

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Revision of Rules 25-) DOCKET NO. 930385-PU
4.109(5), 25-6.097(4)(a), 25-) ORDER NO. PSC-94-0174-NOR-PU
7.083(5), and 25-30.311(4),) ISSUED: February 11, 1994
F.A.C., Relating to Interest on)
Customer Deposits)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
JULIA L. JOHNSON
DIANE K. KIESLING
LUIS J. LAUREDO

NOTICE OF RULEMAKING

NOTICE is hereby given that the Commission, pursuant to section 120.54, Florida Statutes, has initiated rulemaking to amend Rules 25-4.109(5), 25-6.097(4)(a), 25-7.083(5), and 25-30.311(4), F.A.C., relating to interest on customer deposits.

The attached Notice of Rulemaking will appear in the February 18, 1994 edition of the Florida Administrative Weekly.

If requested, a hearing will be held at the following time and place:

9:30 a.m., March 29, 1994
Room 122, Fletcher Building
101 East Gaines Street
Tallahassee, FL 32399

Written requests for hearing and written comments or suggestions on the rules must be received by the Director, Division of Records and Reporting, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, FL 32399, no later than March 18, 1994.

DOCUMENT NUMBER-DATE

01370 FEB 11 1994

FPSC-RECORDS/REPORTING

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By Direction of the Florida Public Service Commission, this
11th day of February, 1994.

STEVE TRIBBLE, Director
Division of Records & Reporting

(S E A L)

by: Kay Flynn
Chief, Bureau of Records

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FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 930385-PU

RULE TITLE:

RULE NO.:

Customer Deposits

25-4.109(5)

PURPOSE AND EFFECT: The amendments to Rule 25-4.109(5), F.A.C., will reduce the interest rate that must be paid by telephone companies on residential and nonresidential customer deposits to levels that more accurately reflect the current market interest rates.

SUMMARY: Rule 25-4.109(5), F.A.C., is amended to lower the interest rate companies must pay on customer deposits from a minimum of eight percent to a minimum of six percent for residential customers and from nine to seven percent for nonresidential customers.

RULEMAKING AUTHORITY: 350.127(2), F.S.

LAW IMPLEMENTED: 364.03, F.S.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE DATE AND PLACE SHOWN BELOW:

TIME AND DATE: 9:30 A.M., March 29, 1994

PLACE: Room 122, 101 East Gaines Street, Tallahassee, Florida.

THE PERSON TO BE CONTACTED REGARDING THE RULE AND THE ECONOMIC IMPACT STATEMENT IS: Director of Appeals, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida 32399.

THE FULL TEXT OF THE RULE IS:

25-4.109 Customer Deposits.

(5) Interest on deposit.

(a) Each telephone company which requires deposits to be made by its customers shall pay a minimum interest on such deposits of 6 & percent per annum. The company shall pay an interest rate of 7 & percent per annum on deposits of nonresidential customers qualifying under subsection (4) when the utility elects not to refund such deposit after 23 months. ~~The company shall pay 9 percent per annum on deposits of nonresidential customers qualifying under subsection (4) of this rule until the Commission sets a new interest rate in a subsequent rate proceeding of the company.~~

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

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commencement of the customer relationship and the placement of deposit. Nothing in this rule shall prohibit a company from refunding at any time a deposit with an accrued interest.

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.03, F.S.

History: New 12/1/68, Amended 4/1/69, 7/20/73, 3/31/76, 6/10/80, 8/19/80, 1/31/84, 8/29/89.

NAME OF PERSON ORIGINATING PROPOSED RULE: Pete Lester, Division of Auditing & Financial Analysis

NAME OF SUPERVISOR OR PERSON(S) WHO APPROVED THE PROPOSED RULES: Florida Public Service Commission.

DATE PROPOSED RULE APPROVED: February 1, 1994

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.

Any person requiring some accommodation at this hearing because of a physical impairment should call the Division of Records and Reporting at (904) 488-8371 at least five calendar days prior to the hearing. If you are hearing or speech impaired, please contact the Florida Public Service Commission using the Florida Relay Service, which can be reached at: 1-800-955-8771 (TDD).

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RULE TITLE:

RULE NO.:

Customer Deposits

25-6.097(4)(a)

PURPOSE AND EFFECT: The amendments to Rule 25-6.097(4)(a), F.A.C., will reduce the interest rate that must be paid by investor-owned electric utilities on residential and nonresidential customer deposits to levels that more accurately reflect the current market interest rates.

SUMMARY: Rule 25-6.097(4)(a), F.A.C., is amended to lower the interest rate companies must pay on customer deposits from a minimum of eight percent to a minimum of six percent for residential customers and from nine to seven percent for nonresidential customers.

RULEMAKING AUTHORITY: 366.05(1), F.S.; 350.127(2), F.S.

LAW IMPLEMENTED: 366.05(1), F.S.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

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THE PERSON TO BE CONTACTED REGARDING THE RULE AND THE ECONOMIC
IMPACT STATEMENT IS: Director of Appeals, Florida Public Service
Commission, 101 East Gaines Street, Tallahassee, Florida 32399.

THE FULL TEXT OF THE RULE IS:

25-6.097 Customer Deposits.

(4) Interest on deposits.

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

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

Law Implemented: 366.05(1), F.S.

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

NAME OF PERSON ORIGINATING PROPOSED RULE: Pete Lester, Division of
Auditing & Financial Analysis

NAME OF SUPERVISOR OR PERSON(S) WHO APPROVED THE PROPOSED RULE:
Florida Public Service Commission.

DATE PROPOSED RULE APPROVED: February 1, 1994

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FLORIDA PUBLIC SERVICE COMMISSION

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RULE TITLE:

RULE NO.:

Customer Deposits

25-7.083(5)

PURPOSE AND EFFECT: The amendments to Rule 25-7.083(5), F.A.C., will reduce the interest rate that must be paid gas utilities on residential and nonresidential customer deposits to levels that more accurately reflect the current market interest rates.

SUMMARY: Rule 25-7.083(5), F.A.C., is amended to lower the interest rate companies must pay on customer deposits from a minimum of eight percent to a minimum of six percent for residential customers and from nine to seven percent for nonresidential customers.

RULEMAKING AUTHORITY: 350.127(2), F.S.; 366.05(1), F.S.

LAW IMPLEMENTED: 366.05(1), F.S.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

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THE PERSON TO BE CONTACTED REGARDING THE RULE AND THE ECONOMIC IMPACT STATEMENT IS: Director of Appeals, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida 32399.

THE FULL TEXT OF THE RULE IS:

25-7.083 Customer Deposits.

(5) Interest on deposits.

(a) Each gas utility which requests deposits to be made by its customers shall pay a minimum interest on such deposits of 6 & percent per annum. The utility shall pay a minimum interest rate of 7 & percent per annum on deposits of nonresidential customers qualifying under subsection (6) below when the utility elects not to refund such a deposit after 23 months.

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

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

Law Implemented: 366.05(1), F.S.

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History: Repromulgated 1/8/75, Amended 6/15/76, 6/10/80, 1/31/84,
formerly 25-7.83, Amended 10/13/88.

NAME OF PERSON ORIGINATING PROPOSED RULE: Pete Lester, Division of
Auditing & Financial Analysis

NAME OF SUPERVISOR OR PERSON(S) WHO APPROVED THE PROPOSED RULE:
Florida Public Service Commission.

DATE PROPOSED RULE APPROVED: February 1, 1994

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RULE TITLE:

RULE NO.:

Customer Deposits

25-30.311(4)

PURPOSE AND EFFECT: The amendments to Rule 25-30.311(4), F.A.C., will reduce the interest rate that must be paid by water and wastewater companies on residential and nonresidential customer deposits to levels that more accurately reflect the current market interest rates.

SUMMARY: Rule 25-30.311(4), F.A.C., is amended to lower the interest rate companies must pay on customer deposits from a minimum of eight percent to a minimum of six percent for residential customers and from nine to seven percent for nonresidential customers.

RULEMAKING AUTHORITY: 367.121, F.S.; 350.127(2), F.S.

LAW IMPLEMENTED: 367.081, F.S.

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THE FULL TEXT OF THE RULE IS:

25-30.311 Customer Deposits.

(4) Interest on deposit.

(a) Each utility which requires deposits to be made by its customers shall pay a minimum interest on such deposits of 6 & percent per annum. The utility shall pay an interest rate of 7 9 percent per annum on deposits of nonresidential customers qualifying under subsection (5) below when the utility elects not to refund such a deposit after 23 months.

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

Specific Authority: 367.121, 350.127(2), F.S.

Law Implemented: 367.081, F.S.

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History: Amended 6/1/63, 4/1/69, 9/12/74, 6/10/80, 1/31/84,
formerly 25-10.72, Transferred from 25-10.072 11/9/86, Amended
10/13/88.

NAME OF PERSON ORIGINATING PROPOSED RULE: Pete Lester, Division of
Auditing & Financial Analysis

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