

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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2017 MAY 24 AM 10:39
COMMISSION
CLERK

DATE: May 24, 2017

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Economics (Rome, Draper) *CRK EJD*
Office of the General Counsel (Brownless) *Tom Matt*

RE: Docket No. 170096-EI – Petition for approval of revised customer security deposit tariff sheets, by Florida Power & Light Company.

AGENDA: 06/05/17 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 06/27/17 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: Place following Docket No. 170093-EI

Case Background

On April 28, 2017, Florida Power & Light Company (FPL or Company) filed a petition requesting Commission approval of amendments to Tariff Sheet Nos. 4.020, 6.040, 6.050, 9.400, and 9.410 regarding customer deposits. During the 2015 session, the Florida Legislature enacted House Bill 7109 which was incorporated into Chapter 2015-129, Laws of Florida. Among other things, the legislation created Section 366.05(1)(b) and (c), Florida Statutes (F.S.). Paragraph (1)(b) addresses billing periods and Paragraph (1)(c) addresses customer deposits. These laws became effective on July 1, 2015. The Commission adopted amendments to Rules 25-6.100 (Customer Billings) and 25-6.097 (Customer Deposits), Florida Administrative Code (F.A.C.), respectively, to implement the laws enacted in July 2015.¹

¹ Order No. PSC-16-0024-FOF-PU, issued January 12, 2016, in Docket No. 150241-PU, *In re: Proposed amendments to Rules 25-6.093, Information to Customers; 25-6.097, Customer Deposits; 25-6.100, Customer*

Docket No. 170096-EI

Date: May 24, 2017

FPL is requesting tariff modifications at this time to ensure that the Company's tariff language continues to conform to the applicable statutes and Commission rules. On May 18, 2017, FPL filed an amended version of Tariff Sheet No. 6.050 that was inadvertently not included with the original petition. The Commission has jurisdiction in this matter pursuant to Sections 366.03, 366.05, and 366.06, F.S.

Billings; 25-7.079, Information to Customers; 25-7.083, Customer Deposits; and 25-7.085, Customer Billing, F.A.C.

Discussion of Issues

Issue 1: Should the Commission approve FPL's proposed tariff modifications?

Recommendation: Yes, the Commission should approve FPL's requested modifications to Tariff Sheet Nos. 4.020, 6.040, 6.050, 9.400, and 9.410, as reflected in Attachment A, effective June 5, 2017. (Rome, Draper)

Staff Analysis: FPL's proposed tariff modifications are designed to conform FPL's tariff to the applicable statutes and Commission rules. The two tariff modifications are discussed below.

Billing Period

Section 366.05(1)(b), F.S., provides that if the Commission authorizes a public utility to charge tiered rates based upon levels of usage and to vary its regular billing period, the utility may not charge a customer a higher rate because of an increase in usage attributable to an extension of the billing period; however, the regular meter reading date may not be advanced or postponed more than five days for routine operating reasons without prorating the billing for the period. The Commission amended Rule 25-6.100, F.A.C., to implement the statutory changes.² The prior rule specified that the regular meter reading date may be advanced or postponed not more than 5 days without a proration of the billing for the period, but did not address the application of tiered rates to extended billing periods. Tiered rates, such as FPL's residential energy charges, apply a higher energy charge to usage above 1,000 kilowatt-hours.

FPL has proposed to add language to Tariff Sheet No. 6.050 to reflect the statutory requirements and to include the Company's current billing practices in its tariff. The revised tariff sheet addresses both the proration of charges when billing periods are varied by more than five days, as well as the prohibition against charging higher tiered rates if the extension of a billing period of more than five days causes a customer's energy consumption to exceed the Company's tier threshold of 1,000 kilowatt-hours. FPL has represented to staff that its current business practices regarding bill proration and administration of tiered rates are in compliance with Section 366.05(1)(b), F.S.

Customer Deposits

Section 366.05(1)(c), F.S., provides that for an existing account, the total deposit may not exceed two months of average actual charges. For a new service request, the total deposit may not exceed two months of projected charges. Once a new customer has had continuous service for a 12-month period, the amount of the deposit shall be recalculated using actual data. Any difference between the projected and actual amounts must be resolved by the customer paying the additional amount that may be billed by the utility or the utility returning any overcharge.

The Commission amended Rule 25-6.097(1), F.A.C., to state that the utility's methodology for determining customer deposits for existing and new accounts shall conform to Section

² *Id.*

366.05(1)(c), F.S.³ The prior rule language already required that the total amount of a deposit not exceed twice the average monthly bill.

FPL's proposed amendments to Tariff Sheet Nos. 6.040 and 6.050 conform to the new statutory language regarding the recalculation of the deposit after 12-months. FPL's proposed amendments to Tariff Sheet Nos. 6.040 and 6.050 comport with this language by providing that: (a) if the recalculated deposit amount based on the previous 12-months billing history is less than the customer's current deposit amount, the difference between the deposit amounts will be applied as a credit to the customer account; and (b) if the recalculated deposit amount exceeds the customer's current deposit amount, the Company may request an additional deposit amount. FPL also proposed some administrative revisions to Tariff Sheet Nos. 4.020, 9.400, and 9.410 to conform to Rule 25-6.097, F.A.C.

Pursuant to Rule 25-6.097(3), F.A.C., utility customers receive refunds of their deposits with interest after a period of 23 months of continuous service, assuming their payment record is satisfactory. Therefore, for the majority of utility customers, the deposit amount recalculation after a 12-month period of continuous service occurs only once.

Conclusion

Based on a review of the applicable statutes, Commission rules, and proposed tariffs filed by FPL, staff believes that the tariff sheet revisions conform to the applicable statutes and Commission rules. Therefore, staff recommends that the Commission approve FPL's requested modifications to Tariff Sheet Nos. 4.020, 6.040, 6.050, 9.400, and 9.410, as reflected in Attachment A, effective June 5, 2017.

³ *Id.*

Issue 2: Should this docket be closed?

Recommendation: If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order. (Brownless)

Staff Analysis: If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

FLORIDA POWER & LIGHT COMPANY

Twenty-~~Second~~Third Revised Sheet No. 4.020
Cancels Twenty-~~First~~Second Revised Sheet No. 4.020

SERVICE CHARGES

A \$25.00 service charge will be made for an initial connection.

A \$13.00 Reconnection Charge will be made for the reconnection of service after disconnection for nonpayment or violation of a rule or regulation.

A \$12.00 service charge will be made for the connection of an existing account.

A Returned Payment Charge as allowed by Florida Statute 68.065 shall apply for each check or draft dishonored by the bank upon which it is drawn. Termination of service shall not be made for failure to pay the Returned Payment Charge.

Charges for services due and rendered which are unpaid as of the past due date are subject to a Late Payment Charge of the greater of \$5.00 or 1.5% applied to any past due unpaid balance of all accounts, except the accounts of federal, state, and local governmental entities, agencies, and instrumentalities. A Late Payment Charge shall be applied to the accounts of federal, state, and local governmental entities, agencies, and instrumentalities at a rate no greater than allowed, and in a manner permitted, by applicable law.

A \$49.00 Field Collection Charge will be added to a customer's bill for electric service when a field visit is made and payment is collected on a delinquent account. If service is disconnected, or a current receipt of payment is shown at the time of the field visit, this charge will not be applied.

FPL may waive the Reconnection Charge, Returned Payment Charge, Late Payment Charge and Field Collection Charge for Customers affected by natural disasters or during periods of declared emergencies or once in any twelve (12) month period for any Customer who would otherwise have had a satisfactory payment record (as defined in 25-6.097(23) F.A.C.), upon acceptance by FPL of a reasonable explanation justifying a waiver. In addition, FPL may waive the charge for connection of an existing account and the charge for an initial connection for new or existing Customers affected by natural disasters or during periods of declared emergencies.

CONSERVATION INSPECTIONS AND SERVICES

Residential Dwelling Units:

A charge of \$15.00 will be made for a computerized energy analysis in which a comprehensive on-site evaluation of the residence is performed.

Commercial/Industrial:

There is no charge for conservation inspections and services (Business Energy Services).

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: ~~January 1, 2017~~

FLORIDA POWER & LIGHT COMPANY

~~Thirteenth~~ Fourteenth Revised Sheet No. 6.040
Cancels ~~Twelfth~~ Thirteenth Revised Sheet No. 6.040

5 COMPANY'S INSTALLATIONS

5.1 Protection of Company's Property. The Customer shall properly protect the Company's property on the Customer's premises, and shall permit no one but the Company's agents, or persons authorized by law, to have access to the Company's wiring, meters, and apparatus.

5.2 Damage to Company's Property. In the event of any loss or damage to property of the Company caused by or arising out of carelessness, neglect or misuse by the Customer, the cost of making good such loss or repairing such damage shall be paid by the Customer.

5.3 Relocation of Company's Facilities. When there is a change in the Customer's operation or construction which, in the judgment of the Company, makes the relocation of Company's facilities necessary, or if such relocation is requested by the Customer, the Company will move such facilities at the Customer's expense to a location which is acceptable to the Company.

5.4 Attachments to Poles. The use of the Company's poles, wires, towers, structures or other facilities for the purpose of fastening or supporting any radio or television aerials or other equipment, or any wires, ropes, signs, banners or other things, not necessary to the supplying by the Company of electric service to the community, or the locating of same in such proximity to the Company's property or facilities as to cause, or be likely to cause, interference with the supply of electric service, or a dangerous condition in connection therewith, is prohibited, and the Company shall have the right forthwith to remove same without notice. The violator of these rules is liable for any damage resulting therefrom.

5.5 Interference with Company's Facilities. The Customer should not allow trees, vines and shrubs to interfere with the Company's adjacent overhead conductors, service wires, pad mounted transformers and meter. Such interference may result in an injury to persons, or may cause the Customer's service to be interrupted. In all cases the customer should request the Company to trim or remove trees and other growth near the Company's adjacent overhead wires, and under no circumstances should the Customer undertake this work himself, except around service cables when specifically authorized by and arranged with the Company.

5.6 Unobstructed Access to Company's Facilities. The Company shall have perpetual unobstructed access to its overhead and underground facilities such as poles, underground cables, pad mounted transformers and meters in order to perform repair and maintenance in a safe, timely and cost-efficient manner. The Customer is responsible for contacting the Company for guidance before constructing any items which may obstruct the Company's access. Such items include, but are not limited to, building additions, decks, patios, pools, fences or pavings. Relocation of the Company's facilities, as provided in Section 5.3 of these Rules and Regulations, may be necessary. Should an item interfere with access to Company facilities requiring repair or maintenance, the Company will explore with the Customer all alternatives deemed feasible by the Company to determine the method of repair most acceptable to the Customer. When the most acceptable or only option involves the Customer removing the obstruction or the Customer taking other actions, the Customer shall accomplish the work within 20 working days. Should the Customer fail to accomplish said work within 20 working days or to make other satisfactory arrangements with the Company, the Company may elect to discontinue service to the Customer, pursuant to F.A.C. Rule 25-6.105 (5) (f). In all cases, the Customer will be responsible for all costs in excess of a standard, unobstructed repair.

6 SECURITY DEPOSITS/GUARANTIES

6.1 Security Deposit/Guaranty.

(1) Before the Company renders service, or upon termination of an existing Unconditional Guaranty Contract, or a surety bond or an irrevocable bank letter of credit, each applicant will be required to provide:

- ~~a) information which satisfies the Company's application requirements for no deposit; or~~
- ~~-b)~~ a Security Deposit consisting of cash, surety bond, or irrevocable bank letter of credit; or
- ~~c)~~
- b) a guaranty satisfactory to the Company to secure payment of bills; or
- c) information which satisfies the Company's application requirements for no deposit.

(2) ~~Each guarantor must enter into a guaranty contract set forth as Tariff Sheet No. 9.100 or 9.110. The amount of such initial Security Deposit, if required, shall be based upon estimated billings for a period of two average months, but not less than \$25.00. Estimations shall be based on previous billings at the service address, and/or the equipment/appliances in service or to be put into service. After four (4) months history is recorded, the initial Security Deposit may be adjusted to compensate for over or under estimations. Such adjustment may consider seasonal factors. After twelve (12) months of billing history is recorded, the initial Security Deposit may again be adjusted to compensate for over or under estimations. The Company may require a subsequent Security Deposit from a Customer, including one whose initial Security Deposit was refunded/released. A Security Deposit/guaranty may be held by the Company until refunded or released under the terms of rule 6.3.g) New service Requests - If a Security Deposit is required, the Security Deposit for a new service request shall be based upon no more than two months of projected charges, calculated by adding the 12 months of projected charges, dividing this total by 12, and multiplying the result~~

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: ~~March 7, 2003~~

FLORIDA POWER & LIGHT COMPANY

~~Thirteenth~~ ~~Fourteenth~~ Revised Sheet No. 6.040
Cancels ~~Twelfth~~ ~~Thirteenth~~ Revised Sheet No. 6.040

by 2. After the new account has had continuous service for a twelve (12) month period, the amount of the required deposit shall be recalculated using actual data. If an excess deposit is identified by this recalculation, the difference between the recalculated deposit and the deposit on hand will be credited to the account. If the recalculated amount indicates a deficiency in the deposit held, the utility may bill customer for the difference. Each applicant that provides a guaranty, surety bond, or an irrevocable bank letter of credit as a Security Deposit must enter into the agreement(s) set forth in Tariff Sheet No. 9.400/9.401 or 9.410/9.411/9.412 for the guaranty contract, No. 9.440/9.441 for the surety bond and 9.430/9.431 and 9.435 for the bank letter of credit.

(Continue on Sheet No. 6.050)

FLORIDA POWER & LIGHT COMPANY

~~Sixteenth~~~~Seventeenth~~ Revised Sheet No. 6.050
Cancels ~~Fifteenth~~~~Sixteenth~~ Revised Sheet No. 6.050

b) Existing Accounts - For an existing account, the total deposit may not exceed 2 months of average actual charges calculated by adding the monthly charges from the 12-month period immediately before the date any change in the deposit amount is sought, dividing this total by 12, and multiplying the result by 2. If the account has less than 12 months of actual charges, the deposit shall be calculated by adding the available monthly charges, dividing this total by the number of months available, and multiplying the result by 2.

6.2 Deposit Interest. The interest due will be paid once a year, ordinarily as a credit on regular bills, and on final bills when service is discontinued. No interest will be paid if service is ordered disconnected for any cause within six months from the date of initial service.

6.21 Residential Deposits. Simple interest at the rate of 3% per annum will be paid to residential Customers for cash deposits when held by the Company.

6.22 Nonresidential Deposits. Simple interest at the rate of 2% per annum will be paid on cash deposits of nonresidential customers. However, simple interest at the rate of 3% per annum will be paid on cash deposits of nonresidential Customers provided the Customer has had continuous service for a period of not less than 13 months, and has not in the preceding 12 months: a) made more than one late payment of the bill (after the expiration of 20 days from the date of mailing or delivery by the Company), b) paid with a check refused by a bank, c) been disconnected for nonpayment at any time, d) tampered with the electric meter, or e) used service in a fraudulent or unauthorized manner.

6.3 Refund of Cash Deposit/Release of Other Security or Guaranty. After a residential Customer has established a prompt payment record and has had continuous service for a period of not less than 23 months, the Company will no longer require a Security Deposit or guaranty for that account, provided the Customer has not, in the preceding twelve (12) months: a) made more than one (1) late payment of the bill (after the expiration of 20 days from the date of mailing or delivery by the Company), b) paid with a check refused by a bank, c) been disconnected for non-payment, or, at any time d) tampered with the electric meter, or e) used service in a fraudulent or unauthorized manner. When the Company no longer requires a Security Deposit or guaranty because the residential Customer meets these terms or because the Customer closes the service account and the Company has received final payment for all bills for service incurred at the account, any cash deposit held by the Company for that account will be refunded, and the obligors on any surety bond, irrevocable letter of credit or guaranty for that account will be released from their obligations to the Company. Cash deposit receipts are not negotiable or transferable and the deposit is refundable only to the Customer whose name appears thereon. Refunds of cash deposits may be conditioned by the Company upon a showing of proper identification by the person seeking the refund that the individual is the Customer whose name appears on the service account. The utility may elect to refund nonresidential deposits.

6.4 Transfer of Security Deposit/Guaranty. A Customer moving from one service address to another may have the Security Deposit transferred from the former to the new address. If the Security Deposit at the former service address is more or less than required by Rule 6.1 for the new address, the amount of the Security Deposit may be adjusted accordingly. Guaranties may not be transferred to a new service address; however, the guarantor may enter into a new guaranty contract (Tariff Sheet No. 9.400 or 9.410) for the new service address.

7 BILLING

7.1 Billing Periods:

7.11 Regular Bills. Regular bills for service will be rendered monthly. Bills are due when rendered and shall be considered as received by the Customer when delivered or mailed to the service address or some other place mutually agreed upon.

7.12 Prorated Bill. ~~The bill may be prorated if the billing period is for more or less than a full month, less than 25 days or more than 35 days, the bill will be prorated pursuant to F.S. 366.05(1)(b). A billing period that exceeds 35 days will be calculated as a separate standard billing period as referenced in section 7.13 of FPL's General Rule and Regulations Tariff. A separate bill calculation for the remaining kWh consumption will begin with the application of the lower tiered rate.~~ Should service be disconnected within less than a month from date of connection, the amount billed will not be less than the regular monthly minimum bill.

7.13 Month. As used in these Rules and Regulations, a month is an interval between successive regular meter reading dates, which interval may be 30 days, more or less.

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: ~~July 26, 2012~~

FLORIDA POWER & LIGHT COMPANY

~~Third~~Fourth Revised Sheet No. 9.410
Cancels ~~Second~~Third Revised Sheet No. 9.410

NON-RESIDENTIAL UNCONDITIONAL GUARANTY

In consideration of Florida Power & Light Company ("FPL") furnishing electric service to

See ADDENDUM _____ of
Guarantee Name Guarantee Acct. No(s).
See ADDENDUM _____ Florida ("Guarantee")
Guarantee's Service Address(es) & City(ies)

("Guarantee"), without requiring a deposit, the undersigned, hereafter referred to as the Guarantor, hereby covenants and agrees that:

1. Guarantor shall, ABSOLUTELY AND UNCONDITIONALLY, guarantee full payment to FPL for ANY AND ALL CHARGES due and owing FPL for which the Guarantee may now be liable or for which the Guarantee may in the future become liable at the above listed address(es).
2. If Guarantee shall at any time fail to promptly pay all charges due and owing FPL, Guarantor hereby agrees to pay all such amounts due and owing FPL within five (5) days of notice.
3. Guarantor shall pay FPL collection agency fees and expenses, reasonable attorneys' fees and all costs and other expenses incurred by FPL in collecting or compromising any indebtedness of Guarantee hereby guaranteed or in enforcing this Guaranty against Guarantor.
4. This is a continuing Guaranty which shall remain in full force and effect until no longer required as specified in Section 6.3 of FPL's General Rules and Regulations or until terminated by FPL (as set forth herein) or the Guarantor upon thirty (30) days advance written notice; provided, however, that no such termination shall release Guarantor from liability hereunder with respect to any charges for electric service furnished to Guarantee prior to the effective date of such termination. FPL may terminate this Guaranty if at any time the Guarantor is no longer a "satisfactory guarantor" (as defined in Rule 25-6.097(12)(a), F.A.C.).
5. Guarantor hereby waives notice of acceptance hereof. Guarantor further agrees that FPL need not proceed against the Guarantee or any other person, firm, or corporation, or to pursue any other remedy prior to pursuing its rights under this Guaranty. Guarantee understands that FPL may pursue and/or exhaust all available collection remedies (including disconnection) against Guarantee without pursuing its rights against Guarantor.
6. This Guaranty shall inure to the benefit of FPL and shall be binding upon Guarantor and Guarantor's heirs and assigns.
7. Guarantee hereby authorizes FPL to disclose all of Guarantee's billing information, including third party notification, to the Guarantor so long as this Guaranty remains in effect. Guarantor agrees to receive all appropriate billing information at the Guarantor's ~~service~~ address listed below and further agrees to notify FPL promptly of any change in address; provided, however, that neither receipt of this billing information nor estimates of billing for the Guarantee's service account(s) shall be construed as a limitation on the amount guaranteed under this Guaranty.

(Continued on Sheet No. 9.411)

Issued by: S. E. Romig, Director, Rates and Tariffs
Effective: ~~November 15, 2002~~