

FLORIDA PUBLIC SERVICE COMMISSION
Capital Circle Office Center, 2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

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DECEMBER 4, 1997

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TO : DIRECTOR OF RECORDS AND REPORTING (BAYO) *ppsc Records/Reporting*

FROM : DIVISION OF ELECTRIC AND GAS (DRAPER) *EJD*
DIVISION OF LEGAL SERVICES (CRUZ-BUSTILLO) *see RVE*
DIVISION OF CONSUMER AFFAIRS (MCHARGUE) *Rum JDJ*

RE : DOCKET NO. 971424-EI - REQUEST BY FLORIDA POWER & LIGHT COMPANY TO REVISE TARIFF SHEET NO. 6.010, TO ALLOW APPLICATION FOR ELECTRIC SERVICE ON THE INTERNET, AND TO DEFINE TYPES OF IDENTIFICATION NEEDED TO OBTAIN SERVICE

AGENDA: DECEMBER 16, 1997 - REGULAR AGENDA - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 60-DAY SUSPENSION DATE: DECEMBER 21, 1997

SPECIAL INSTRUCTIONS: S:\PSC\EAG\WP\971424EI.RCM

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve Florida Power & Light Company's (FPL) request to revise Tariff Sheet No. 6.010, to define types of identification required to obtain service, and to allow application for electric service on the internet?

RECOMMENDATION: Yes.

STAFF ANALYSIS: To initiate service FPL currently requires the applicant's name and address. FPL asks for a social security number, but if the applicant refuses to give their social security number, FPL still accepts the application for service. FPL requests that the Commission approve its proposed tariff revisions allowing FPL to require the customer's social security number, tax identification number, driver's licence, birth certificate, or any other form of identification acceptable to the company in order to establish service. No other investor-owned utility in Florida currently requires evidence of identity. The City of Homestead, Jacksonville Electric Authority and some other states currently require personal identification to apply for service. The proposed tariff also adds language to allow application for service over the internet.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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To support its petition, FPL states that for the period March 1996 through June 1997, 14 percent of new customers provided no social security number, and 16 percent of new customers provided an invalid social security number. These customers created \$1.7 million in write-offs. Total write-offs for the same period are \$16.8 million. Overall, about three percent of FPL's accounts are declared uncollectible and written off.

An account is being written off when the company believes that the customer will not respond to any normal collection efforts to pay the remaining account balance. The write-off represents the amount owed to the company after any deposit is applied to the outstanding balance. FPL's collection efforts include mailing up to four notices of payment and a telephone call or a field collection effort. After all attempts to contact the customer and to arrange for payment fail, the account is transferred to an outside collection agency. The collection agency works accounts up to six months after receiving them. If the collection agency succeeds in collecting payment, the money is used to reduce the write-off balance and the agency bills FPL the contracted rate for its collection effort.

FPL currently uses Equifax to rate a customer's credit and to verify social security numbers. If the name and social security number, provided by an applicant for service, do not match, FPL's customer service will try to determine why there is no match. If service is denied because of improper identification, FPL will send a letter to the applicant stating why service was refused and give the applicant the toll free number for the Commission's Division of Consumer Affairs. To date, FPL does not have a method to verify any of the other required identification numbers, but states that it hopes to have a way of doing so in the future.

Uncollectible account write-off is currently allowed in ratebase as an expense. Order No. 11628, issued February 17, 1983 states that the uncollectible expense should be allocated to all classes because this is a societal problem which should be borne by all ratepayers, not just by the rate classes which have customers with uncollectible bills. FPL maintains that an identification number will help FPL and the collection agency in its effort to contact delinquent customers and resolve payment problems. Staff believes that any effort to reduce the level of write-offs benefits the company and its ratepayers and therefore recommends approval of this petition.

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ISSUE 2: What should be the effective date of the tariff revisions?

RECOMMENDATION: If approved, the tariff should be effective December 16, 1997.

STAFF ANALYSIS: The tariff should be effective December 16, 1997 as requested by the company.

ISSUE 3: Should this docket be closed?

RECOMMENDATION: Yes. If no person whose substantial interests are affected by the Commission's order in this docket files a protest within 21 days of the issuance of the order, this docket should be closed. If a protest is timely filed, the tariff should remain in effect pending resolution of the protest.

STAFF ANALYSIS: If no person whose substantial interests are affected by the Commission's order in this docket files a protest within 21 days of the issuance of the order, this docket should be closed. If a protest is timely filed, the tariff should remain in effect pending resolution of the protest.