

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Revision of Rules 25-) DOCKET NO. 930385-PU
4.109(5), 25-6.097(4)(a), 25-) ORDER NO. PSC-94-0394-FOF-PU
7.083(5) and 25-30.311(4),) ISSUED: April 7, 1994
F.A.C., Relating to Interest on)
Customer Deposits)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
JULIA L. JOHNSON
DIANE K. KIESLING
LUIS J. LAUREDO

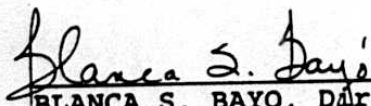
NOTICE OF ADOPTION OF RULE

NOTICE is hereby given that the Commission, pursuant to section 120.54, Florida Statutes, has adopted the amendments to Rules 25-4.109(5), 25-6.097(4)(a), 25-7.083(5) and 25-30.311(4), F.A.C., F.A.C., relating to Customer Deposits without changes.

The rule amendment was filed with the Department of State on April 5, 1994 and will be effective on April 25, 1994. The interest rate paid for the period that includes the effective date of the rule amendment, if required to be reduced as of the effective date of the change, shall be at the higher rate for that portion of the period up to and including April 24, 1994. A copy of the relevant portions of the certification filed with the Secretary of State is attached to this Notice.

This docket is closed upon issuance of this notice.

By Direction of the Florida Public Service Commission, this 7th day of April, 1994.



BLANCA S. BAYO, Director
Division of Records & Reporting

(S E A L)

adp25.mrd

DOCUMENT NUMBER-DATE

03249 APR-7 1994

FPSC-RECORDS/REPORTING

25-4.109 Customer Deposits.

(1) Deposit required; establishment of credit. Each local exchange company's (LEC) tariff shall contain their specific criteria for determining the amount of initial deposit. Each LEC 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 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 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 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) 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 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 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 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 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 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 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 (after the expiration of 15 days from the date of mailing or delivery by the company), (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.

(a) Each telephone company which requires deposits to be made by its customers shall pay a minimum interest on such deposits of 6 & percent per annum. The company shall pay an interest rate of 7 & 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 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.~~

~~(b)(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 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 from refunding at any time a deposit with an accrued interest.

(6) Record of deposits. Each company 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;
- (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, 8/29/89, 4/25/94.

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. A satisfactory guarantor shall, at the minimum, be a customer of the 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 (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.

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

(2) Refund of deposits. After a customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the 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 (after the expiration of 20 days from the date of mailing or delivery by the utility), (b) paid with check refused by a bank, (c) been disconnected for nonpayment, or at any time, (d) tampered with the electric meter, or (e) used service in a fraudulent or unauthorized manner.

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

(4) Interest on deposits.

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

(b) 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 utility paying a higher rate of interest than required by this rule. No customer depositor shall be entitled to receive interest on his deposit until and unless a customer relationship and the deposit have been in existence for a continuous period of six months, then he 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 utility from refunding at any time a deposit with any accrued interest.

(5) Record of deposits. Each 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;
- (c) The date and amount of deposit; and

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

(6) 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. Where a new or additional deposit is required under Section (3) of this rule a customer's cancelled check or validated bill coupon may serve as a deposit receipt.

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

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

Law Implemented: 366.05(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.

25-7.083 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. A satisfactory guarantor shall, at the minimum, be a customer of the 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 (6) 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.

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

(2) 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.

When a new or additional deposit is required under Section 3 of this rule a customer's cancelled check or validated bill coupon may serve as a deposit receipt.

(3) New or additional deposits. A utility may require, upon reasonable written notice of not less than 30 days, such request or notice being separate and apart from any bill for service, 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 the required deposit shall not exceed an amount equal to the average actual charges for gas service for two billing periods for the 12-month period immediately prior to the date of notice. In the event the customer has had service less than 12 months, then the utility shall base its new or additional deposit upon the average actual monthly billing available.

(4) Record of deposit. Each 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;
- (c) The date and amount of deposit; and
- (d) Each transaction concerning the deposit such as interest payments, interest credited or similar transactions.

(5) Interest on deposits.

(a) Each gas utility which requests deposits to be made by its customers shall pay a minimum interest on such deposits of 6 & percent per annum. The utility shall pay a minimum interest rate of 7 9 percent per annum on deposits of nonresidential customers qualifying under subsection (6) below when the utility elects not to refund such a deposit after 23 months.

(b)~~(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 utility paying a higher rate of interest than required by this rule. No customer depositor shall be entitled to receive interest on his deposit until and unless a customer relationship and the deposit have been in existence for a continuous period of six months, then he shall be entitled to receive interest from the day of the commencement of the customer relationship and the placement of deposit.

(6) Refund of deposit. After a customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the utility shall refund the residential customer's deposits and shall, at its option, either refund or pay the higher rate of interest specified above for nonresidential deposits, provided the customer has not, in the preceding 12 months, (a) made more than one late payment of a bill (after the expiration of 20 days from the date of mailing or delivery by the

utility), (b) paid with check refused by a bank, (c) been disconnected for nonpayment, or at any time, (d) tampered with the gas meter, or (e) used service in a fraudulent or unauthorized manner. Nothing in this rule shall prohibit the company from refunding at any time a deposit with any accrued interest.

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

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

Law Implemented: 366.05(1), F.S.

History: Repromulgated 1/8/75, Amended 6/15/76, 6/10/80, 1/31/84, formerly 25-7.83, Amended 10/13/88, 4/25/94.

25-30.311 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. A satisfactory guarantor shall, at the minimum, be a customer of the 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 (5) 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.

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

(2) Receipt for deposit. A non-transferrable 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.

(3) Record of deposits. Each utility having on hand deposits from customers 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;

(c) The date and amount of deposit; and

(d) A record of each transaction concerning such deposit.

(4) Interest on deposit.

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

(b)~~(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 public utility paying a higher rate of interest than required by this rule. No customer depositor shall be entitled to receive interest on his deposit until and unless a customer relationship and the deposit have been in existence for a continuous period of six months, then he shall be entitled to receive interest from the day of the commencement of the customer relationship and the placement of deposit.

(5) Refund of deposits. After a customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the utility shall refund the residential customer's deposits and shall, at its option, either refund or pay the higher rate of interest specified above for nonresidential deposits, providing the customer has not, in the preceding 12 months, (a) made more than one late payment of a bill (after the expiration of 20 days from the date of mailing or delivery by the utility), (b) paid with check refused by a bank, (c) been disconnected for nonpayment, or at any time, (d) tampered with the meter, or (e) used service in a fraudulent or unauthorized manner. Nothing in this rule shall prohibit the company from refunding at any time a deposit with any accrued interest.

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

(7) New or additional deposits. A utility may require, upon reasonable written notice of not less than 30 days, such request or notice being separate and apart from any bill for service, 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

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exceed an amount equal to the average actual charge for water and/or sewer service for two billing periods for the 12-month period immediately prior to the date of notice. In the event the customer has had service less than 12 months, then the utility shall base its new or additional deposit upon the average monthly billing available.

Specific Authority: 367.121, 350.127(2), F.S.

Law Implemented: 367.081, F.S.

History: Amended 6/1/63, 4/1/69, 9/12/74, 6/10/80, 1/31/84, formerly 25-10.72, Transferred from 25-10.072 11/9/86, Amended 10/13/88, 4/25/94.