

ORIGINAL

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March 19, 2007

HAND DELIVERED

Ms. Blanca S. Bayo, Director
Division of Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

070182- EI

RECEIVED-FPSC
07 MAR 19 AM 11:52
COMMISSION
CLERK

Re: UNDOCKETED – Review of Customer Deposit Procedures of Florida's Five Investor-Owned Utilities

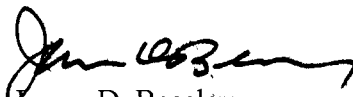
Dear Ms. Bayo:

Enclosed for filing in the above-referenced matter are the original and fifteen (15) copies of Tampa Electric Company's Request for Confidential Treatment pertaining to certain information contained in a draft report prepared by the Commission's Staff setting forth a review of Customer Deposit Procedures of Florida's Five Investor-Owned Utilities.

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

- CMP
- COM _____
- CTR _____
- ECR _____
- GCL
- OPC _____ JDB/pp
- RCA _____ Enclosure
- SCR _____
- SGA _____
- SEC _____
- OTH *conf records*

RECEIVED & FILED
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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
02441 MAR 19 8
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of Customer Deposit Procedures)
of Florida's Five Investor-Owned Utilities.)
_____)

UNDOCKETED
FILED: March 19, 2007

**TAMPA ELECTRIC COMPANY'S
REQUEST FOR CONFIDENTIAL TREATMENT**

Tampa Electric Company ("Tampa Electric" or "the company"), pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006(3), Florida Administrative Code, hereby requests confidential treatment of certain information contained in the draft report prepared by the Commission's Staff setting forth a Review of Customer Deposit Procedures of Florida's Five Investor-Owned Utilities, submitted to Tampa Electric under cover letter dated February 23, 2007 from Lisa S. Harvey of the Commission's Staff and, as grounds therefore, says:

1. The Commission Staff's draft report accompanying the above-referenced February 23, 2007 transmittal letter includes certain unredacted information set forth on Exhibit 2, page 11, of the Executive Summary and on page 63 of the draft report. Copies of the two pages in question are being submitted under separate confidential cover letter with the confidential information highlighted in yellow. Attached hereto as Exhibit A are redacted, public versions of the two pages in question.

2. The information in question consists of customer credit score cutoff figures, which Tampa Electric has agreed with Equifax, its customer credit data information service, is confidential proprietary business information the public disclosure of which could harm the competitive interests of Equifax.

DOCUMENT NUMBER-DATE

02441 MAR 19 5

FPSC-COMMISSION CLERK

3. Tampa Electric has an agreement with Equifax that protects as proprietary confidential business information, the information which Equifax discloses to Tampa Electric, including Equifax credit worthiness cutoff scores. Equifax has indicated to Tampa Electric that public disclosure of the cutoff score will place Equifax at a disadvantage, vis-à-vis, Equifax's competitors in the credit rating business.

4. Tampa Electric wishes to honor its commitment to Equifax to avoid any competitive harm to this credit information provider and at the same time enable Tampa Electric to comply with its contractual confidentiality commitment to Equifax.

5. Section 366.093, Florida Statutes, states that proprietary confidential business information includes, but is not limited to: (a) trade secrets

(a) trade secrets

* * *

(e) information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information.

Inasmuch as Equifax has asserted that disclosure of the information in question will harm its competitive interests, Tampa Electric urges that the information in question be treated as confidential proprietary business information under Section 366.093, Florida Statutes.

6. Tampa Electric treats the information that is the subject of this request as confidential proprietary business information and has not disclosed it publicly.

WHEREFORE, Tampa Electric submits the foregoing and requests that the highlighted figures on the two pages separately submitted herewith from the Staff's draft report entitled

Customer Deposit Procedures of Florida's Five Investor-Owned Utilities be treated as confidential proprietary business information and exempt from the Public Records Law.

DATED this 19th day of March 2007.

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

**Operational Process Comparison of Florida's
Investor-Owned Utilities**

TEC

Initial Deposit Requirement					Twice average monthly bill
Waiver Criteria <i>Residential</i>					Equifax > [redacted] Previous customer, Guarantor - - -
Waiver Criteria <i>Non-Residential</i>					Letter of Credit, Surety bond, Guarantor, - Blanket S&P A-/Moody's A3 -
Triggers for Additional Deposit Review - <i>Residential</i>					Late payments, Disconnect order for non-payment
Triggers for Additional Deposit Review - <i>Nonresidential</i>					Disconnect order, Gap > \$500 in calculated deposit, 4 late payments, S&P A- or Moody's A3
Credit Threshold for Additional Deposits - <i>Large Corporate</i>					Below S&P A- or Moody's A3
Accounts with Deposits <i>Residential</i>					44 percent
Accounts with Deposits <i>Nonresidential</i>					89 percent
Total Deposit Dollars as a % of Total Revenue(2005)					5.0 percent
Accounts without Deposits as % of Net Bad Debt (2005)					40 percent
Net Bad Debt as a Percent of Total Revenues (2005)					.29 percent
Deposit Review <i>Residential</i>					Monthly
Deposit Review <i>Nonresidential</i>					Semi-annually

EXHIBIT 2

Source: Data Requests 1, 2, and 3, Interviews, Sampling

determine credit worthiness. The score used by Equifax is generated by a proprietary model used specifically for the purpose of determining whether a customer deposit is required and is not the same as the customer's FICO credit scores. Results of this scoring will determine whether the deposit can be waived. TEC will not waive a deposit and one will be required if the score is between [redacted] and [redacted]. Deposits will be waived for scores above [redacted].

In lieu of cash deposits, residential customers may furnish a satisfactory guarantor or establish credit worthiness via a credit check by Equifax. TEC customer service procedures state these options are not actively promoted but are available if a customer inquires. Deposits and other security in lieu of deposits assist the company to limit and control exposure to loss created by billing for services already provided. Deposits are automatically calculated by the system during account set-up.

Nonresidential Accounts

For nonresidential customers, a deposit is required equal to two times the average monthly service bill as determined by TEC's engineers or field personnel, historical data, or the company's best estimate of consumption. In lieu of a cash deposit, nonresidential customers may furnish an irrevocable line of credit, surety bond, satisfactory guarantor, or may obtain a deposit waiver based on bond rating. A Standard & Poor's long term debt rating of A- or better or Moody's rating of A3 or better is required to qualify for an alternative form of security. Nonresidential accounts exempt from deposit requirements include government, public schools, tax-exempt non-profit organizations, and regulated utilities.

For existing commercial customers who request a new account, such as multiple location businesses, TEC will allow the customer to choose one of its accounts to serve as a "master" depository account for all of the associated accounts. This allows a commercial or corporate customer to more efficiently manage its deposit. When the new account is opened, TEC reviews the master account to determine what additional deposit may be required.

6.2.2 Additional Deposits

Residential Accounts

When a residential customer does not maintain a satisfactory payment history, TEC conducts a review of the account to determine if an additional deposit should be required. The company reviews specific patterns when determining if an account should be billed an additional deposit. These include the following:

- ◆ Disconnect for nonpayment order is produced,
- ◆ Deposit billing does not exist,
- ◆ Amount of additional deposit needed is \$50 or greater,
- ◆ Does not have a pending credit arrangement,
- ◆ Does not have a guarantor,
- ◆ An additional deposit notification letter was previously generated, or
- ◆ If a customer fails to make timely payments

If a bill for an additional deposit becomes 30 days past due, any payments made on the account will first be credited towards the additional deposit obligation, and then to the electric service portion of the bill. This procedure prevents customers from avoiding the deposit by

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: 3-19-07
TO: James Beasley
FROM: T. Henry, Division of the Commission Clerk &
Administrative Services
RE: **Acknowledgment of Receipt of Confidential Filing**

02442-07

This will acknowledge receipt of a **CONFIDENTIAL DOCUMENT** filed in Docket No. 070182 EI or (if filed in an undocketed matter) concerning pg. 11 & 63 of Executive Summary, and filed on behalf of Tampa Electric / Beasley. The document will be maintained in locked storage.

Any questions regarding this matter should be directed to Marguerite Lockard at (850) 413-6770.

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