FLORIDA PUBLIC SERVICE COMMISSION Capital Circle Office Center e 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

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October 31, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYOU)
FROM: DIVISION OF ELECTRIC \& GAS (KUMMER)CS , $\omega$ DIVISION OF LEGAL SERVICES (WAGNER) RUE

RE: DOCKET NO. 961299-229, REQUEST BY FLORIDA POWER \& LIGHT COMPANY TO REQUIRE SOCIAL SECURITY NUMBERS ON THIRD PARTY GUARANTOR AGREEMENTS

AGENDA: NOVEMBER 12, 1996 - REGULAR AGENDA - TARIFF FILING -
INTERESTED PERSONS MAY PARTICIPATE
CRITICAL DATES: 60 DAYS EXPIRES NOVEMBER 16, 1996
SPECIAL INSTRUCTIONS: S:\PSC\EAG\WP\961299.RCM

## dISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve Florida Power \& Light's (FPL) request to modify Tariff Sheets 9.400 and 9.401 , Unconditional Guaranty contract to require both the customer and the guarantor to provide social security numbers in order to take advantage of the third party guarantor option?

STAFF RECOMMENDATION: Yes.
STAFF ANALYSIS: Rule 25-6.097, Florida Administrative Code, establishes the minimum criteria for establishing credit. One option is for customer in good standing to sign a guarantor agreement for the customer, agreeing to be responsible for the account in the event the customer defaults on payments. Specifically, 25-6.097(a) F.A.C., states that at a minimum, a satisfactory guarantor shall be a customer of the utility with a satisfactory payment record. FPL requests that the Commission approve its proposed tariff provisions allowing FPL to require both the customer's and the guarantor's social security number when a customer attempts to satisfactorily establish credit by
way of a guarantor. Some minor additional wording clarification in the body of the agreement is also proposed.

Like many utilities, EPL uses a commercial credit company to verify the credit worthiness of customers when making deposit decisions. Credit companies typically require a social security number in order to verify credit history. utility representatives state that $F P L$ has always requested social security numbers from customers applying for the third-party guarantor option even though the existing form did not have a specific line item for it and such requests have never been refused. FPL maintains that the proposed modification simply codifies existing practice and makes clear that social security numbers are required when a customer chooses to establish credit by furnishing to FPL a satisfactory guarantor. If either a customer or guarantor refuses to provide their social security number, FPL will not recognize the third party as a satisfactory guarantor. Consequently, the customer would be required to establish credit by some other metl.od.

ISSUE 2: What should be the effective date of this change?
RECOMMENDATION: The proposed change should be effective November 12, 1996.

STAFF ANALYSIS: This language change simply codifies how FPL has been applying the contract and should represent no change in the standard for approval or disapproval of any third-party guarantor arrangements. Therefore staff recommends that the revised tariffs become effective on November 12, 1996.

ISSUE 3: Should this docket be closed?

RECOMMENDATION: Yes. If a protest is filed within 21 days from the issuance date of the order, the tariff should remain in effect pending resolution of the protest. If no timely protest is filed, this docket should be closed.

STAFF ANALYSIS: At the conclusion of the protest period, this docket may be closed.

## INCONDTTONAL GUARANTY

In consideration of Florida Power \& Light Company ("FPL") furnishing electric service to
Guarantee Account No(s).

## Service Address(es) \& City

Florida ("Eustomer"), withoutWithout requiring a deposit, the undersigned; herenfter reforred to -as the Guarantor; hereby convenants and agrees that:

1. Guarantor shall, ABSOLUIELY AND UNCONDITIONALLY, GUARANIEE full payment to FPL for ANY AND ALL CHARGES due and owing FPL for which the Eustemer Guarantes may now be liable or for which Gastomerguarnater nayy in the future bocome liable at the above listod address(es).
2. If EustomerGugranteg shall at any time fail to promptly pay all charges due and owing FPL, Ouarantor hereby agrees to pay all such amounts due and owing within five days of notice.
3. Guarantor shall pay FPL collection agency fees and expenses, reasonable attorney's foes and all couts and other expenses incurred by FPL in collecting or compromising any indebtedness of EustomerGuaraptee hereby giarnanteod or in enforcing this Guaranty against Guarantor.
4. This is a continuing Guaranty which shall remsin in full force and effect until no longer required as specified in Section 6.3 of FPL's General Rules and Regulations or until terminated by FPL (as set forth herein) or the Guarantor upon thirty (30) days advance writton notice, providod, howe ar, that no such termination shall release Guarantor from liability bereunder with respect to any charges for electric service furnished to Eustor serGuarsintos prior to the effective date of such termination. FPL unay terminate this Guaranty if at any time the Guarantor is no longer a "satisfactory guarantor" (as defined in Rule 25-6.097 (1) (a) F.A.C.) which, at a minimum, means an FPL customer with a satisfactory payment record.
5. Guarantor hereby waives notice of acceptance hercof. Guarantor further agrees that FPL need not proceed against the eustomer Guarantec or any other person, firm, or corporation, or to pursue any other remedy prior to pursuing its rights under this Guaranty. Eustomerguarnntes understands that FPL may pursuc and/or exhaust all available collection remedies (including disconnection) against EustomerGparentee without pursuing its rights against Guarantor.
6. This Agreement shall inure to the benefit of FPL and ahall be binding upon Guarantorand Ouarantor's heirr; and assigns.
7. EustomerGuarantes hereby authorizes FPL to disclose all of Eustomer'guarantec's billing information, including third party notification, to the Ouarantor so long as this Guaranty remains in effect. Guarantor agrees to receive all appropriate billing information at the Ourantor's service address listed below and further agrees to notify FP1. promptly of any change in address, provided, however, that neither receipt of this billing information orpor estimates of billing for the Eustomer'Guarantec's service account(s) shall be construed as a limitation on the amount guaranteod under this Guaranty.

IN WITNESS WHEREOF, Guarantor has signed this Guaranty on this $\qquad$ day of $\qquad$ 19 $\qquad$ X Guarantor Signature
Guarantor Name

Service Address \& City
Guarantor Account No.

Guarantor Social Sccurity No
(Continued on Shoet No. 9.401)
(Continued from Sheet No. 9.400)

STATE OF FLORIDA COUNTY OF $\qquad$
The foregoing instrument was acknowledged before me this $\qquad$ day of $\qquad$ 19 $\qquad$ by , personally known $\qquad$ or produced identification $\qquad$ (type of identification produced) $\qquad$ -

Notary Public, State of Florida

Printed Name of Notary Public

My Commission Expires: $\qquad$ Commission Number $\qquad$

## Aceepted:

FP4
By. $\overline{\text { Neme_Delo }}$
Fille beeation

Agreed:

Guarantee Signature Date

Guarantes Socinl Security Ne.

