

**Florida Public Service Commission Workshop
Impacts of the COVID-19 Pandemic on Utility Customers
July 29, 2020**

**Christopher Chapel
Vice President, Customer Service
Florida Power & Light Company**

Presenting on behalf of FPL, Gulf Power and Florida City Gas



Consistent with our comprehensive approach to storm preparation, we have been highly focused on addressing the implications of this pandemic

Executing Our Pandemic Plan

- **NextEra Energy activated its COVID-related pandemic response plan in January, forming a cross-functional team to lead the company's coordinated efforts**
- **Initiated established procedures to ensure continuity of service**
 - Limited access to key areas and control centers to essential personnel
 - Put processes in place to help limit the spread of the virus
- **Unwavering commitment to safety**
 - Implemented social distancing and increased cleaning protocols
 - Temporarily suspended all non-essential visits to customer homes and businesses; required additional PPE for essential in-person interactions
- **Began customer communications in March to emphasize our preparedness and our commitment to serve our communities**
 - Included reminders to stay safe, mind energy usage, be aware of scams and to take advantage of our online tools

On March 16th, we implemented crisis policies in response to COVID-19 to provide assistance to customers experiencing hardship

How We're Helping Our Customers

- **Suspended all disconnects for non-payment**
- **Offered special payment plans for customers who express financial hardship, regardless of eligibility criteria**
 - Payment plans spread past-due amounts into future monthly bills to help pay down balances
- **Waiving late fees for customers experiencing financial hardship**
- **Moved quickly to request Commission approval of mid-course corrections, accelerating fuel savings for FPL and Gulf customers' May bills**
- **Increased customer education efforts, communicating stay-at-home tips for conserving energy**
- **Continued to offer programs such as Home and Business Energy Surveys and other customer support by phone and FaceTime in lieu of in-person visits**

Other initiatives were implemented providing additional assistance to customers

How We're Helping Our Customers (continued)

- Reached out directly to small businesses and helped them connect to CARES Act funding
- Developed a COVID-19 Business Resource Center with links to tools, tips and CARES Act information
- Created videos for small businesses on how to reopen safely and efficiently
- Guest-hosted a series of Chamber of Commerce business webinars featuring energy conservation tips, strategies for efficiently reopening businesses and CARES Act information
- Conducted proactive outreach to customers whose usage increased significantly, offering energy conservation tips, education and offering to connect them to assistance agencies

We worked to increase charitable funding and federal aid and worked to make both accessible to our customers

How We're Helping Our Customers (continued)

- **FPL, Gulf, FCG and our employees have donated more than \$4.5 million to non-profits and other organizations working to help Floridians affected by the coronavirus pandemic**
 - This includes approximately \$1.5 million from shareholders and employees to assist customers in need with their bill payments – funding that has not yet been fully tapped
- **Created a new way to enable customers to make payments toward other customers' accounts, allowing someone to help a friend, family member or neighbor in need**



Low-Income Home Energy Assistance Program (LIHEAP) funding for Florida has increased nearly 60% as a result of CARES Act Supplemental Funding

How We're Helping Our Customers (continued)

- An estimated \$30 million in LIHEAP funding remains available in FPL's service area alone
- The agencies that distribute this funding are challenged by increased demand and staffing restrictions due to COVID-19, hampering their ability to process customer applications
 - We donated more than 150 laptops to agencies that facilitate assistance for customers, helping their staff transition to operating remotely
- We have expanded outreach and media impressions to educate customers on the availability of LIHEAP funds
 - Media and social media to drive awareness of available funds
 - Outreach to key external stakeholders
 - Proactive communications (calls and emails) to customers

We are urging our customers to call us so that we can work with them to help them get financial assistance and/or to make payment arrangements



We are making unprecedented, proactive outreach efforts to assist our customers – we’ve made almost 3 million contacts since the beginning of April

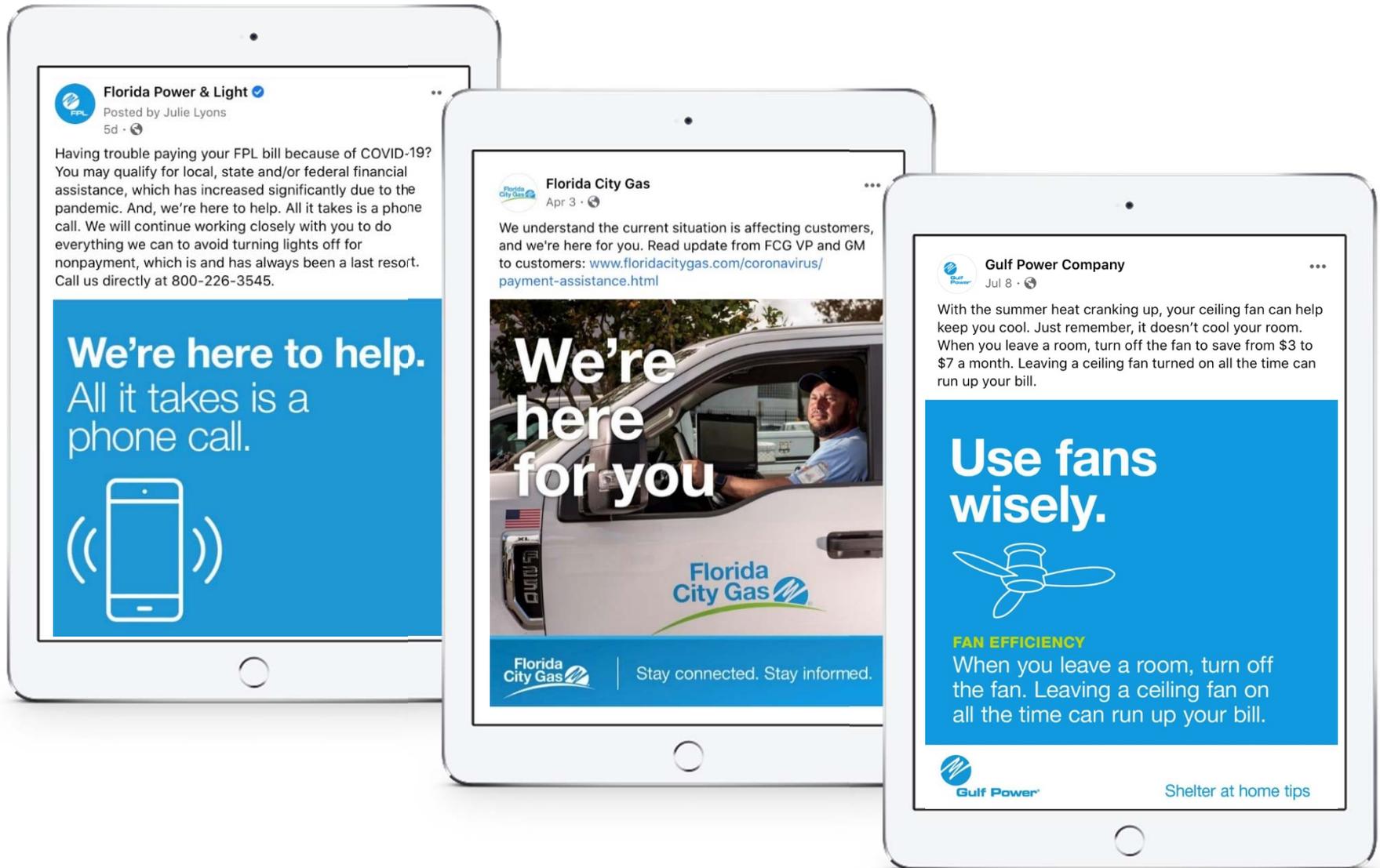
Expanded Customer Outreach

Outreach Effort	Focus	Channel	Contacts
Account Balance Reminders	Remind customers with past-due balances to avoid building up a large balance and encouraging them to call if they are experiencing a financial hardship to make payment arrangements and/or obtain help seeking financial assistance	Print/Email	2,071,168
		Automated Call	369,474
		Live Call	21,739
Customer Advocacy Contacts	Offer information on financial assistance funding and energy conservation tips to customers who received assistance commitments in the prior 12 months	Email/Live Call	237,686
Increased Usage Notifications	Offer energy conservation tips to residential customers with usage increases greater than 30%	Email	160,001
Medical Essential Service (MES) Contacts	Offer information on assistance funding and payment arrangements to MES customers with past-due balances	Email/Live Call	8,474
Business Contacts	Offer assistance with payment arrangements, financial assistance information and energy conservation tips to business customers with past-due balances	Live Call	3,096
		Chamber meetings	925
			2,872,563

Our customer care agents continue to work with customers to provide flexible payment arrangements and financial assistance information



Expanded Customer Outreach



The number of customers in arrears has increased as a result of the pandemic

Number of Accounts in Arrears – FPL

# of Accounts in Arrears (Month-Ending)	FPL
April 2020	318,671
April 2019	199,085
YOY % Change	60%
May 2020	339,442
May 2019	227,278
YOY % Change	49%
June 2020	285,353
June 2019	212,139
YOY % Change	35%
June 2020 as % of Total Customers	6%

Accounts in Arrears (Month-Ending June 2020)	FPL
# Residential Accounts	258,465
Average Residential Balance	\$ 251
# C/I Accounts	21,719
Average C/I Balance	\$ 745

The number of customers in arrears has increased as a result of the pandemic

Number of Accounts in Arrears – FCG

# of Accounts in Arrears (Month-Ending)	FCG
April 2020	5,597
April 2019	3,225
YOY % Change	74%
May 2020	6,455
May 2019	4,046
YOY % Change	60%
June 2020	6,046
June 2019	4,042
YOY % Change	50%
June 2020 as % of Total Customers	5%

Accounts in Arrears (Month-Ending June 2020)	FCG
# Residential Accounts	5,327
Average Residential Balance	\$ 147
# C/I Accounts	719
Average C/I Balance	\$ 1,158

The number of customers in arrears has increased as a result of the pandemic

Number of Accounts in Arrears – Gulf

# of Accounts in Arrears (Month-Ending)	Gulf
April 2020	89,155
May 2020	87,195
June 2020	73,593
June 2020 as % of Total Customers	16%

Accounts in Arrears (Month-Ending June 2020)	Gulf
# Residential Accounts	63,484
Average Residential Balance	\$ 243
# C/I Accounts	7,137
Average C/I Balance	\$ 678

- **While 2019 data is available, it is not comparable to current data for an equitable YOY comparison**
 - Gulf converted all customer accounts to a new billing system (CAMS) at the end of February 2020
 - The previous billing system utilized different arrears criteria

Bad debt expense is projected to be significantly higher than forecast for FPL and Gulf – both in 2020 and 2021

Incremental Bad Debt Expense Through June 2020

Bad Debt Expense (\$MM)	FPL	Gulf	FCG
Total Arrears (MOE June 2020)	\$ 93.8	\$ 23.2	\$ 1.0
Estimated Incremental Bad Debt Expense (April-June 2020)	\$ 15.8	\$ 5.3	N/A ⁽¹⁾

- Forecasts are highly influenced by the duration of collections suspension and evolving economic conditions
- Estimated incremental bad debt expense will continue to increase until we resume standard operations and the economy stabilizes
- At this point in the calendar year, 2021 bad debt is also affected

(1) Estimated FCG incremental bad debt expense is not material at this time

Given the dynamic circumstances, we will continue to adjust bad debt estimates each month using the best available information



Uncertainty remains, so we will continue to monitor the situation and refine our response

Our Unwavering Commitment to Our Customers

- **We are working tirelessly to meet the unique challenges of today, ensuring fairness, balancing long-term considerations and continuing to provide reliable service for all customers**
 - At the appropriate time, disconnections for non-payment will resume – as ever, they will remain the last resort
 - When we resume disconnections, we will not return to “normal” operations – we will continue to work with customers facing hardship by connecting them to assistance, arranging extended payment plans and by waiving late fees
- **We are preparing like never before for the potential need to respond to a hurricane under the current conditions**
 - COVID-19 poses myriad challenges to restoration – staging sites, crew availability, travel, etc. will all be impacted

We are committed to doing the right thing and striking the right balance, helping those in need and ensuring fairness for all customers

