

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Amendment of Rule	)	DOCKET NO. 890367-TP
25-4.109, F.A.C., regarding	)	
telephone customers' deposits	)	ORDER NO. 21269
to reflect changes in the toll	)	
market.	)	ISSUED: 5-22-89
-----	)	

NOTICE OF RULEMAKING

NOTICE is hereby given that the Commission, pursuant to section 120.54, Florida Statutes, has initiated rulemaking to amend Rule 25-4.109 relating to telephone customer deposits.

The attached Notice of Rulemaking will appear in the June 2, 1989, edition of the Florida Administrative Weekly. If requested, a hearing will be held at the following time and place:

9:30 a.m., Thursday, July 6, 1989  
 Room 122, Fletcher Building  
 101 East Gaines Street  
 Tallahassee, Florida

Written requests for hearing and written comments or suggestions on the rule(s) must be received by the Director, Division of Records and Reporting, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, FL 32399, no later than June 23, 1989.

By Direction of the Florida Public Service Commission,  
 this 22nd day of MAY, 1989.

  
 STEVE TRIBBLE, Director  
 Division of Records & Reporting

( S E A L )

MCB

9082G

DOCUMENT NUMBER-DATE

05105 MAY 22 1989

FPSC-RECORDS/REPORTING

ORDER NO. 21269  
DOCKET NO. 890367-TP  
PAGE 2

## FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 890367-TP

RULE TITLE: RULE NO.:

Amendment to Rule 25-4.109 25-4.109

Regarding Telephone Customer

Deposits to Reflect Changes in  
the Toll Market and the Establishment  
of Credit

PURPOSE AND EFFECT: Amending Rule 25-4.109 will make the rule more understandable by specifically referring to LEC's and their role in the collection of customer deposits and the establishment of credit.

SUMMARY: The amendment of Rule 25-4.109 brings the customer deposit rule up to date by reflecting the present distinction between interlata and intralata telephone service and the role of local exchange companies regarding customer deposits and credit.

RULEMAKING AUTHORITY: 350.127, F.S.

LAW IMPLEMENTED: 364.03, F.S.

SUMMARY OF THE ESTIMATE OF ECONOMIC IMPACT OF THESE RULES: The proposed amendments to Rule 25-4.109 are not expected to have an effect on small businesses, employment, or competition. No major economic impact is expected from the proposed revisions because the revisions are simply designed to reflect the current practices used by local exchange companies.

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 HELD AT THE DATE AND PLACE SHOWN BELOW:

TIME AND DATE: 9:30 A.M., Thursday, July 6, 1989

PLACE: Room 122, 101 East Gaines Street, Tallahassee, Florida.

THE PERSON TO BE CONTACTED REGARDING THESE RULES AND THE ECONOMIC IMPACT STATEMENT IS: Director of Appeals, Florida Public Service

ORDER NO. 21269  
DOCKET NO. 890367-TP  
PAGE 3

Commission, 101 East Gaines Street, Tallahassee, Florida 32399

THE FULL TEXT OF THE RULES IS:

25-4.109 Customer Deposits.

(1) Deposit required; establishment of credit. Each local exchange company's (LEC) company's tariff shall contain their specific criteria for determining the amount of initial deposit. Each LEC 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 company's telephone rules for prompt payment of bills. Credit will be deemed so established if:

(a) The applicant for service has been a customer of any LEC telephone-utility within the last two years and during the last twelve (12) consecutive months of service did not have more than one occasion in which a bill was paid after becoming delinquent and has never had service disconnected for non-payment.

(b) The applicant for service furnishes a satisfactory guarantor to secure payment of bills for the service requested. A satisfactory guarantor shall, at the minimum, be a customer of the company utility with a satisfactory payment record. 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 (4) 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.

(c) The applicant pays a cash deposit.

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

(2) Amount of Deposit. The amount of the initial required deposit shall not exceed an amount equal to the charges for one month's local exchange service plus two months estimated toll service provided by or billed by the LEC. If, after ninety (90)

ORDER NO. 21269  
DOCKET NO. 890367-TP  
PAGE 4

days service, the actual deposit is found to be greater than an amount equal to one month's local service plus two months actual average toll service provided by or billed by the LEC, the company utility shall, upon demand of the subscriber to the Company, promptly refund the difference. These deposit rules apply to local exchange service and toll service provided by or billed by the LEC only and do not apply to special arrangement agreements covering termination equipment installations for which the telephone company may require a reasonable deposit.

(3) New or additional deposits. A company utility may require upon reasonable written notice of not less than 15 days, a new deposit, where previously waived or returned, or an additional deposit, in order to secure payment of current bills. Provided, however, that the total amount of required deposit should not exceed twice the actual average monthly toll provided by or billed by the LEC billing plus one month's local service charge, for the 90-day period immediately prior to the date of notice. In the event the customer has had service less than 90 days, then the company utility shall base its new or additional deposit upon the actual average monthly billing available. When the company has a good reason to believe payment by a nonresidential customer is in jeopardy and toll usage provided by or billed by the LEC is significantly above normal for that customer, the company may request a new or additional deposit. If the deposit requested is not paid within 48 hours, the company utility may discontinue service.

(4) Refund of deposit. After a customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the company utility shall refund the residential customer's deposits and shall, at its option, either refund or pay the higher rate of interest specified below for nonresidential deposits, providing the customer has not, in the preceding 12 months, (a) made more than one late payment of a bill

ORDER NO. 21269  
DOCKET NO. 890367-TP  
PAGE 5

(after the expiration of 15 days from the date of mailing or delivery by the company utility), (b) paid with check refused by a bank, (c) been disconnected for nonpayment, or at any time, (d) used service in a fraudulent or unauthorized manner.

(5) Interest on deposit. Each telephone company utility which requires deposits to be made by its customers shall pay a minimum interest on such deposits of 8 percent per annum. The company utility shall pay an interest rate of 9 percent per annum on deposits of nonresidential customers qualifying under subsection (4) when the utility elects not to refund such deposit after 23 months. The company utility shall pay 9 percent per annum on deposits of nonresidential customers qualifying under subsection (4) of this rule until the Commission sets a new interest rate in a subsequent rate proceeding of the company utility.

(a) The deposit interest shall be simple interest in all cases and settlement shall be made annually, either in cash or by credit on the current bill. This does not prohibit any company utility paying a higher rate of interest than required by this rule. No customer depositor shall be entitled to receive interest on their deposit until and unless a customer relationship and the deposit have been in existence for a continuous period of six months. Then he or she shall be entitled to receive interest from the day of the commencement of the customer relationship and the placement of deposit. Nothing in this rule shall prohibit a company utility from refunding at any time a deposit with an accrued interest.

(6) Record of deposits. Each company utility having on hand deposits from customers or hereafter receiving deposits from them shall keep records to show:

- (a) The name of each customer making the deposit;
- (b) the premises occupied by the customer when the deposit was made;

ORDER NO. 21269  
DOCKET NO. 890367-TP  
PAGE 6

(c) the date and amount of deposit; and

(d) each transaction concerning the deposit such as interest payment, interest credited or similar transactions.

(7) Receipt for Deposit. A non-transferable certificate of deposit shall be issued to each customer and means provided so that the customer may claim the deposit if the certificate is lost. The deposit receipt shall contain notice that after ninety (90) days service, the subscriber is entitled to refunds of any deposit over and above an amount equal to one month's local service plus two months' average toll service provided by or billed by the LEC.

(8) Refund of deposit when service is discontinued. Upon termination of service, the deposit and accrued interest may be credited against the final account of the LEC and the balance, if any, shall be returned promptly to the customer but in no event later than forty-five (45) days after service is discontinued. Specific Authority: 350.127(2), F.S.

Law Implemented: 364.03, F.S.

History: New 12/1/68, Amended 4/1/69, 7/20/73, 3/31/76, 6/10/80, 8/19/80, 1/31/84.