

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: July 2, 2018
TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk
FROM: Samantha Cibula, Office of the General Counsel *S.M.C.*
RE: Docket No. 20120125-PU

Please file the attached rule documents, in the docket file listed above.

Thank you.

Attachment

RECEIVED-FPSC
2018 JUL -2 AM 11:01
COMMISSION
CLERK

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STATE OF FLORIDA



MARSHALL WILLIS, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

March 22, 2012

Ms. Carolyn Bermudez
Florida City Gas
933 East 25th Street
Hialeah, FL 33013-3403

Re: Data Requests - Customer Deposit Rule (Rule 25-7.083, F.A.C.)

Dear Ms. Bermudez:

Florida Public Service Commission staff is in the process of preparing a Statement of Estimated Regulatory Cost (SERC) for rule development pertaining to Rule 25-7.083, F.A.C., Customer Deposits. In that regard, staff is collecting information related to impacts of the draft rule changes on utilities and their customers. The draft rule is attached, shown in "strike and replace" format. The draft rule changes include: 1. A reduction in the minimum interest on required customer deposits from 6 percent per year to 2 percent per year and 2. A reduction in the minimum interest on nonresidential customer deposits when the utility elects not to refund the deposit after 23 months (for qualified customers) from 7 percent per year to 3 percent per year.

Please respond to the data requests attached to this letter by April 9, 2012. Please direct any questions to Bill McNulty, Division of Economic Regulation, at (850)413-6848.

Sincerely,

A handwritten signature in black ink, appearing to read "William E. McNulty".

Bill McNulty, Economic Analyst
Division of Economic Regulation

Attachments (2)

cc: **Cindy Miller**
Cheryl Bulecza-Banks

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STATE OF FLORIDA



MARSHALL WILLIS, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

March 22, 2012

Mr. Curtis Young
Florida Public Utilities
1641 Worthington Road, Suite 220
West Palm Beach, FL 33409-6703

Re: Data Requests - Customer Deposit Rule (Rule 25-7.083, F.A.C.)

Dear Mr. Young:

Florida Public Service Commission staff is in the process of preparing a Statement of Estimated Regulatory Cost (SERC) for rule development pertaining to Rule 25-7.083, F.A.C., Customer Deposits. In that regard, staff is collecting information related to impacts of the draft rule changes on utilities and their customers. The draft rule is attached, shown in "strike and replace" format. The draft rule changes include: 1. A reduction in the minimum interest on required customer deposits from 6 percent per year to 2 percent per year and 2. A reduction in the minimum interest on nonresidential customer deposits when the utility elects not to refund the deposit after 23 months (for qualified customers) from 7 percent per year to 3 percent per year.

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(850) 413-6900

Public Service Commission

March 22, 2012

Mr. Curtis Young
FPUC - Indiantown Division
1641 Worthington Road, Suite 220
West Palm Beach, FL 33409-6703

Re: Data Requests - Customer Deposit Rule (Rule 25-7.083, F.A.C.)

Dear Mr. Young:

Florida Public Service Commission staff is in the process of preparing a Statement of Estimated Regulatory Cost (SERC) for rule development pertaining to Rule 25-7.083, F.A.C., Customer Deposits. In that regard, staff is collecting information related to impacts of the draft rule changes on utilities and their customers. The draft rule is attached, shown in "strike and replace" format. The draft rule changes include: 1. A reduction in the minimum interest on required customer deposits from 6 percent per year to 2 percent per year and 2. A reduction in the minimum interest on nonresidential customer deposits when the utility elects not to refund the deposit after 23 months (for qualified customers) from 7 percent per year to 3 percent per year.

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STATE OF FLORIDA



MARSHALL WILLIS, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

March 22, 2012

Ms. Paula Brown
Peoples Gas System
P.O. Box 111
Tampa, FL 33601-0111

Re: Data Requests - Customer Deposit Rule (Rule 25-7.083, F.A.C.)

Dear Ms. Brown:

Florida Public Service Commission staff is in the process of preparing a Statement of Estimated Regulatory Cost (SERC) for rule development pertaining to Rule 25-7.083, F.A.C., Customer Deposits. In that regard, staff is collecting information related to impacts of the draft rule changes on utilities and their customers. The draft rule is attached, shown in "strike and replace" format. The draft rule changes include: 1. A reduction in the minimum interest on required customer deposits from 6 percent per year to 2 percent per year and 2. A reduction in the minimum interest on nonresidential customer deposits when the utility elects not to refund the deposit after 23 months (for qualified customers) from 7 percent per year to 3 percent per year.

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Division of Economic Regulation

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Cheryl Bulecza-Banks

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MARSHALL WILLIS, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

March 22, 2012

Mr. Andy Shoaf
St. Joe Natural Gas Company, Inc.
P.O. Box 549
Port St. Joe, FL 32457-0549

Re: Data Requests - Customer Deposit Rule (Rule 25-7.083, F.A.C.)

Dear Mr. Shoaf:

Florida Public Service Commission staff is in the process of preparing a Statement of Estimated Regulatory Cost (SERC) for rule development pertaining to Rule 25-7.083, F.A.C., Customer Deposits. In that regard, staff is collecting information related to impacts of the draft rule changes on utilities and their customers. The draft rule is attached, shown in "strike and replace" format. The draft rule changes include: 1. A reduction in the minimum interest on required customer deposits from 6 percent per year to 2 percent per year and 2. A reduction in the minimum interest on nonresidential customer deposits when the utility elects not to refund the deposit after 23 months (for qualified customers) from 7 percent per year to 3 percent per year.

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Division of Economic Regulation

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JULIE I. BROWN

STATE OF FLORIDA



MARSHALL WILLIS, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

March 22, 2012

Mr. Curtis Young
FL Division of Chesapeake Utilities
1641 Worthington Road, Suite 220
West Palm Beach, FL 33409-6703

Re: Data Requests - Customer Deposit Rule (Rule 25-7.083, F.A.C.)

Dear Mr. Young:

Florida Public Service Commission staff is in the process of preparing a Statement of Estimated Regulatory Cost (SERC) for rule development pertaining to Rule 25-7.083, F.A.C., Customer Deposits. In that regard, staff is collecting information related to impacts of the draft rule changes on utilities and their customers. The draft rule is attached, shown in "strike and replace" format. The draft rule changes include: 1. A reduction in the minimum interest on required customer deposits from 6 percent per year to 2 percent per year and 2. A reduction in the minimum interest on nonresidential customer deposits when the utility elects not to refund the deposit after 23 months (for qualified customers) from 7 percent per year to 3 percent per year.

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Bill McNulty, Economic Analyst
Division of Economic Regulation

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STATE OF FLORIDA



MARSHALL WILLIS, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850)413-6900

Public Service Commission

March 22, 2012

Mr. Jerry Melendy, Jr.
Sebring Gas System, Inc.
3515 Highway 27 South
Sebring, FL 33870-5452

Re: Data Requests - Customer Deposit Rule (Rule 25-7.083, F.A.C.)

Dear Mr. Melendy:

Florida Public Service Commission staff is in the process of preparing a Statement of Estimated Regulatory Cost (SERC) for rule development pertaining to Rule 25-7.083, F.A.C., Customer Deposits. In that regard, staff is collecting information related to impacts of the draft rule changes on utilities and their customers. The draft rule is attached, shown in "strike and replace" format. The draft rule changes include: 1. A reduction in the minimum interest on required customer deposits from 6 percent per year to 2 percent per year and 2. A reduction in the minimum interest on nonresidential customer deposits when the utility elects not to refund the deposit after 23 months (for qualified customers) from 7 percent per year to 3 percent per year.

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Bill McNulty, Economic Analyst
Division of Economic Regulation

Attachments (2)

cc: Cindy Miller
Cheryl Bulecza-Banks

Data Requests

Rule Development - Rule 25-7.083, F.A.C.

1. What is the expected impact of the proposed rule changes on the company's incremental cost of capital, interest expense, administrative expense, and any other type of cost/expense necessary to comply with the draft rule change, for each of the five years beginning June 1, 2012?

For the Questions 2 - 5, if the Company does not have information specific to small businesses as defined in Section 288.703, Florida Statutes, please provide the best estimate available for the information requested and explain the basis of the estimate.

2. What was the average number of small business customers for which the Company held customer deposits during 2011?

3. What was the average number of months the Company held small business customers deposits for deposits which were refunded during 2011?

4. What was the average amount of customer deposits (in total for small business customers only) for 2011 held by the Company?

5. What does the Company believe would be the impact of the draft rule on small businesses operating in its service territory for the five year period beginning June 1, 2012?

For the Questions 6 - 10, if the Company does not have information specific to small counties and small cities as defined in Section 120.52, Florida Statutes (see attached), please provide the best estimate available for the information requested and explain the basis of the estimate.

6. What were average number of small cities and small counties for which the Company maintained no customer deposit requirement in 2011, relying instead upon other acceptable guarantees such as surety bonds, letters of credit, or guarantee letters?

7. What was the average number of small counties and small cities for which the Company held customer deposits during 2011?

8. What was the average number of months the Company held small county and small city customer deposits for deposits which were refunded during 2011?

9. What was the average amount of customer deposits (in total for small county and city customers only) for 2011 held by the Company?

10. What does the Company believe would be the impact of the draft rule on small cities and small counties operating in its service territory for the five year period beginning June 1, 2012?

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

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

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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State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: March 22, 2012
TO: All Water and Wastewater Utilities Under the Jurisdiction of the Florida Public Service Commission
FROM: William B. McNulty, Economic Analyst, Division of Economic Regulation *WBM*
RE: Data Request – Customer Deposit Rule (25-30.311)

Florida Public Service Commission staff is in the process of preparing a Statement of Estimated Regulatory Cost (SERC) for rule development pertaining to Rule 25-30.311, F.A.C., Customer Deposits. In that regard, staff is collecting information related to impacts of the draft rule changes on utilities and their customers. The draft rule is attached, shown in “strike and replace” format. The draft rule changes include: 1. A reduction in the minimum interest on required customer deposits from 6 percent per year to 2 percent per year and 2. A reduction in the minimum interest on nonresidential customer deposits when the utility elects not to refund the deposit after 23 months (for qualified customers) from 7 percent per year to 3 percent per year.

Please respond to the data requests attached to this letter by April 9, 2012. Please direct any questions to Bill McNulty, Division of Economic Regulation, at (850)413-6848.

Attachments (2)

cc: **Cindy Miller**
Cheryl Bulecza-Banks

Data Requests

Rule Development - Rule 25-30.311, F.A.C.

1. What is the expected impact of the proposed rule changes on the company's incremental cost of capital, interest expense, administrative expense, and any other type of cost/expense necessary to comply with the draft rule change, for each of the five years beginning June 1, 2012?

For the Questions 2 - 5, if the Company does not have information specific to small businesses as defined in Section 288.703, Florida Statutes, please provide the best estimate available for the information requested and explain the basis of the estimate.

2. What was the average number of small business customers for which the Company held customer deposits during 2011?

3. What was the average number of months the Company held small business customers deposits for deposits which were refunded during 2011?

4. What was the average amount of customer deposits (in total for small business customers only) for 2011 held by the Company?

5. What does the Company believe would be the impact of the draft rule on small businesses operating in its service territory for the five year period beginning June 1, 2012?

For the Questions 6 - 10, if the Company does not have information specific to small counties and small cities as defined in Section 120.52, Florida Statutes (see attached), please provide the best estimate available for the information requested and explain the basis of the estimate.

6. What were average number of small cities and small counties for which the Company maintained no customer deposit requirement in 2011, relying instead upon other acceptable guarantees such as surety bonds, letters of credit, or guarantee letters?

7. What was the average number of small counties and small cities for which the Company held customer deposits during 2011?

8. What was the average number of months the Company held small county and small city customer deposits for deposits which were refunded during 2011?

9. What was the average amount of customer deposits (in total for small county and city customers only) for 2011 held by the Company?

10. What does the Company believe would be the impact of the draft rule on small cities and small counties operating in its service territory for the five year period beginning June 1, 2012?

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.

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

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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STATE OF FLORIDA



MARSHALL WILLIS, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

March 22, 2012

Mr. Wade Litchfield
Florida Power & Light Company
215 South Monroe Street, Suite 810
Tallahassee, FL 32301-1858

Re: Data Requests - Customer Deposit Rule (Rule 25-6.097, F.A.C.)

Dear Mr. Litchfield:

Florida Public Service Commission staff is in the process of preparing a Statement of Estimated Regulatory Cost (SERC) for rule development pertaining to Rule 25-6.097, Florida Administrative Code (F.A.C.), Customer Deposits. In that regard, staff is collecting information related to impacts of the draft rule changes on utilities and their customers. The draft rule is attached, shown in "strike and replace" format. The draft rule changes include: 1. A reduction in the minimum interest on required customer deposits from 6 percent per year to 2 percent per year and 2. A reduction in the minimum interest on nonresidential customer deposits when the utility elects not to refund the deposit after 23 months (for qualified customers) from 7 percent per year to 3 percent per year.

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Bill McNulty, Economic Analyst
Division of Economic Regulation

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Data Requests

Rule Development - Rule 25-6.097, F.A.C.

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Jordan A. White
Senior Counsel
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
(561) 691-5802
(561) 691-7135 (Facsimile)
E-mail: jordan.white@fpl.com

April 9, 2012

Bill McNulty
Economic Analyst
Florida Public Service Commission
Division of Economic Regulation
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Staff's First Data Request – Customer Deposit Rule (Rule 25-6.097, F.A.C.)

Dear Mr. McNulty:

Enclosed please find Florida Power & Light Company's ("FPL") responses to Staff's First Data Request.

If there are any questions regarding this transmittal, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Jordan A. White".

JA
Jordan A. White

Enclosure

cc: Cindy Miller



Q.

What is the expected impact of the proposed rule changes on the company's incremental cost of capital, interest expense, administrative expense, and any other type of cost/expense necessary to comply with the draft rule change, for each of the five years beginning June 1, 2012?

A.

The proposed rule change impact on the company's incremental cost of capital is approximately .001% to .002% reduction for periods ending May 2013, May 2014, and May 2015. Though expected to be similar, forecast periods ending May 2016 and May 2017 are not available to estimate the impact.

The impact on interest expense and administrative expense is as follows:

Year	Interest expense decrease	Administrative expense
2012	\$12,252,547	\$266,000
2013	\$20,583,980	
2014	\$20,216,114	
2015	\$20,089,500	
2016	\$20,018,287	

Q.

What was the average number of small business customers for which the Company held customer deposits in 2011?

A.

The Company does not have information specific to small business as defined in Section 288.703, Florida Statutes. For purposes of the question, small businesses are defined as customers with average monthly usage less than \$12,500.

The average number of small business customers with deposits during 2011 was 222,682.

Q.

What was the average number of months the Company held small business customers deposits for deposits which were refunded during 2011?

A.

The Company does not have information specific to small business as defined in Section 288.703, Florida Statutes. For purposes of the question, small businesses are defined as customers with average monthly usage less than \$12,500.

The average number of months was 95.

Q.

What was the average amount of customer deposits (in total for small business customers only) for 2011 held by the Company?

A.

The Company does not have information specific to small business as defined in Section 288.703, Florida Statutes. For purposes of the question, small businesses are defined as customers with average monthly usage less than \$12,500.

The average amount of customer deposits held in 2011 for small business customers was \$175,688,859.

Q.

What does the Company believe would be the impact of the draft rule on small businesses operating in its service territory for the five year period beginning June 1, 2012?

A.

The Company does not have information specific to small business as defined in Section 288.703, Florida Statutes. For purposes of the question, small businesses are defined as customers with average monthly usage less than \$12,500.

The impact on deposit interest income for small businesses is estimated to be:

Year	Interest Income Decrease
2012	\$2,940,611
2013	\$4,940,155
2014	\$4,851,867
2015	\$4,821,480
2016	\$4,804,389

Q.

What were average number of small cities and small counties for which the Company maintained no customer deposit requirement in 2011, relying instead on other acceptable guarantees such as surety bonds, letters of credit, or guarantee letters?

A.

Small cities and small counties are considered governmental accounts. FPL's policy has been to waive deposits to governmental accounts.

Q.

What was the average number of small counties and small cities for which the Company held customer deposits during 2011?

A.

Small cities and small counties are considered governmental accounts. FPL's policy has been to waive deposits to governmental accounts.

Q.

What was the average number of months the Company held small county and small city customer deposits for deposits which were refunded during 2011?

A.

Small cities and small counties are considered governmental accounts. FPL's policy has been to waive deposits to governmental accounts.

Q.

What was the average amount of customer deposits (in total for small county and city customers only) for 2011 held by the Company?

A.

Small cities and small counties are considered governmental accounts. FPL's policy has been to waive deposits to governmental accounts.

Q.

What does the Company believe would be the impact of the draft rule on small cities and small counties operating in its service territory for the five year period beginning June 1, 2012?

A.

None. Small cities and small counties are considered governmental accounts. FPL's policy has been to waive deposits to governmental accounts.

COMMISSIONERS:
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EDUARDO E. BALBIS
JULIE I. BROWN

STATE OF FLORIDA



MARSHALL WILLIS, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

March 22, 2012

Ms. Paula Brown
Tampa Electric Company
P.O. Box 111
Tampa, FL 33601-0111

Re: Data Requests - Customer Deposit Rule (Rule 25-6.097, F.A.C.)

Dear Ms. Brown:

Florida Public Service Commission staff is in the process of preparing a Statement of Estimated Regulatory Cost (SERC) for rule development pertaining to Rule 25-6.097, Florida Administrative Code (F.A.C.), Customer Deposits. In that regard, staff is collecting information related to impacts of the draft rule changes on utilities and their customers. The draft rule is attached, shown in "strike and replace" format. The draft rule changes include: 1. A reduction in the minimum interest on required customer deposits from 6 percent per year to 2 percent per year and 2. A reduction in the minimum interest on nonresidential customer deposits when the utility elects not to refund the deposit after 23 months (for qualified customers) from 7 percent per year to 3 percent per year.

Please respond to the data requests attached to this letter by April 9, 2012. Please direct any questions to Bill McNulty, Division of Economic Regulation, at (850)413-6848.

Sincerely,

A handwritten signature in black ink, appearing to read "William F. McNulty".

Bill McNulty, Economic Analyst
Division of Economic Regulation

Attachments (2)

cc: **Cindy Miller**
Cheryl Bulecza-Banks

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DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

March 22, 2012

Ms. Susan Ritenour
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0780

Re: Data Requests - Customer Deposit Rule (Rule 25-6.097, F.A.C.)

Dear Ms. Ritenour:

Florida Public Service Commission staff is in the process of preparing a Statement of Estimated Regulatory Cost (SERC) for rule development pertaining to Rule 25-6.097, Florida Administrative Code (F.A.C.), Customer Deposits. In that regard, staff is collecting information related to impacts of the draft rule changes on utilities and their customers. The draft rule is attached, shown in "strike and replace" format. The draft rule changes include: 1. A reduction in the minimum interest on required customer deposits from 6 percent per year to 2 percent per year and 2. A reduction in the minimum interest on nonresidential customer deposits when the utility elects not to refund the deposit after 23 months (for qualified customers) from 7 percent per year to 3 percent per year.

Please respond to the data requests attached to this letter by April 9, 2012. Please direct any questions to Bill McNulty, Division of Economic Regulation, at (850)413-6848.

Sincerely,

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Bill McNulty, Economic Analyst
Division of Economic Regulation

Attachments (2)

cc: Cindy Miller
Cheryl Bulecza-Banks

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(850) 413-6900

Public Service Commission

March 22, 2012

Mr. Curtis Young
Florida Public Utilities Company
1641 Worthington Road, Suite 220
West Palm Beach, FL 33409-6703

Re: Data Requests - Customer Deposit Rule (Rule 25-6.097, F.A.C.)

Dear Mr. Young:

Florida Public Service Commission staff is in the process of preparing a Statement of Estimated Regulatory Cost (SERC) for rule development pertaining to Rule 25-6.097, Florida Administrative Code (F.A.C.), Customer Deposits. In that regard, staff is collecting information related to impacts of the draft rule changes on utilities and their customers. The draft rule is attached, shown in "strike and replace" format. The draft rule changes include: 1. A reduction in the minimum interest on required customer deposits from 6 percent per year to 2 percent per year and 2. A reduction in the minimum interest on nonresidential customer deposits when the utility elects not to refund the deposit after 23 months (for qualified customers) from 7 percent per year to 3 percent per year.

Please respond to the data requests attached to this letter by April 9, 2012. Please direct any questions to Bill McNulty, Division of Economic Regulation, at (850)413-6848.

Sincerely,

A handwritten signature in black ink, appearing to read "William E. McNulty".

Bill McNulty, Economic Analyst
Division of Economic Regulation

Attachments (2)
cc: Cindy Miller
Cheryl Bulecza-Banks

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STATE OF FLORIDA



MARSHALL WILLIS, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

March 22, 2012

Mr. Wade Litchfield
Florida Power & Light Company
215 South Monroe Street, Suite 810
Tallahassee, FL 32301-1858

Re: Data Requests - Customer Deposit Rule (Rule 25-6.097, F.A.C.)

Dear Mr. Litchfield:

Florida Public Service Commission staff is in the process of preparing a Statement of Estimated Regulatory Cost (SERC) for rule development pertaining to Rule 25-6.097, Florida Administrative Code (F.A.C.), Customer Deposits. In that regard, staff is collecting information related to impacts of the draft rule changes on utilities and their customers. The draft rule is attached, shown in "strike and replace" format. The draft rule changes include: 1. A reduction in the minimum interest on required customer deposits from 6 percent per year to 2 percent per year and 2. A reduction in the minimum interest on nonresidential customer deposits when the utility elects not to refund the deposit after 23 months (for qualified customers) from 7 percent per year to 3 percent per year.

Please respond to the data requests attached to this letter by April 9, 2012. Please direct any questions to Bill McNulty, Division of Economic Regulation, at (850)413-6848.

Sincerely,

A handwritten signature in black ink, appearing to read "William E. McNulty".

Bill McNulty, Economic Analyst
Division of Economic Regulation

Attachments (2)

cc: Cindy Miller
Cheryl Bulecza-Banks

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STATE OF FLORIDA



MARSHALL WILLIS, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850)413-6900

Public Service Commission

March 22, 2012

Mr. Paul Lewis, Jr.
Progress Energy Florida, Inc.
106 East College Avenue, Suite 800
Tallahassee, FL 32301-7740

Re: Data Requests - Customer Deposit Rule (Rule 25-6.097, F.A.C.)

Dear Mr. Lewis:

Florida Public Service Commission staff is in the process of preparing a Statement of Estimated Regulatory Cost (SERC) for rule development pertaining to Rule 25-6.097, Florida Administrative Code (F.A.C.), Customer Deposits. In that regard, staff is collecting information related to impacts of the draft rule changes on utilities and their customers. The draft rule is attached, shown in "strike and replace" format. The draft rule changes include: 1. A reduction in the minimum interest on required customer deposits from 6 percent per year to 2 percent per year and 2. A reduction in the minimum interest on nonresidential customer deposits when the utility elects not to refund the deposit after 23 months (for qualified customers) from 7 percent per year to 3 percent per year.

Please respond to the data requests attached to this letter by April 9, 2012. Please direct any questions to Bill McNulty, Division of Economic Regulation, at (850)413-6848.

Sincerely,

A handwritten signature in black ink, appearing to read "William B. McNulty".

Bill McNulty, Economic Analyst
Division of Economic Regulation

Attachments (2)
cc: Cindy Miller
Cheryl Bulecza-Banks

Data Requests

Rule Development - Rule 25-6.097, F.A.C.

1. What is the expected impact of the proposed rule changes on the company's incremental cost of capital, interest expense, administrative expense, and any other type of cost/expense necessary to comply with the draft rule change, for each of the five years beginning June 1, 2012?

For the Questions 2 - 5, if the Company does not have information specific to small businesses as defined in Section 288.703, Florida Statutes, please provide the best estimate available for the information requested and explain the basis of the estimate.

2. What was the average number of small business customers for which the Company held customer deposits during 2011?

3. What was the average number of months the Company held small business customers deposits for deposits which were refunded during 2011?

4. What was the average amount of customer deposits (in total for small business customers only) for 2011 held by the Company?

5. What does the Company believe would be the impact of the draft rule on small businesses operating in its service territory for the five year period beginning June 1, 2012?

For the Questions 6 - 10, if the Company does not have information specific to small counties and small cities as defined in Section 120.52, Florida Statutes (see attached), please provide the best estimate available for the information requested and explain the basis of the estimate.

6. What were average number of small cities and small counties for which the Company maintained no customer deposit requirement in 2011, relying instead upon other acceptable guarantees such as surety bonds, letters of credit, or guarantee letters?

7. What was the average number of small counties and small cities for which the Company held customer deposits during 2011?

8. What was the average number of months the Company held small county and small city customer deposits for deposits which were refunded during 2011?

9. What was the average amount of customer deposits (in total for small county and city customers only) for 2011 held by the Company?

10. What does the Company believe would be the impact of the draft rule on small cities and small counties operating in its service territory for the five year period beginning June 1, 2012?

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.

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

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

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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