

MEMORANDUM

December 29, 1998

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DEC 29 AM 10:19

RECORDS AND REPORTING

TO : DIVISION OF RECORDS & REPORTING

FROM : CHRISTIANA T. MOORE, ASSOCIATE GENERAL COUNSEL *CTM*

RE : DOCKET NO. 980658-EI - PETITION BY FLORIDA POWER AND LIGHT COMPANY TO AMEND RULE 25-6.097, F.A.C., TO REMOVE REQUIREMENT THAT GUARANTORS OF BILLS OF NON-RESIDENTIAL CUSTOMERS BE CUSTOMERS OF UTILITY.

98-1759-NOR-EI
See 1

Attached please find a Notice of Rulemaking for distribution by your office.

Industry distribution is:

- Electric (EI)
- Electric (EM)
- Electric (EC)
- Gas (GU)
- Gas (GS)
- Gas Pipeline (GP)
- Telephone (TL)
- Telephone (TI)
- Telephone (TC)
- Telephone (TS)
- Telephone (TX)
- Telephone Alternate Access Vendors (TA)
- Water and Wastewater (WAW)

This document has the following priority:

- Must be issued today.
- Must be issued within 48 hours.
- Must be issued within 5 working days.

NOR6097.CTM
 Attachment
 cc: File
 W. Terrell

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Florida Power
& Light Company to amend Rule
25-6.097, F.A.C., to remove
requirement that guarantors of
bills of non-residential
customers be customers of
utility.

DOCKET NO. 980658-EI
ORDER NO. PSC-98-1759-NOR-EI
ISSUED: December 29, 1998

The following Commissioners participated in the disposition of
this matter:

JULIA L. JOHNSON, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.

NOTICE OF RULEMAKING

NOTICE is hereby given that the Florida Public Service
Commission, pursuant to Section 120.54, Florida Statutes, has
initiated rulemaking to amend Rule 25-6.097, Florida Administrative
Code, relating to the requirement that guarantors of bills of non-
residential customers be customers of utility.

The attached Notice of Rulemaking will appear in the January
8, 1999 edition of the Florida Administrative Weekly.

If timely requested, a hearing will be held at a time and
place to be announced in a future notice.

Written requests for hearing and written comments or
suggestions on the rule must be received by the Director, Division
of Records and Reporting, Florida Public Service Commission, 2540
Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, no later
than January 29, 1999.

DOCUMENT NUMBER-DATE

14637 DEC 29 98

FPC-RECORDS/REPORTING

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By ORDER of the Florida Public Service Commission, this 19th
day of December, 1998.



BLANCA S. BAYÓ, Director
Division of Records & Reporting

(S E A L)

CTM

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NOTICE OF PROPOSED RULEMAKING

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 980658-EI

RULE TITLE:	RULE NO.:
Customer Deposits	25-6.097

PURPOSE AND EFFECT: The purpose of the amendment is to allow a non-residential customer to use its parent or affiliate company as a guarantor of bills even if the guarantor is not a customer of the utility.

SUMMARY: Rule 25-6.097, F.A.C., is designed to insure that the utility has reasonable recourse to collect unpaid bills. Florida Power & Light Company (FPL) has proposed a modification to the existing rule to eliminate the requirement for non-residential customers that the guarantor also be a customer. This would allow, for example, Florida businesses that are part of a national chain to use the parent company as a guarantor of bills.

Any person who wishes to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 366.05(1), 350.127(2), FS.

LAW IMPLEMENTED: 366.03, 366.041(1), 366.05(1), 366.06(1), FS.

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WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE FAW.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS:
Director of Appeals, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0862, (850) 413-6245.

THE FULL TEXT OF THE PROPOSED RULE IS:

25-6.097 Customer Deposits.

(1) Deposit required; establishment of credit. Each company's tariff shall contain their specific criteria for determining the amount of initial deposit. Each utility may require an applicant for service to satisfactorily establish credit, but such establishment of credit shall not relieve the customer from complying with the utilities' rules for prompt payment of bills. Credit will be deemed so established if:

(a) The applicant for service furnishes a satisfactory guarantor to secure payment of bills for the service requested. For residential customers, a satisfactory guarantor shall, at the minimum, be a customer of the utility with a satisfactory payment

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record. For non-residential customers, a satisfactory guarantor need not be a customer of the utility. Each utility shall develop minimum financial criteria that a proposed guarantor must meet to qualify as a satisfactory guarantor. A copy of the criteria shall be made available to each new non-residential customer upon request by the customer. A guarantor's liability shall be terminated when a residential customer whose payment of bills is secured by the guarantor meets the requirements of subsection (2) of this rule. Guarantors providing security for payment of residential customers' bills shall only be liable for bills contracted at the service address contained in the contract of guaranty.

(b) The applicant pays a cash deposit.

© The applicant for service furnishes an irrevocable letter of credit from a bank or a surety bond.

(2) - (7) No. Change.

Specific Authority: 366.05(1), 350.127(2), F.S.

Law Implemented: 366.03, 366.041(1), 366.05(1), 366.06(1), F.S.

History: New 7/29/69, Amended 5/9/76, 7/8/79, 6/10/80, 10/17/83, 1/31/84, formerly 25-6.97, Amended 10/13/88, 4/25/94, _____.

NAME OF PERSON ORIGINATING PROPOSED RULE: David Ginq

NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULE:
Florida Public Service Commission.

DATE PROPOSED RULE APPROVED: December 15, 1998

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DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW:

Volume 24, Number 33, August 14, 1998

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.

Any person requiring some accommodation at this hearing because of a physical impairment should call the Division of Records and Reporting at (850) 413-6770 at least 48 hours prior to the hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at: 1-800-955-8771 (TDD).