor directly. In either instance, the vendor will process the transaction and collect the transaction fee directly from the customer.

11. Florida Power asks that the Commission immediately grant its consent

to the operation of the revised tariff sheet, or, in the alternative, to allow it to become effective under operation of law in accordance with the provisions of Section 366.06(4), Florida Statutes.

WHEREFORE, Florida Power Corporation respectfully requests that the Commission grant this Petition, allowing payment through a third party vendor, to take effect immediately upon Commission approval.

Respectfully submitted,

OFFICE OF THE GENERAL COUNSEL
FLORIDA POWER CORPORATION

By James A. McGee, Esquire

James A. McGee, Esquire

Post Office Box 14042

MAC - A4A

St. Petersburg, FL 33733-4042

Telephone: (727) 866-5184

Facsimile: (727) 866-4931

Attachment "A"

**Transaction Costs-All Payment Options
(Currently Used)**

<u>Payment Channel</u>	<u>Transactions</u>	<u>Cost Per Transaction</u>
Business Offices	4,045,766	\$1.91
Automated Agents	234,381	\$1.42
Mail In Payments	10,203,432	\$0.08
Electronic Funds Transfer	936,026	\$0.12
Credit Cards by Telephone	180,746	\$3.91

Attachment "B"

**Expected 1998 Year
End Credit Card Costs**

* Processing Fees.....	\$ 351,586
* Transaction Fees.....	11,839
* Labor Costs.....	328,924
* Materials/Equipment/Misc.....	<u>14,316</u>
* Total Costs.....	706,665



PROPOSED REVISION

Page 1 of 1

RATE SCHEDULES SC-1 SERVICE CHARGES

Establishment of Service:

A service charge shall be made for each establishment or re-establishment of service. This charge shall apply to each new service connection, service reconnection and transfer of account from one occupant to another. It shall also apply to reconnections after disconnection for non-payment or violation of Company or Commission Rules.

1. A charge of \$30.50 will be made for initial establishment of service to a premises.
2. A charge of \$35.00 will be made for each subsequent re-establishment of service to said premise where the service has been previously disconnected and a field trip is required to restore service.
3. A charge of \$5.10 will be made for each subsequent re-establishment of service to said premise where the service has not been previously disconnected and is to be transferred from one occupant to another with no more than one field trip.
4. A charge of \$27.00 will be made for the reconnection of service after disconnection for nonpayment or violation of Company or Commission rules.
5. Charges for services due and rendered which are unpaid as of the past due date are subject to a Late Payment Charge of 1.5%, except the accounts of federal, state, and local governmental entities, agencies, and instrumentalities. A Late Payment Charge shall be applied to the accounts of federal, state, and local governmental entities, agencies and instrumentalities at a rate no greater than allowed, and in a manner permitted by applicable law.

Returned Check Charge:

A service charge of \$20.00 or 5% of the amount of the check, whichever is greater, shall be added to the Customer's bill for electric service for each check dishonored by the bank upon which it is drawn. Termination of service shall not be made for failure to pay the returned check charge.

Payment Through a Third Party Vendor:

The Customer may elect to make payment through a third party vendor contracted by the Company. The Customer shall be responsible for any vendor charges associated with this type of payment. These payment methods may include but not be limited to the following: credit card, debit card, check, and check-by-phone or other similar types of payment.