

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

NOTICE OF DEVELOPMENT OF RULEMAKING

TO

ALL INTERESTED PERSONS

UNDOCKETED

IN RE: INITIATION OF RULEMAKING TO AMEND RULES 25-6.097, 25-7.083,
AND 25-30.311, F.A.C, RELATING TO CUSTOMER DEPOSITS.

ISSUED: February 2, 2012

NOTICE is hereby given pursuant to Section 120.54, Florida Statutes, that the Florida Public Service Commission staff has initiated rulemaking to amend Rule 25-6.097, Customer Deposits, Rule 25-7.083, Customer Deposits, and Rule 25-30.311, Customer Deposits, Florida Administrative Code, to change the interest rate to be applied to customer deposits for electric utilities, gas utilities, and water/wastewater utilities.

The attached Notice of Development of Rulemaking will appear in the February 3, 2012, edition of the Florida Administrative Weekly. If requested in writing and not deemed unnecessary by the agency head, a rule development workshop will be scheduled and noticed in the next available Florida Administrative Weekly. The person to be contacted regarding the rule development is Cindy Miller, Office of the General Counsel, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850 at (850) 413-6082, or cmiller@psc.state.fl.us. Written requests for a rule development workshop must be submitted to Ms. Miller at the above address by February 17, 2012. A copy of the draft rules is attached.

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FPSC-COMMISSION CLERK

NOTICE OF DEVELOPMENT OF RULEMAKING
DOCKET NO. UNDOCKETED
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By DIRECTION of the Florida Public Service Commission this 2nd day of February,
2012.



ANN COLE
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

CBM

1 25-6.097 Customer Deposits.

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

7 (a) The applicant for service furnishes a satisfactory guarantor to secure payment of bills for
8 the service requested. For residential customers, a satisfactory guarantor shall, at the
9 minimum, be a customer of the utility with a satisfactory payment record. For non-residential
10 customers, a satisfactory guarantor need not be a customer of the utility. Each utility shall
11 develop minimum financial criteria that a proposed guarantor must meet to qualify as a
12 satisfactory guarantor. A copy of the criteria shall be made available to each new non-
13 residential customer upon request by the customer. A guarantor's liability shall be terminated
14 when a residential customer whose payment of bills is secured by the guarantor meets the
15 requirements of subsection (2) of this rule. Guarantors providing security for payment of
16 residential customers' bills shall only be liable for bills contracted at the service address
17 contained in the contract of guaranty.

18 (b) The applicant pays a cash deposit.

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

21 (2) Refund of deposits. After a customer has established a satisfactory payment record and has
22 had continuous service for a period of 23 months, the utility shall refund the residential
23 customer's deposits and shall, at its option, either refund or pay the higher rate of interest
24 specified below for nonresidential deposits, providing the customer has not, in the preceding
25 12 months.

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

1 (a) Made more than one late payment of a bill (after the expiration of 20 days from the date of
2 mailing or delivery by the utility).

3 (b) Paid with a check refused by a bank.

4 (c) Been disconnected for nonpayment, or at any time.

5 (d) Tampered with the electric meter, or

6 (e) Used service in a fraudulent or unauthorized manner.

7 (3) New or additional deposits. A utility may require, upon reasonable written notice of not
8 less than thirty (30) days, a new deposit, where previously waived or returned, or additional
9 deposit, in order to secure payment of current bills. Such request shall be separate and apart
10 from any bill for service and shall explain the reason for such new or additional deposit,
11 provided, however, that the total amount of the required deposit shall not exceed an amount
12 equal to twice the average charges for actual usage of electric service for the twelve month
13 period immediately prior to the date of notice. In the event the customer has had service less
14 than twelve months, then the utility shall base its new or additional deposit upon the average
15 actual monthly usage available.

16 (4) Interest on deposits.

17 (a) Each electric utility which requires deposits to be made by its customers shall pay a
18 minimum interest on such deposits of 2.6 percent per annum. The utility shall pay an interest
19 rate of 3.7 percent per annum on deposits of nonresidential customers qualifying under
20 subsection (2) when the utility elects not to refund such deposit after 23 months.

21 (b) The deposit interest shall be simple interest in all cases and settlement shall be made
22 annually, either in cash or by credit on the current bill. This does not prohibit any utility
23 paying a higher rate of interest than required by this rule. No customer depositor shall be
24 entitled to receive interest on his deposit until and unless a customer relationship and the
25 deposit have been in existence for a continuous period of six months, then he shall be entitled

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1 to receive interest from the day of the commencement of the customer relationship and the
2 placement of deposit. Nothing in this rule shall prohibit a utility from refunding at any time a
3 deposit with any accrued interest.

4 (5) Record of deposits. Each utility having on hand deposits from a customer or hereafter
5 receiving deposits from them shall keep records to show:

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

7 (b) The premises occupied by the customer;

8 (c) The date and amount of deposit; and

9 (d) Each transaction concerning the deposits such as interest payments, interest credited or
10 similar transactions.

11 (6) Receipt for deposit. A non-transferable certificate of deposit shall be issued to each
12 customer and means provided so that the customer may claim the deposit if the certificate is
13 lost. Where a new or additional deposit is required under subsection (3) of this rule, a
14 customer's cancelled check or validated bill coupon may serve as a deposit receipt.

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

19 *Specific Authority 366.05(1), 350.127(2) FS. Law Implemented 366.03, 366.041(1), 366.05(1), 366.06(1) FS. History—New 7-*
20 *29-69, Amended 5-9-76, 7-8-79, 6-10-80, 10-17-83, 1-31-84, Formerly 25-6.97, Amended 10-13-88, 4-25-94, 3-14-99.*

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1 25-7.083 Customer Deposits.

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

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

18 (b) The applicant pays a cash deposit.

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

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

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

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

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

11 (b) The premises occupied by the customer;

12 (c) The date and amount of deposit; and

13 (d) Each transaction concerning the deposit such as interest payments, interest credited or
14 similar transactions.

15 (5) Interest on deposits.

16 (a) Each gas utility which requests deposits to be made by its customers shall pay a minimum
17 interest on such deposits of 2.6 percent per annum. The utility shall pay a minimum interest
18 rate of 3.7 percent per annum on deposits of nonresidential customers qualifying under
19 subsection (6) below when the utility elects not to refund such a deposit after 23 months.

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

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1 placement of deposit.

2 (6) Refund of deposit. After a customer has established a satisfactory payment record and has
3 had continuous service for a period of 23 months, the utility shall refund the residential
4 customer's deposits and shall, at its option, either refund or pay the higher rate of interest
5 specified above for nonresidential deposits, provided the customer has not, in the preceding 12
6 months:

7 (a) Made more than one late payment of a bill (after the expiration of 20 days from the date of
8 mailing or delivery by the utility);

9 (b) Paid with check refused by a bank;

10 (c) Been disconnected for nonpayment, or at any time;

11 (d) Tampered with the gas meter; or

12 (e) Used service in a fraudulent or unauthorized manner. Nothing in this rule shall prohibit the
13 company from refunding at any time a deposit with any accrued interest.

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

18 *Specific Authority 366.05(1), 350.127(2) FS. Law Implemented 366.03, 366.05(1) FS. History—Repromulgated 1-8-75.*

19 *Amended 6-15-76, 6-10-80, 1-31-84, Formerly 25-7.83, Amended 10-13-88, 4-25-94, 3-14-99.*

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1 25-30.311 Customer Deposits.

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

7 (a) The applicant for service furnishes a satisfactory guarantor to secure payment of bills for
8 the service requested. A satisfactory guarantor shall, at a minimum, be a customer of the
9 utility with a satisfactory payment record. A guarantor's liability shall be terminated when a
10 residential customer whose payment of bills is secured by the guarantor meets the
11 requirements of subsection (5) of this rule. Guarantors providing security for payment of
12 residential customers' bills shall only be liable for bills contracted at the service address
13 contained in the contract of guaranty.

14 (b) The applicant pays a cash deposit.

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

17 (2) Receipt for deposit. A non-transferrable certificate of deposit shall be issued to each
18 customer and means provided so that the customer may claim the deposit if the certificate is
19 lost.

20 (3) Record of deposits. Each utility having on hand deposits from customers shall keep records
21 to show:

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

23 (b) The premises occupied by the customer when the deposit was made;

24 (c) The date and amount of deposit; and

25 (d) A record of each transaction concerning such deposit.

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1 (4) Interest on deposit.

2 (a) Each public utility which requires deposits to be made by its customers shall pay a
3 minimum interest on such deposits of 2.6 percent per annum. The utility shall pay an interest
4 rate of 3.7 percent per annum on deposits of nonresidential customers qualifying under
5 subsection (5) below when the utility elects not to refund such a deposit after 23 months.

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

13 (5) Refund of deposits. After a customer has established a satisfactory payment record and has
14 had continuous service for a period of 23 months, the utility shall refund the residential
15 customer's deposits and shall, at its option, either refund or pay the higher rate of interest
16 specified above for nonresidential deposits, providing the customer has not, in the preceding
17 12 months, (a) made more than one late payment of a bill (after the expiration of 20 days from
18 the date of mailing or delivery by the utility), (b) paid with check refused by a bank, (c) been
19 disconnected for nonpayment, or at any time, (d) tampered with the meter, or (e) used service
20 in a fraudulent or unauthorized manner. Nothing in this rule shall prohibit the company from
21 refunding at any time a deposit with any accrued interest.

22 (6) Refund of deposit when service is discontinued. Upon termination of service, the deposit
23 and accrued interest may be credited against the final account and the balance, if any, shall be
24 returned promptly to the customer but in no event later than fifteen (15) days after service is
25 discontinued.

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1 (7) New or additional deposits. A utility may require, upon reasonable written notice of not
2 less than 30 days, such request or notice being separate and apart from any bill for service, a
3 new deposit, where previously waived or returned, or an additional deposit, in order to secure
4 payment of current bills; provided, however, that the total amount of the required deposit
5 should not exceed an amount equal to the average actual charge for water and/or wastewater
6 service for two billing periods for the 12-month period immediately prior to the date of notice.
7 In the event the customer has had service less than 12 months, then the utility shall base its
8 new or additional deposit upon the average monthly billing available.

9 *Specific Authority 367.121, 350.127(2) FS. Law Implemented 367.081, 367.111, 367.121 FS. History—Amended 6-1-63, 4-1-*
10 *69, 9-12-74, 6-10-80, 1-31-84, Formerly 25-10.72, 25-10.072, Amended 10-13-88, 4-25-94.*

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