



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: February 15, 1999
TO: Blanca Bayo, Director, Division of Records and Reporting
FROM: Connie Kummer, Division of Electric and Gas *CSK*
RE: Complaint by Mr. Glen Webb against Florida Power & Light Company

990179-E1

Pursuant to the customer's request, please open a docket to consider the complaint of Mr. Glen Webb against Florida Power & Light Company's tariff which allows a late payment fee to be assessed on past due electric bills. The applicable language is found on Tariff Sheet 4.020 of FPL's tariff.

The customer first filed a complaint with the Division of Consumer Affairs (CAF) on November 3, 1998, protesting the addition of a late payment fee to his bill (CATS #233708). The late payment charge was subsequently removed from the bill and the customer declined to request an informal conference on the matter. CAF then forwarded the complaint to the Division of Electric and Gas to address the customer's question on Commission review of the tariff. I responded to the customer on January 26, 1999, explaining that the charge had been approved by the Commission in 1991, and the reasons for its approval. Since the order approving the tariff had become final, I also included in that letter a copy of Chapter 28-106.201, Florida Administrative Code, explaining the process for initiating a formal proceeding before the Commission.

Mr. Webb responded with the attached letter, requesting that a formal proceeding be opened to consider modification of the tariff. If you have any questions, please contact me.

CSK:kb

DOCUMENT NUMBER-DATE

02030 FEB 16 89

FPSC-RECORDS/REPORTING

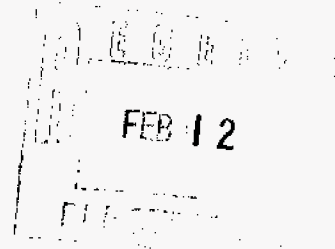
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FEB 12 9 08 AM '99

ADMINISTRATION
MAIL ROOM

101 Oxford 600
West Palm Beach
F.L. 33417
2/9/99

Public Service Commission
Division of Electric & Gas
Bureau of Electric Regulation
2540 Shumard Oak Blvd.
Tallahassee FL 32399-0850



Dear Ms Connie S. Kummer:

Thank you for your letter dated 1/26/99 and kind instructions how to file a formal protest with the commission. Will you also please be kind enough to forward to the Commissioners my formal protest which follows ?

2a Not known.

b. Glen Webb 101 Oxford 600. West Palm Beach. FL 33417 Phone No 561 689 2519. My substantial interest will be effected by not having to pay interest charges on my electric bill when I pay in advance while I am away traveling and unwittingly under estimate the amount due by a dollar or two, thus having to pay interest on the amount even though Florida Power & Light Co. has had a substantial amount of my money credited to my account for over six weeks without having to pay interest to me.

c. Copy of your letter dated 1/26/99 enclosed.

d. None.

e. N/A.

f. Docket No 900836-EL.4/8/1991.

g. I wish you to take action to abolish the interest penalty of 18% for late payments on household electric bills applied by Florida Power & Light Co. The charge is unnecessary for the following reasons.

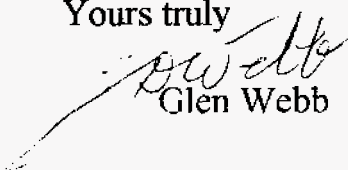
1. We, customers of F.P.L. are all pre-qualified customers because F.P.L. demands and receives a deposit from all of us when we first request service from them, which they hold for two years to assure we are good customers.

2. F.P.L. has the ability to cut off electricity for late payments and charge a reconnecting charge.

3. F.P.L. is selling a product we cannot do without and cannot purchase elsewhere- we have to pay them

4. The penalty only hurts the poor, ill, confused and elderly who sometimes fall temporarily behind. The wealthy have the amount deducted from their bank account, the poor do not have a bank account.
5. The only people who perhaps do not pay are the ones who move out of state. F.P.L. should follow these people for payment or, like other businesses, count this as part of the cost of doing business.
6. The state of New Jersey has recognized the inequity of this interest penalty and forbids this charge on all utility bills. I ask you to please do the same.

Yours truly



Glen Webb

STATE OF FLORIDA

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



DIVISION OF ELECTRIC & GAS
JOSEPH D. JENKINS
DIRECTOR
(850) 413-6700

Public Service Commission

January 26, 1999

Mr. and Mrs. Glen Webb
101 Oxford 600
West Palm Beach, Florida 3417-1419

Dear Mr. and Mrs. Webb,

Your correspondence concerning the late payment fee assessed by Florida Power & Light Company (FPL) has been forwarded to the Division of Electric & Gas for response.

Late payment fees are a common practice among credit card companies and other financial institutions which extend credit. Like using a credit card for a purchase, you use electricity then are billed for it almost a month later. Utility rates are set assuming that customers will pay their bills in the specified time frame, i.e., within the 30 days stated on the bill. The utility incurs costs to fuel suppliers and employees to provide power at the time it is delivered which must be paid on time. When expected revenue is not received, all ratepayers incur costs when the utility must secure funds from other sources to replace those which should have been received from ratepayers for services rendered. Therefore, the Florida Public Service Commission approved the imposition of a late payment fee to place the cost caused by late paying customers on those customers and not on the general body of ratepayers who pay their bills on time. Such charges have been approved for the two major electric utilities in the state, FPL and Florida Power Corporation. A number of municipal and rural cooperative electric utilities also employ some type of late payment charge. I understand that this is an inconvenience for you but it was determined to be a cost justified charge.

The tariff authorizing the late payment charge for FPL was approved by the Commission in Docket No. 900836-EI, effective April 8, 1991. The time for appeal of the decision has expired. If you wish to challenge the tariff at this point, you must file a formal protest demonstrating that the tariff is unreasonable or unduly discriminatory. The procedure for such challenges is contained in Rule 28-106.201, Florida Administrative Code. I have attached a copy for your information. If you have additional question about the procedure for challenging an approved tariff, you may contact our legal staff at (850)413-6199.

Sincerely,

A handwritten signature in cursive script, appearing to read "Connie S. Kummer".

Connie S. Kummer, Chief
Bureau of Electric Regulation

CSK:kb