

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed amendments to Rules 25-6.097, 25-7.083, and 25-30.311, F.A.C., on customer deposits.

DOCKET NO. 120125-PU
ORDER NO. PSC-12-0358-FOF-PU
ISSUED: July 11, 2012

The following Commissioners participated in the disposition of this matter:

RONALD A. BRISÉ, Chairman
LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS
JULIE I. BROWN

NOTICE OF ADOPTION OF RULE

NOTICE is hereby given that the Florida Public Service Commission, pursuant to Section 120.54, Florida Statutes, has adopted without changes Rules 25-6.097, 25-7.083, and 25-30.311 Florida Administrative Code, relating to customer deposits.

The rules were filed with the Department of State on July 6, 2012 and will be effective on July 26, 2012. A copy of the rules as filed with the Department is attached to this Notice.

This docket is closed upon issuance of this Notice.

By ORDER of the Florida Public Service Commission this 11th day of July, 2012.



ANN COLE
Commission Clerk
Florida Public Service Commission
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Tallahassee, Florida 32399
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

CM

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

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 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.

(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 a 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 2.6 percent per annum. The utility shall pay an interest rate of 3.7 percent per annum on deposits of nonresidential customers qualifying under subsection (2) when the utility elects not to refund such deposit after 23 months. Such interest rates shall be applied within 45 days of the effective date of the rule.

(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 a customer 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 subsection (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) FS. Law Implemented 366.03, 366.041(1), 366.05(1), 366.06(1) FS.

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, 3-14-99.

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. For residential customers, a satisfactory guarantor shall, at the minimum, be a customer of the utility with a satisfactory payment 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 (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 subsection (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 2.6 percent per annum. The utility shall pay a minimum interest rate of 3.7 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. Such interest rates shall be applied within 45 days of the effective date of the rule.

(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.

(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.

ORDER NO. PSC-12-0358-FOF-PU

DOCKET NO. 120125-PU

PAGE 7

(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) FS. Law Implemented 366.03, 366.05(1) FS. 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, 3-14-99.

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 a 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 public utility which requires deposits to be made by its customers shall pay a minimum interest on such deposits of 2.6 percent per annum. The utility shall pay an interest rate of 3.7 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. Such interest rates shall be applied within 45 days of the effective date of the rule.

(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 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 the required deposit should not exceed an amount equal to the average actual charge for water and/or wastewater 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) FS. Law Implemented 367.081, 367.111, 367.121 FS. History—Amended 6-1-63, 4-1-69, 9-12-74, 6-10-80, 1-31-84, Formerly 25-10.72, 25-10.072, Amended 10-13-88, 4-25-94.