

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Amendment of Rule 25-4.109.)
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DOCKET NO. 890367-TP
ORDER NO. 21727
ISSUED: 8-14-89

NOTICE OF ADOPTION OF RULE AMENDMENT

NOTICE is hereby given that the Commission, pursuant to Section 120.54, Florida Statutes, has adopted the amendments to Rule 25-4.109 relating to telephone customer deposits without changes.

The rule amendment was filed with the Secretary of State on August 9, 1989, and will be effective on August 29, 1989. 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 14th day of AUGUST, 1989.

STEVE TRIBBLE, Director
Division of Records & Reporting

(S E A L)

MCB

2840G

by: Kay Flynn
Chief, Bureau of Records

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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CERTIFICATION OF
PUBLIC SERVICE COMMISSION ADMINISTRATIVE RULES
FILED WITH THE
DEPARTMENT OF STATE

I do hereby certify:

(1) The time limitations prescribed by paragraph 120.54(11)(a), F.S., have been complied with; and

(2) There is no administrative determination under section 120.54(4), F.S., pending on any rule covered by this certification; and

(3) All rules covered by this certification are filed within the prescribed time limitations of paragraph 120.54(11)(b), F.S. They are filed not less than 28 days after the notice required by subsection 120.54(1), F.S., and;

(a) And are filed not more than 90 days after the notice; or

(b) Are filed not more than 90 days after the notice not including days an administrative determination was pending; or

(c) Are filed within 21 days after the adjournment of the final public hearing on the rule; or

(d) Are filed within 21 days after the date of receipt of all material authorized to be submitted at the hearing; or

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 (e) Are filed within 21 days after the date the transcript was received by this agency.

Attached are the original and two copies of each rule covered by this certification. The rules are hereby adopted by the undersigned agency by and upon their filing with the Department of State.

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

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3 service provided by or billed by the LEC. If, after ninety (90)
4 days service, the actual deposit is found to be greater than an
5 amount equal to one month's local service plus two months actual
6 average toll service provided by or billed by the LEC, the company
7 utility shall, upon demand of the subscriber to the Company,
8 promptly refund the difference. These deposit rules apply to
9 local exchange service and toll service provided by or billed by
10 the LEC only and do not apply to special arrangement agreements
11 covering termination equipment installations for which the
12 telephone company may require a reasonable deposit.

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

30 (4) Refund of deposit. After a customer has established a
31 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

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3 refund or pay the higher rate of interest specified below for
4 nonresidential deposits, providing the customer has not, in the
5 preceding 12 months, (a) made more than one late payment of a bill
6 (after the expiration of 15 days from the date of mailing or
7 delivery by the company utility), (b) paid with check refused by
8 a bank, (c) been disconnected for nonpayment, or at any time, (d)
9 used service in a fraudulent or unauthorized manner.

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

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

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

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(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;
- (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.

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Rule 25-4.109
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SUMMARY OF RULE

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.

SUMMARY OF HEARINGS ON THE RULE

No hearing was requested and no comments were filed.

FACTS AND CIRCUMSTANCES JUSTIFYING THE RULE

The proposed amendments to Rule 25-4.109, F.A.C., "Customer Deposits," are designed to make the rule more understandable in light of the present make-up of the telephone industry and present practice regarding customer deposits. The amendments do not change substantive Commission policy regarding customer deposits or credit.