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DIVISION OF APPEALS
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Public Service Commission

February 3, 1999

Mr. Carroll Webb
Joint Administrative Procedures
Committee
120 Holland Building
Tallahassee, Florida 32399

Re: Docket No. 980658-EI - 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.

Dear Mr. Webb:

The Commission has approved the adoption of Rule 25-6.097 without changes.

We plan to file the rule for adoption on February 11, 1999.

Sincerely,

Christiana T. Moore
Associate General Counsel

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC /
- WAS _____
- OTH _____

ADT6097.CTM

Enclosure

cc: Division of Records & Reporting

DOCUMENT NO.
02392-99
2-3-99

1 25-6.097 Customer Deposits.

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

9 (a) The applicant for service furnishes a satisfactory
10 guarantor to secure payment of bills for the service requested.

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

25 (b) The applicant pays a cash deposit.

CODING: Words underlined are additions; words in
~~struck-through~~ type are deletions from existing law.

1 (c) The applicant for service furnishes an irrevocable
2 letter of credit from a bank or a surety bond.

3 (2) Refund of deposits. After a customer has established
4 a satisfactory payment record and has had continuous service for
5 a period of 23 months, the utility shall refund the residential
6 customer's deposits and shall, at its option, either refund or
7 pay the higher rate of interest specified below for
8 nonresidential deposits, providing the customer has not, in the
9 preceding 12 months, (a) made more than one late payment of a
10 bill (after the expiration of 20 days from the date of mailing or
11 delivery by the utility), (b) paid with check refused by a bank,
12 (c) been disconnected for nonpayment, or at any time, (d)
13 tampered with the electric meter, or (e) used service in a
14 fraudulent or unauthorized manner.

15 (3) New or additional deposits. A utility may require,
16 upon reasonable written notice of not less than thirty (30) days,
17 a new deposit, where previously waived or returned, or additional
18 deposit, in order to secure payment of current bills. Such
19 request shall be separate and apart from any bill for service and
20 shall explain the reason for such new or additional deposit,
21 provided, however, that the total amount of the required deposit
22 shall not exceed an amount equal to twice the average charges for
23 actual usage of electric service for the twelve month period
24 immediately prior to the date of notice. In the event the
25 customer has had service less than twelve months, then the

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1 utility shall base its new or additional deposit upon the average
2 actual monthly usage available.

3 (4) Interest on deposits.

4 (a) Each electric utility which requires deposits to be
5 made by its customers shall pay a minimum interest on such
6 deposits of 6 percent per annum. The utility shall pay an
7 interest rate of 7 percent per annum on deposits of
8 nonresidential customers qualifying under subsection (2) when the
9 utility elects not to refund such deposit after 23 months.

10 (b) The deposit interest shall be simple interest in all
11 cases and settlement shall be made annually, either in cash or by
12 credit on the current bill. This does not prohibit any utility
13 paying a higher rate of interest than required by this rule. No
14 customer depositor shall be entitled to receive interest on his
15 deposit until and unless a customer relationship and the deposit
16 have been in existence for a continuous period of six months,
17 then he shall be entitled to receive interest from the day of the
18 commencement of the customer relationship and the placement of
19 deposit. Nothing in this rule shall prohibit a utility from
20 refunding at any time a deposit with any accrued interest.

21 (5) Record of deposits. Each utility having on hand
22 deposits from customers or hereafter receiving deposits from them
23 shall keep records to show:

24 (a) The name of each customer making the deposit;

25 (b) The premises occupied by the customer;

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1 (c) The date and amount of deposit; and

2 (d) Each transaction concerning the deposits such as
3 interest payments, interest credited or similar transactions.

4 (6) Receipt for deposit. A non-transferable certificate of
5 deposit shall be issued to each customer and means provided so
6 that the customer may claim the deposit if the certificate is
7 lost. Where a new or additional deposit is required under
8 Section (3) of this rule a customer's cancelled check or
9 validated bill coupon may serve as a deposit receipt.

10 (7) Refund of deposit when service is discontinued. Upon
11 termination of service, the deposit and accrued interest may be
12 credited against the final account and the balance, if any, shall
13 be returned promptly to the customer but in no event later than
14 fifteen (15) days after service is discontinued.

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

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

17 History: New 7/29/69, Amended 5/9/76, 7/8/79, 6/10/80, 10/17/83,
18 1/31/84, formerly 25-6.97, Amended 10/13/88, 4/25/94,_____.

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