

MEMORANDUM

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February 23, 1999

99 FEB 23 PM 4:43

TO : DIVISION OF RECORDS & REPORTING

FROM : CHRISTIANA T. MOORE, ASSOCIATE GENERAL COUNSEL *CTM*

RE : DOCKET NO. 981755-GU - PROPOSED AMENDMENT OF RULE 25-7.083(1)(a), F.A.C., CUSTOMER DEPOSITS

RECORDS AND REPORTING

CA-0396-FOF

Attached please find a Notice of Adoption for distribution by your office.

Industry distribution is:

- Electric (EI)
- Electric (EM)
- Electric (EC)
- Gas (GU)
- Gas (GS)
- Gas Pipeline (GP)
- Telephone (TL)
- Telephone (TI)
- Telephone (TC)
- Telephone (TS)
- Telephone (TX)
- Telephone Alternate Access Vendors (TA)
- Water and Wastewater (WAW)

see 1

Sandy T. Moore

This document has the following priority:

- Must be issued today.
- Must be issued within 48 hours.
- Must be issued within 5 working days.

Final

This docket will be closed upon issuance of the Notice.

NOA7083.CTM
 Attachment
 cc: File
 Sandy Moses (w/o attach.)
 W. Terrell

55/13

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed amendment of
Rule 25-7.083(1)(a), F.A.C.,
Customer Deposits.

DOCKET NO. 981755-GU
ORDER NO. PSC-99-0396-FOF-GU
ISSUED: February 24, 1999

The following Commissioners participated in the disposition of
this matter:

JOE GARCIA, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JULIA L. JOHNSON
E. LEON JACOBS, JR.

NOTICE OF ADOPTION OF RULE

NOTICE is hereby given that the Florida Public Service
Commission, pursuant to Section 120.54, Florida Statutes, has
adopted without changes the amendments to Rule 25-7.083(1)(a),
Florida Administrative Code, relating to customer deposits.

The rule was filed with the Department of State on February
22, 1999 and will be effective on March 15, 1999. A copy of the
rule as filed with the Secretary of State is attached to this
Notice.

This docket is closed upon issuance of this notice.

By ORDER of the Florida Public Service Commission, this 24th
day of February, 1999.



BLANCA S. BAYÓ, Director
Division of Records & Reporting

(S E A L)

CTM

DOCUMENT NUMBER-DATE

02394 FEB 24 99

FPSC-RECORDS/REPORTING

25-7.083 Customer Deposits.

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

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

(b) The applicant pays a cash deposit.

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

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

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

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

- (a) The name of each customer making the deposit;
- (b) The premises occupied by the customer;
- (c) The date and amount of deposit; and
- (d) Each transaction concerning the deposit such as interest payments, interest credited or similar transactions.

(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) 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

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commencement of the customer relationship and the placement of deposit.

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

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

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

Law Implemented: 366.03, 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, 4/25/94, 03/15/99.