

AUSLEY & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

227 SOUTH CALHOUN STREET
P.O. BOX 391 (ZIP 32302)
TALLAHASSEE, FLORIDA 32301
(850) 224-9115 FAX (850) 222-7560

May 11, 2001

HAND DELIVERED

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

010727-EI

Re: Petition of Tampa Electric Company to revise tariff for service charges for payment through a third party vendor

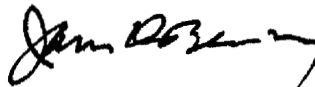
Dear Ms. Bayo:

Enclosed for filing in the above-styled matter are the original and fifteen (15) copies of Tampa Electric Company's Petition for approval to revise tariff for service charges for payment through a third party vendor.

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
Enclosures

DOCUMENT NUMBER-DATE
05906 MAY 11 2001
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Tampa Electric Company)
to revise tariff for service charges for)
payment through a third party vendor.)
_____)

DOCKET NO. _____
FILED: May 11, 2001

**PETITION OF TAMPA ELECTRIC COMPANY FOR
APPROVAL TO REVISE TARIFF FOR SERVICE CHARGES
FOR PAYMENT THROUGH A THIRD PARTY VENDOR**

Tampa Electric Company (“Tampa Electric” or “the company”), by and through its undersigned counsel, and pursuant to Section 366.06, Florida Statutes, and Section 25-9.004, Florida Administrative Code, hereby petitions this Commission for approval to revise the company’s tariff pertaining to service charges to allow customers the option of paying their electric bills through a third party vendor. In support thereof, the company says:

1. Tampa Electric is an investor-owned electric utility subject to the Commission’s jurisdiction pursuant to Chapter 366, Florida Statutes. Tampa Electric serves retail customers in Hillsborough and portions of Polk, Pinellas and Pasco Counties in Florida. The company’s principal offices are located at 702 North Franklin Street, Tampa, Florida 33602.

2. The persons to whom all notices and other documents should be sent in connection with this docket are:

Lee L. Willis
James D. Beasley
Ausley & McMullen
Post Office Box 391
Tallahassee, FL 32302
(850) 224-9115
(850) 222-7952 (fax)

Angela Llewellyn
Administrator, Regulatory Coordination
Tampa Electric Company
Post Office Box 111
Tampa, FL 33601
(813) 228-1752
(813) 228-1770 (fax)

3. Tampa Electric proposes to offer customers the convenience option of paying by the telephone or internet with a credit card (MasterCard, VISA or Discover), debit card or check through a third party vendor. This option will provide customers the choice of making a payment over the telephone or internet for a \$4.95 convenience fee for transactions of \$500.00 or less, to be charged by the vendor. Therefore, Tampa Electric is seeking approval to revise its tariff pertaining to service charges to include the option of making electric bill payments through a third party vendor. The requested amended tariff is attached hereto in standard and legislative format as Exhibit "A".

4. Tampa Electric customers are requesting more payment options. Tampa Electric has experienced an increase in customer telephone and e-mail inquiries about the availability of making payments by credit card over the telephone and the internet. According to one respected utility industry publication¹, one utility offering a credit card pay by telephone option with a convenience fee found that "Customers immediately latched onto the credit card option of payment." Additionally, the publication indicated that "what typically utilities do not realize is that customers do not compare you to other utilities. Customers compare you against other services they're getting, which include payment by credit card."

5. Tampa Electric's current technology infrastructure supports offering this convenience option to customers. Under the option, customers will be able to pay over the telephone by credit card, debit card or check via a toll free number or through Tampa Electric's voice response unit, which will transfer the caller to the vendor's service. Additionally, Tampa Electric launched its web based PowerPay E-Bill in February 2001. This is a program which affords customers the ability to pay their electric bill online. Over 3,500 customers have already

¹ Chartwell Publishing, *Best Practices for Utilities and Energy Companies*, January 2001.

signed up and many have inquired about the ability to pay via credit card. The credit card option with a convenience fee would be available via a link from Tampa Electric's PowerPay website to the vendor's website.

6. As part of Tampa Electric's continuing efforts to meet customers' needs, the company's customer service strategy involves offering customers a variety of payment options under its PowerPay program. As shown in Exhibit "B", Tampa Electric currently offers five PowerPay options to its customers. A pay by telephone option through a third party vendor would be an appropriate and convenient addition to the company's PowerPay options.

7. Tampa Electric's first quarter 2001 customer survey included questions concerning payment options. Based on over 400 responses from a randomly selected group of customers, about three percent of customers indicated an interest in the pay by telephone option and are willing to pay a convenience fee.

8. Tampa Electric believes, based on customer comments, that this option will be attractive to customers who are in need of prompt payment to avoid late fees, reconnection fees or the expense of express mail. For example, apartment management companies based out of state do not find it feasible or convenient to make payments to payment agents or to local Tampa Electric offices. These customers would prefer the pay by telephone or internet convenience option. Customers faced with the possibility of their electric service being disconnected have also requested this option. For these customers, it is a value decision based on the avoidance of paying a reconnection fee and the inconvenience of driving to a payment agent or to a Tampa Electric office, versus completing the payment transaction over the telephone or internet. For customers who lack convenient transportation, pay by the telephone or internet offers them a choice of arranging transportation to a payment facility or paying a convenience charge.

9. To make a payment by the telephone or internet, the customer will either 1) call Tampa Electric's customer service number and select the option to pay by telephone, 2) directly dial a toll free number to the vendor or 3) connect to the vendor via a link from the company's PowerPay website. Once connected to the vendor, the customer can choose to make a payment via his/her checking account, credit card (MasterCard, VISA or Discover) or debit card, subject to the \$4.95 convenience fee for a transaction of \$500.00 or less. The customer will be asked to have his/her electric account number available. The customer will be informed before making the payment of the \$4.95 convenience fee. During the transaction, the convenience fee message will be communicated to the customer at a minimum of three times, or more if deemed necessary. Additionally, the customer will be informed of the total charge, electric bill payment amount plus convenience fee, for final approval. If a customer initiates a transaction that exceeds \$500.00, the customer will be prompted to complete separate transactions and will be charged the \$4.95 convenience fee for each \$500.00 increment or portion therefore. Multiple transactions can be handled through a single call. This system will be available 24 hours a day, 7 days a week, 365 days a year. Payments will be posted to Tampa Electric's customer information system several times during the day. Additionally, the vendor will provide a disconnect avoidance service by notifying Tampa Electric on a real time basis to cancel any pending disconnect order based on the payment. This feature will enable a late paying customer to avoid both the inconvenience of being disconnected for nonpayment and a \$35.00 charge to reestablish electric service.

10. Based on company research of other utilities across the nation, the pay by telephone with a convenience fee is widely used and growing in use across all types of

industries. Tampa Electric conducted a sampling of 18 utilities and found that 16 offered credit card and/or check by telephone payments with a convenience fee.

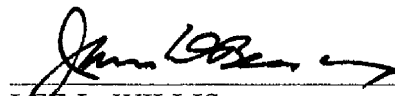
11. Tampa Electric will receive no additional revenues if its proposed convenience option is approved. The benefit of the proposed option will be the satisfaction of those customers who have requested it.

12. Tampa Electric is not aware of any disputed issues of material fact relating to the matters proposed in this Petition.

WHEREFORE, Tampa Electric respectfully requests that the Commission approve this petition, allowing payment for electric service via a third party vendor, to take effect immediately upon Commission approval.

DATED this 11th day of May, 2001.

Respectfully submitted,



LEE L. WILLIS
JAMES D. BEASLEY
Ausley & McMullen
Post Office Box 391
Tallahassee, FL 32302
(850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

**Tampa Electric Company
Exhibit "A"**

**Tariff Sheets
Standard & Legislative Format**

SERVICE CHARGES

A \$38.00 service charge will be made for the establishment of each initial service connection.

A \$35.00 service charge will be made for each reestablishment of service after such service has been discontinued as provided for in Section 5, Part 2.14 of this Tariff.

A \$16.00 service charge will be made for all other connections including the changing of an existing customer's account to another customer's name.

A \$8.00 collection charge will be made when a service representative visits a premises for the purpose of discounting service for nonpayment of a delinquent account and does not discontinue service because the customer (1) pays, (2) makes arrangement to pay, or (3) cannot be contacted at the time of the call.

The following service charges shall be added to the customer's bill for electric service for each check dishonored by the bank upon which it is drawn.

If the check does not exceed \$50.00, the return check charge will be \$25.00.

If the check = \$50.01, but does not exceed \$300.00, the return check charge will be \$30.00. If the check exceeds \$300.00, the return check charge will be \$40.00, or 5% of the face amount of the check, which ever is greater.

Termination of service shall not be made for failure to pay the returned check charge.

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 in the accounts of federal, state, and local governmental entities, agencies, and instrumentalities. Accounts of federal, state, and local governmental agencies and instrumentalities are subject to a Late Payment Charge at a rate no greater than allowed, and in manner permitted, by applicable law.

The customer has the option to make a payment by telephone via a third party vendor contracted by the company. The customer shall be responsible for all vendor charges associated with the credit card, debit card or check by telephone or internet payment.

SERVICE CHARGES

A \$38.00 service charge will be made for the establishment of each initial service connection.

A \$35.00 service charge will be made for each reestablishment of service after such service has been discontinued as provided for in Section 5, Part 2.14 of this Tariff.

A \$16.00 service charge will be made for all other connections including the changing of an existing customer's account to another customer's name.

A \$8.00 collection charge will be made when a service representative visits a premises for the purpose of discounting service for nonpayment of a delinquent account and does not discontinue service because the customer (1) pays, (2) makes arrangement to pay, or (3) cannot be contacted at the time of the call.

The following service charges shall be added to the customer's bill for electric service for each check dishonored by the bank upon which it is drawn.

If the check does not exceed \$50.00, the return check charge will be \$25.00.

If the check = \$50.01, but does not exceed \$300.00, the return check charge will be \$30.00. If the check exceeds \$300.00, the return check charge will be \$40.00, or 5% of the face amount of the check, which ever is greater.

Termination of service shall not be made for failure to pay the returned check charge.

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 in the accounts of federal, state, and local governmental entities, agencies, and instrumentalities. Accounts of federal, state, and local governmental agencies and instrumentalities are subject to a Late Payment Charge at a rate no greater than allowed, and in manner permitted, by applicable law.

The customer has the option to make a payment by telephone through a third party vendor contracted by the company. The customer shall be responsible for all vendor charges associated with the credit card, debit card or check by telephone or internet payment.

**Tampa Electric Company
Exhibit "B"**

Current PowerPay Options

Payment Type	Percent Utilization
Mail in payments	67.0%
Tampa Electric Company Office	25.7%
Electronic Funds Transfer	4.0%
Payment Agents	2.4%
PC Payments	0.9%