

DOCKET NO. 980658-EI

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

I do hereby certify:

(1) That all statutory rulemaking requirements of Chapter 120, F.S., have been complied with; and

(2) There is no administrative determination under subsection 120.56(2), 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(3)(e), F.S. They are filed not less than 28 days after the notice required by paragraph 120.54(3)(a), F.S., and;

(a) 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 more than 90 days after the notice not less than 21 days nor more than 45 days from the date of publication of the notice of change; or

(d) Are filed more than 90 days after the notice not less than 14 nor more than 45 days after the adjournment of

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC
- WAS _____
- OTH _____

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the final public hearing on the rule; or

✓/ (e) Are filed more than 90 days after the notice, but within 21 days after the date of receipt of all material authorized to be submitted at the hearing; or

✓/ (f) Are filed more than 90 days after the notice, but within 21 days after the date the transcript was received by this agency; or

✓/ (g) Are filed not more than 90 days after the notice, not including days the adoption of the rule was postponed following notification from the Joint Administrative Procedures Committee that an objection to the rule was being considered; or

✓/ (h) Are filed more than 90 days after the notice, but within 21 days after a good faith written proposal for a lower cost regulatory alternative to a proposed rule is submitted which substantially accomplishes the objectives of the law being implemented; or

✓/ (i) Are filed more than 90 days after the notice, but within 21 days after a regulatory alternative is offered by the small business ombudsman.

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.

Rule No.

25-6.097

Under the provision of subparagraph 170.54(3)(e)6., F.S.,
the rules take effect 20 days from the date filed with the
Department of State or a later date as set out below:

Effective: _____
(month) (day) (year)



BLANCA S. BAYO, Director
Division of Records & Reporting

Number of Pages Certified

(S E A L)

CTM

1 25-6.097 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 the
12 minimum, be a customer of the utility with a satisfactory payment
13 record. For non-residential customers, a satisfactory guarantor
14 need not be a customer of the utility. Each utility shall
15 develop minimum financial criteria that a proposed guarantor must
16 meet to qualify as a satisfactory guarantor. A copy of the
17 criteria shall be made available to each new non-residential
18 customer upon request by the customer. A guarantor's liability
19 shall be terminated when a residential customer whose payment of
20 bills is secured by the guarantor meets the requirements of
21 subsection (2) of this rule. Guarantors providing security for
22 payment of residential customers' bills shall only be liable for
23 bills contracted at the service address contained in the contract
24 of guaranty.

25 (b) The applicant pays a cash deposit.

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~~struck-through~~ type are deletions from existing law.

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

3 (2) - (7) No Change.

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

5 Law Implemented: 366.03, 366.041(1), 366.05(1), 366.06(1), F.S.

6 History: New 7/29/69, Amended 5/9/76, 7/8/79, 6/10/80, 10/17/83,
7 1/31/84, formerly 25-6.97, Amended 10/13/88, 4/25/94, _____.

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SUMMARY OF RULE

The rule is designed to insure that the utility has reasonable recourse to collect unpaid bills. The modification to the existing rule will eliminate the requirement for non-residential customers that the guarantor also be a customer. This would allow, for example, Florida businesses that are part of a national chain to use the parent company as a guarantor of bills.

SUMMARY OF HEARINGS ON THE RULE

No hearing was requested and none was held.

FACTS AND CIRCUMSTANCES JUSTIFYING THE RULE

For many non-residential customers of public utilities, payment of a cash security deposit or the posting of a surety bond or letter of credit in an amount based upon two months' average billings constitutes a customer inconvenience, and a financial hardship. Many non-residential customers have parent or affiliated companies outside the utility's service territory. Often, the parent or affiliated companies are large, profitable concerns with the financial wherewithal to secure payment of the bills of the non residential customer. The ability to use its nationally recognized parent or affiliate as a payment guarantor expands the options available to Florida businesses to meet deposit requirements without significantly increasing the risk to utilities of payment default.

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