BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed Repeal of Rule 25-17.011, F.A.C., Continuation of Energy Conservation Loan Guarantees.

DOCKET NO. 980408-EG ORDER NO. PSC-98-0842-FOF-EG ISSUED: June 25, 1998

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman J. TERRY DEASON SUSAN F. CLARK JOE GARCIA E. LEON JACOBS, JR.

NOTICE OF REPEAL OF RULE

NOTICE is hereby given that the Florida Public Service Commission, pursuant to Section 120.54, Florida Statutes, has repealed Rule 25-17.011, Florida Administrative Code, relating to continuation of energy conservation loan guarantees, without changes.

The rule repeal was filed with the Department of State on June 24, 1998 and will be effective on July 14, 1998. A copy of the rule as filed with the Secretary of State is attached to this Notice.

This docket is closed upon issuance of this notice.

By ORDER of the Florida Public Service Commission, this $\underline{25th}$ day of \underline{June} , $\underline{1998}$.

BLANCA S. BAYÓ, Director Division of Records & Reporting

By:

Kay Flyhn, Chief Bureau of Records

(SEAL)

CTM

25-17.011 Continuation of Energy Conservation Loan Guarantees.

(1) Eligibility and Application.

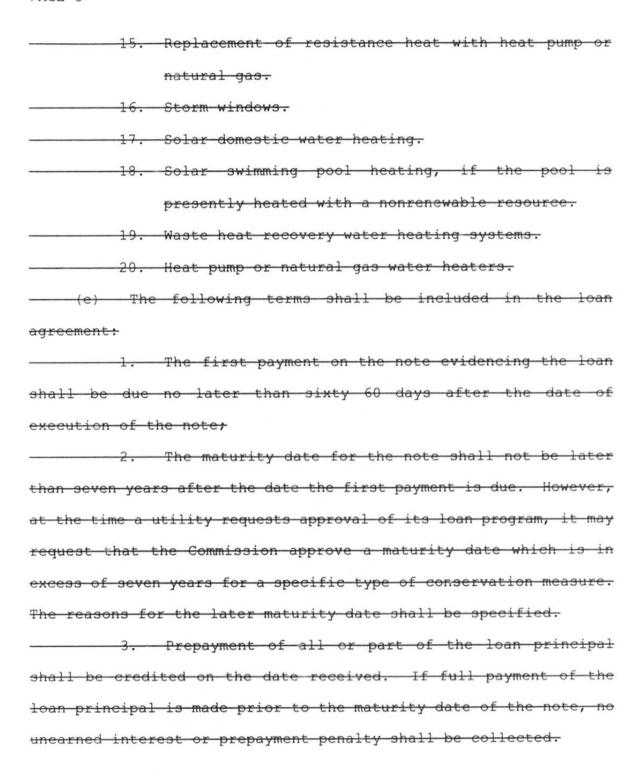
(a) Any utility which, as part of its approved conservation plan, submitted pursuant to s.366.82(2), F.S., loaned its funds to eligible customers as defined in Rule 25-17.051(2), F.A.C., for the purpose of purchasing conservation measures listed in Rule 25-17.051(10), F.A.C., and which received a guarantee by the Commission of all or any portion of loans underwritten by the utility through the June 30, 1991 ending date of the Energy Conservation Loan Guarantee program shall continue to receive the guarantee, subject to the terms of this rule. Energy Conservation Loan Guarantees made to lending institutions through June 30, 1991 shall similarly be continued. The Commission does not guarantee energy conservation loans made after June 30, 1991. The provisions of this rule which refer to application for the guarantee remain applicable to loans which received the guarantee.

(b) Each utility applying for Commission guarantee of such loans shall submit to the Commission a description of the types of loans to be made and of loan servicing and collection practices, an estimate of the total amount of funds to be loaned within a stated

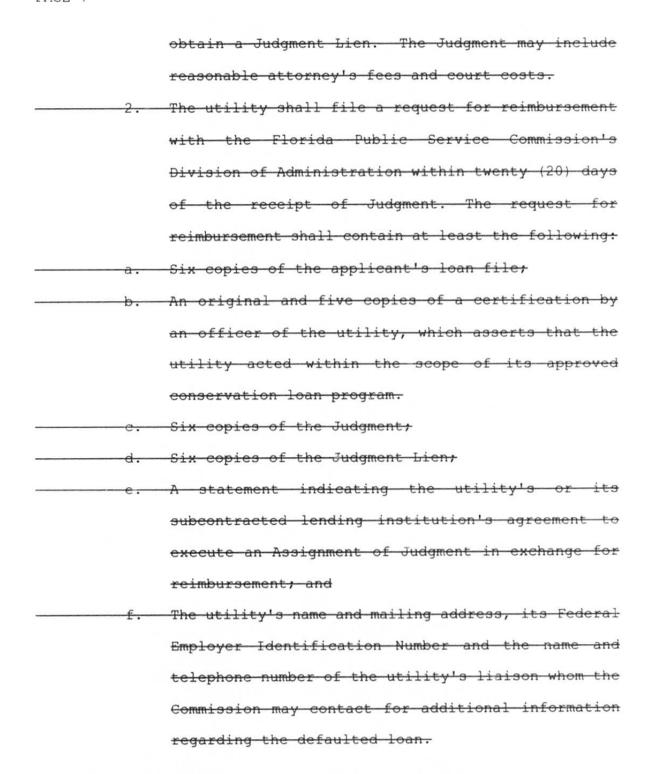
period, and any forms to be used by the utility or its subcontracted lending institution in making such loans.

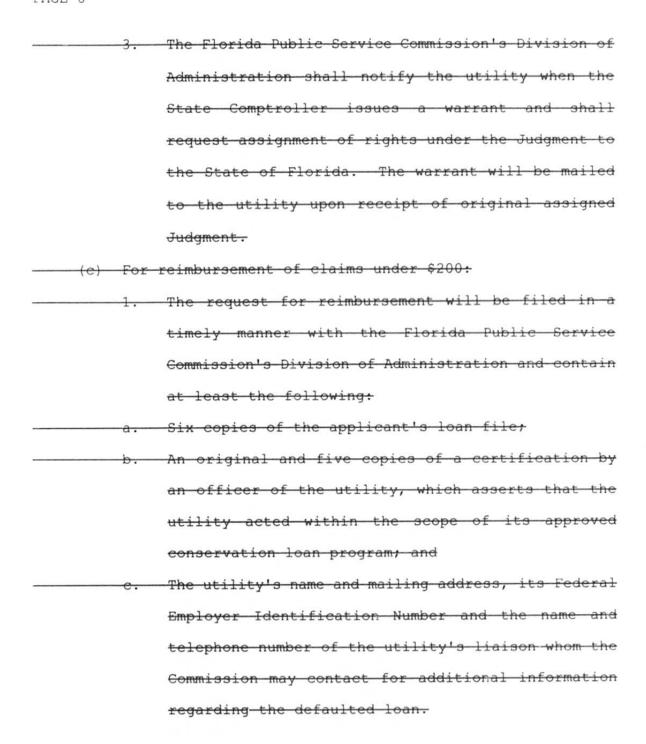
- (c) Upon review of the utility's application and material, submitted according to sub-subsection (1)(b) above, the Commission shall approve the utility's application, in full or in part, or shall deny such approval. The Commission's approval of the proposed loan program shall be for a specific amount of funds to be loaned within a specific period of time. The reasons for the denial shall be stated.
- (2) Loan Application, Limits and Terms.
- approved loan application form supplied by the utility or its subcontracted lending institution. The form shall provide for the disclosure of information relating to the loan applicant's acceptability as a credit risk, his interest in the property to be improved, and the type of improvement to be made.
- (b) If loans are made by a utility or its subcontracted lending institution, only loans made to applicants within the utility's service area are eligible for the Commission's loan quarantee.
- (e) If a loan is made to an applicant who does not have an ownership interest in the property to be improved by the

conservation measure, the owner of such property shall be required
to sign as guarantor on the note evidencing the loan.
(d) Loans eligible for the Commission's loan guarantee may be
for any of the following conservation measures and the amount
loaned shall not exceed the utility's or its subcontracted lending
institution's estimate of the cost of implementing the particular
measure.
1. Caulking of windows or doors or both.
2. Weatherstripping of windows or doors or both.
3. Duct or pipe insulation.
4. Water heater insulation.
5. Heat-reflective and heat absorbing window or door
materials.
6. Clock thermostats.
7. Ceiling insulation.
8. Load management devices.
9. Window panel inserts.
10. Floor insulation.
11. Replacement of furnaces or boilers.
12. Replacement of central air conditioning.
13. Wall insulation.
14. Furnace replacement burner.



- (3) Loan Providing, Servicing and Collection.
- servicing and collection of loans. However, a utility may contract with a lending institution to make loans to eligible customers and for the performance of loan servicing and collection functions. A description of servicing and collection practices shall be included in the utility's application, as specified in sub-subsection (1)(c), for the Commission's loan guarantee. The utility is responsible for providing a post installation inspection of each conservation measure which is financed by a guaranteed loan.
- (4) Claims.
- shall be paid unless the utility's or its subcontracted lending institution's claim against the borrower has been reduced to judgment. However, if the principal due on a loan which is in default is less than \$200 and reasonable collection efforts have been made, the utility or its subcontracted lending institution shall receive reimbursement for the unpaid principal without reducing the claim to judgment.
- (b) For reimbursement of claims greater than or equal to \$200:
- 1. The utility or its subcontracted lending institution must reduce the claim to Judgment and





2. The warrant will be mailed to the utility upon issuance by the State Comptroller. (d) If deficiencies or disputes are identified by the Commission's staff in a utility's request for reimbursement, the Commission's Executive Director shall notify the utility of the deficiencies or disputes and the basis for each. Unsettled disputes between Commission staff and the utility will be resolved by the Commissioners following written request from the utility, which shall specifically respond to the deficiencies or disputes identified by the Executive Director. The request shall be submitted to the Commission's Executive Director, and a copy shall be submitted to the Commission's Division of Electric and Gas. (5) Recordkeeping and Reporting Requirements. (a) Each utility or its subcontracted lending institution, which has had or has outstanding loans guaranteed by the Commission, shall make the following records available to the Commission upon request or, if requested, shall submit to the Commission the following reports. 1. Records: A file shall be maintained for each loan made containing the following: ----a. Credit application. b. Credit report or other investigation of the loan applicant's credit.

e. Loan agreement.
d. Loan servicing and collection information.
e. Default information, including a bankruptcy court
order discharging the debtor (if applicable) and
Judgment information (if applicable).
2. Reports:
a. Quarterly reports on guaranteed loans will be
submitted to the Commission on prescribed forms
within 30 days after the close of each quarter.
b. The Commission may require the submission of
supplemental reports relating to guaranteed loans
which are deemed necessary by the Commission.
(b) The Commission may inspect the utility's or its
subcontracted lending institution's books or accounts which pertain
to the loans reported for guarantee.
(6) Limitation of Guarantee.
(a) Unless prohibited by law, guarantees made pursuant to
this rule shall be for the amount of the Judgment obtained by the
utility against the borrower or, if a judgment is not required, the
amount of principal due on the loan.
(b) The Commission's liability to pay claims made against the
Florida Public Service Regulatory Trust Fund is limited to
\$5,000,000.

(7) Reserve Requirement.

The Commission shall maintain for each loan made under the guarantee program a reserve which is equal to five percent (5%) of the outstanding principal balance due on the loan.

Specific Authority: 366.05(1), 366.82, F.S.

Law Implemented: 366.05(1), 366.82, F.S.

History: New 10/13/81, formerly 25-17.11, Amended 1/5/82,

12/30/82, 2/9/86, 8/9/92, Repealed 07/14/98.