

Commissioners:  
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DIVISION OF APPEALS  
DAVID E. SMITH  
DIRECTOR  
(850) 413-6245

# Public Service Commission

December 31, 1998

Mr. Carroll Webb  
Joint Administrative Procedures  
Committee  
120 Holland Building  
Tallahassee, Florida 32399

Re: Docket No. 981755-GU - Proposed Amendment of Rule 25-7.083) (1) (a), F.A.C., Customer Deposits

Dear Mr. Webb:

Enclosed are an original and two copies of the following materials concerning the above referenced proposed rule:

1. A copy of the rule.
2. A copy of the F.A.W. notice.
3. A statement of facts and circumstances justifying the proposed rule.
4. A federal standards statement.
5. No statement of estimated regulatory costs was prepared.

If there are any questions with respect to this rule, please do not hesitate to call on me.

Sincerely,

Christiana T. Moore  
Associate General Counsel

ADM7083.CTM  
Enclosures  
cc: Division of Records & Reporting

DOCUMENT NUMBER-DATE

14728 DEC 31 88

ACK \_\_\_\_\_  
 AFA \_\_\_\_\_  
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1 25-7.083 Customer Deposits.

2 (1) Deposit required; establishment of credit. Each  
3 company's tariff shall contain their specific criteria for  
4 determining the amount of initial deposit. Each utility may  
5 require an applicant for service to satisfactorily establish  
6 credit, but such establishment of credit shall not relieve the  
7 customer from complying with the utilities' rules for prompt  
8 payment of bills. Credit will be deemed so established if:

9 (a) The applicant for service furnishes a satisfactory  
10 guarantor to secure payment of bills for the service requested.  
11 For residential customers, a satisfactory guarantor shall, at  
12 the minimum, be a customer of the utility with a satisfactory  
13 payment record. For non-residential customers, a satisfactory  
14 guarantor need not be a customer of the utility. Each utility  
15 shall develop minimum financial criteria that a proposed  
16 guarantor must meet to qualify as a satisfactory guarantor. A  
17 copy of the criteria shall be made available to each new non-  
18 residential customer upon request by the customer. A guarantor's  
19 liability shall be terminated when a residential customer whose  
20 payment of bills is secured by the guarantor meets the  
21 requirements of subsection (6) of this rule. Guarantors  
22 providing security for payment of residential customers' bills  
23 shall only be liable for bills contracted at the service address  
24 contained in the contract of guaranty.

25 (b) The applicant pays a cash deposit.

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

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

3 (2) Receipt for deposit. A non-transferable certificate of  
4 deposit shall be issued to each customer and means provided so  
5 that the customer may claim the deposit if the certificate is  
6 lost. When a new or additional deposit is required under Section  
7 3 of this rule a customer's cancelled check or validated bill  
8 coupon may serve as a deposit receipt.

9 (3) New or additional deposits. A utility may require,  
10 upon reasonable written notice of not less than 30 days, such  
11 request or notice being separate and apart from any bill for  
12 service, a new deposit, where previously waived or returned, or  
13 an additional deposit, in order to secure payment of current  
14 bills; provided, however, that the total amount of the required  
15 deposit shall not exceed an amount equal to the average actual  
16 charges for gas service for two billing periods for the 12-month  
17 period immediately prior to the date of notice. In the event the  
18 customer has had service less than 12 months, then the utility  
19 shall base its new or additional deposit upon the average actual  
20 monthly billing available.

21 (4) Record of deposit. Each utility having on hand  
22 deposits from customers or hereafter receiving deposits from them  
23 shall keep records to show:

24 (a) The name of each customer making the deposit;

25 (b) The premises occupied by the customer;

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

4 (5) Interest on deposits.

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

11 (b) The deposit interest shall be simple interest in all  
12 cases and settlement shall be made annually, either in cash or by  
13 credit on the current bill. This does not prohibit any utility  
14 paying a higher rate of interest than required by this rule. No  
15 customer depositor shall be entitled to receive interest on his  
16 deposit until and unless a customer relationship and the deposit  
17 have been in existence for a continuous period of six months,  
18 then he shall be entitled to receive interest from the day of the  
19 commencement of the customer relationship and the placement of  
20 deposit.

21 (6) Refund of deposit. After a customer has established a  
22 satisfactory payment record and has had continuous service for a  
23 period of 23 months, the utility shall refund the residential  
24 customer's deposits and shall, at its option, either refund or  
25 pay the higher rate of interest specified above for

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1 nonresidential deposits, provided the customer has not, in the  
2 preceding 12 months, (a) made more than one late payment of a  
3 bill (after the expiration of 20 days from the date of mailing or  
4 delivery by the utility), (b) paid with check refused by a bank,  
5 (c) been disconnected for nonpayment, or at any time, (d)  
6 tampered with the gas meter, or (e) used service in a fraudulent  
7 or unauthorized manner. Nothing in this rule shall prohibit the  
8 company from refunding at any time a deposit with any accrued  
9 interest.

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

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

16 Law Implemented: 366.03, 366.05(1), F.S.

17 History: Repromulgated 1/8/75, Amended 6/15/76, 6/10/80,  
18 1/31/84, formerly 25-7.83, Amended 10/13/88, 4/25/94, \_\_\_\_\_.

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NOTICE OF PROPOSED RULEMAKING  
FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 981755-GU

RULE TITLE:

RULE NO.:

Customer Deposits

25-7.083

PURPOSE AND EFFECT: The purpose of the amendment is to allow a non-residential customer to use its parent or affiliate company as a guarantor of bills even if the guarantor is not a customer of the utility.

SUMMARY: The amendment to the rule eliminates the requirement that a guarantor of a non-residential customer of a gas utility also be a customer of the utility.

Any person who wishes to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY 366.05(1), 350.127(2), FS

LAW IMPLEMENTED 366.03, 366.05(1), FS

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE FAW.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS:

Director of Appeals, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0862, (850) 413-6245.

THE FULL TEXT OF THE PROPOSED RULE IS:

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) - (7) No Change.

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

Law Implemented: 366.03, 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,\_\_\_\_\_.

NAME OF PERSON ORIGINATING PROPOSED RULE: Wayne Makin

NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULE:

Florida Public Service Commission.

DATE PROPOSED RULE APPROVED: December 15, 1998

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW:

Volume 24, Number 43, October 23, 1998

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.

Any person requiring some accommodation at this hearing because of a physical impairment should call the Division of Records and



Reporting at (850) 413-6770 at least 48 hours prior to the hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at: 1-800-955-8771 (TDD).

Rule 25-7.083  
Docket No. 981755-GU

**STATEMENT OF FACTS AND CIRCUMSTANCES  
JUSTIFYING RULE**

Rule 25-7.083, F.A.C., currently requires any party designated as a guarantor for payment of bills be a customer of the utility. This provision is designed to insure that the utility has a reasonable recourse to collect unpaid bills. This amendment would allow businesses that are part of a national chain to use the parent company as a guarantor of bills, even if the parent company is not a customer of the utility.

**STATEMENT ON FEDERAL STANDARDS**

There is no federal standard on the same subject.