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12/18/2008

Exhibit 1 provides 2007 comparable claims statistics for each company. The data shows the number of customers served, the number of claims filed and paid, the percent of claims paid and the average amount paid by each company for 2007 customer damage claims.

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2007 Claim Statistics									
	FPL		Gulf		PEF		TEC		
Customers						1,700,000			
Amount Paid						\$475,906			
Claims Filed						3,227			
Claims Paid						704			
Percent Paid						21.8%			
Average Paid						\$667			

EXHIBIT 1

Sources: Document Requests 1-3, 2-2

When comparing claim statistics for 2007, [REDACTED] leads the amount paid, claims filed and claims paid comparison, which is logical given it has the largest customer base. However, [REDACTED] follows [REDACTED] in the total amount of dollars paid in claims. [REDACTED] also has the highest percent of claims paid and the highest average paid per claim. Conversely, PEF's average paid per claim, and percent of claims paid was the lowest of the four companies in 2007.

Appendix A also provides a Survey of 2008 Claims Payment Policies for each company. The survey compares the company's pay/deny decisions in similar claims situations. As shown in the survey, [REDACTED] pays in some situations the other companies do not, and PEF does not pay in some situations where other companies do make payment. While the companies are generally similar in pay/deny decisions [REDACTED] and PEF differences are discussed in greater detail in sections 4.0 and 5.0 of the report.

1.5 Conclusion

Overall, during the period reviewed of 2003 through 2008, the utilities paid between 31 and 48 percent of the claims submitted. Staff believes that the utilities conducted timely, consistent, and fair property damage claim investigations. Staff also identified several key areas where additional company effort is needed to improve the claims process. Listed below are staff's recommendations in these key areas of property damage claims activity.

1.5.1 Florida Power and Light

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[REDACTED]

[REDACTED]

DOCUMENT NUMBER - DATE

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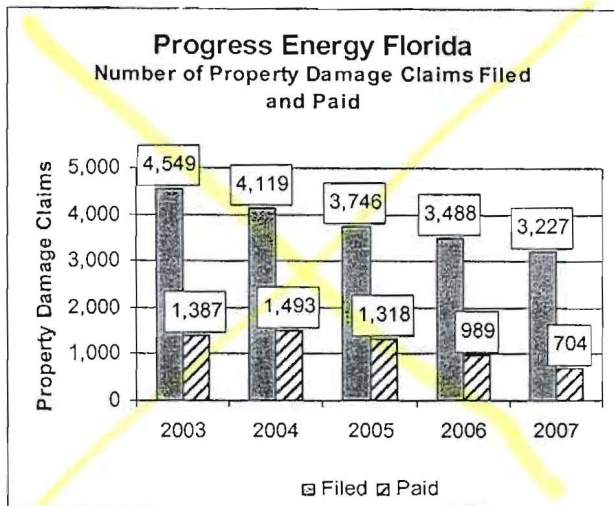


EXHIBIT 11

Source: Document Request 1-3

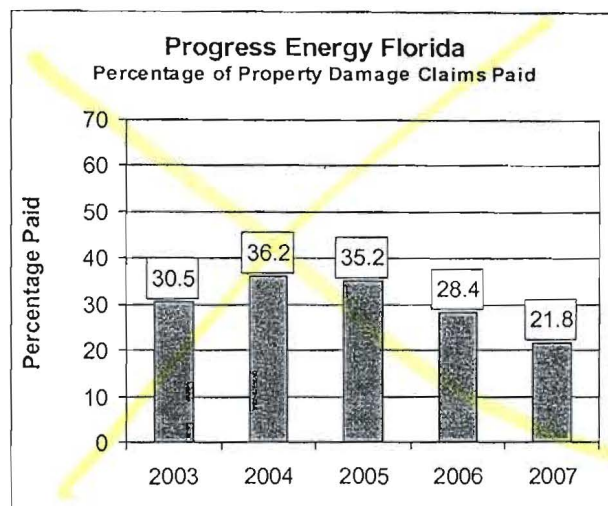


EXHIBIT 12

Source: Document Request 1-3

Exhibit 12 shows the annual percentage of property damage claims paid from 2003 through 2007. Over the period, PEF paid out approximately 31 percent of the property damage claims pursued by customers. PEF's highest payment percentage occurred in 2004 when the company paid 36.2 percent of the claims filed, and the lowest percentage was in 2007 when PEF paid 21.8 percent of the claims filed.

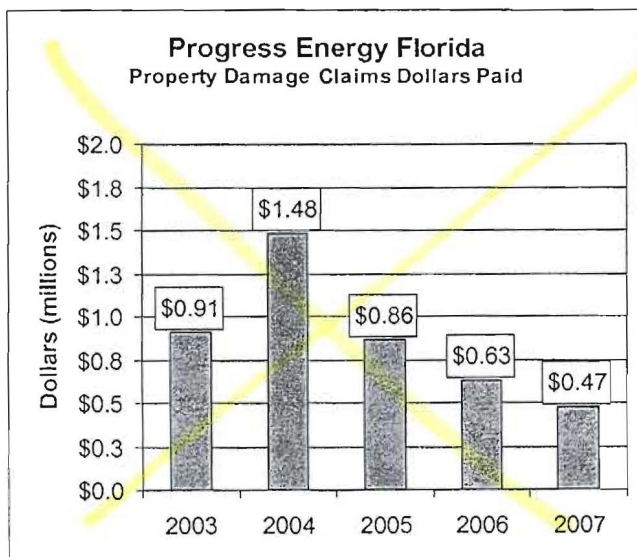


EXHIBIT 13

Source: Document Request 2-2

Exhibit 13 shows that PEF paid \$4.35 million in customer property damage claims, during the period 2003 through 2007. During this time, the company paid an average of \$870,000 annually and an average \$738 per claim for the 5,891 paid claims shown in **Exhibit 11**.

PEF stated that although there is an annually budgeted amount for the claims operation, the company does not base approval or denial of claims on the budgeted amounts. If claims exceed budget, then additional funds for that particular year are requested. On the other hand, if surplus dollars remain at the end of the year, those dollars can be used elsewhere in the company. PEF's Claims Manager stated that the goal is to manage the claims budget so that at the end of the year there would be a zero balance in the budget.

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Exhibit 14 shows the ten most frequent causes, from highest to lowest, for customer property damage claims filed against PEF in 2007. Of PEF's current cause codes, these top ten causes accounted for 90 percent of the total claims filed in 2007. As shown, the greatest number of customer property damage claims filed were the result of outages (761), followed by open neutral (637), transactions (312), irregular voltage (289), and feeder operations (260).

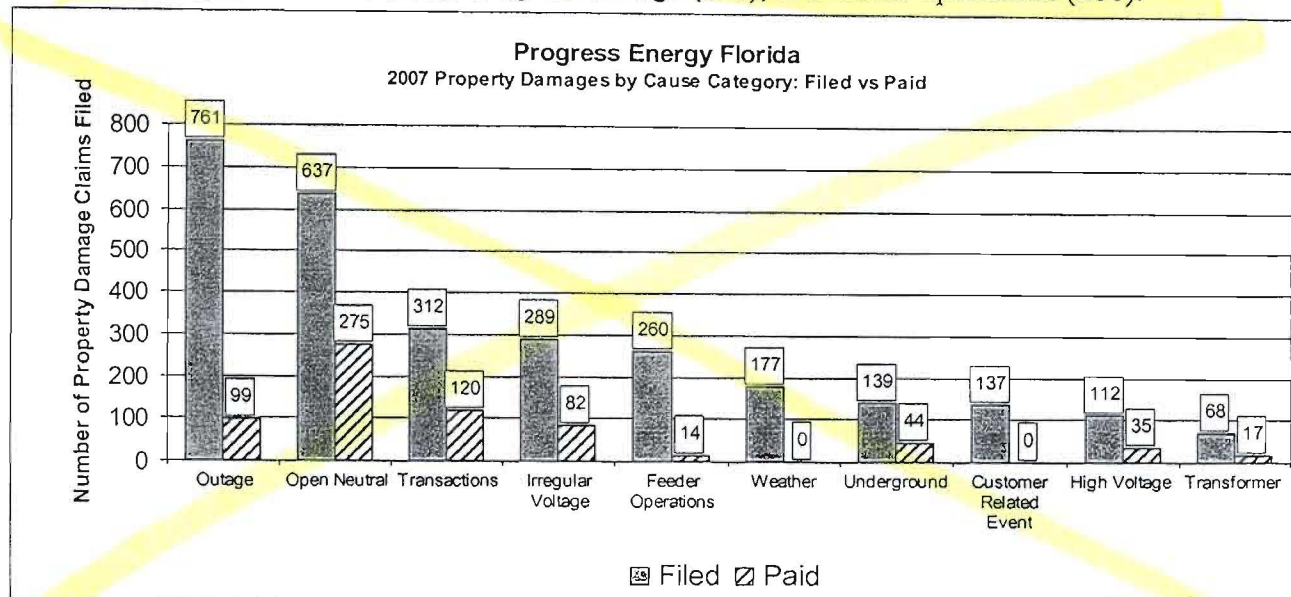


EXHIBIT 14

Source: Document Request 2-2

4.3 Claims Handling

How does a customer file a property damage claim with PEF?

According to the company, PEF customers may file a property damage claim by telephone, mail, or the Internet. Most customer property damage claims begin with a telephone call from the customer. Customers are generally familiar with contacting the company through the Customer Care Call Center or Business Office for any service-related problem.

Customer property damage claims may also be received from PEF's Consumer Affairs department, by e-mail to the claims team, or by a property damage referral from another internal department identifying a potential customer claim situation requiring investigation. Upon occasion, claims are also received by the company through an attorney or agent. Generally, those claims will be negotiated by legal representation or litigated in the court system.

If the property damage claim call comes through the Call Center to a customer service agent, basic claim details are entered into the Customer Service System (CSS) and a property damage claim is constructed. CSS then generates a claim in STARS, where an investigator is assigned the claim.

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Using PEF's database of claims filed from January 2003 through August 2008, audit staff conducted analysis on a statistically significant random sample of claim files to determine if the processing and payment of the claims were performed uniformly and fairly to both the customer and the company. Audit staff selected 90 claims and analyzed each one to formulate an overall opinion of the company's claims process based on four categories: timeliness, consistency, fairness, and compliance with the company's own established guidelines. This sample size provides a 90 percent confidence level with a margin of error of plus or minus 3 percent.

Timeliness

In review of PEF's claims handling timeliness, staff considered the company's initial customer contact, providing necessary documents for customer input, investigating the claim, notifying the customer of the claim decision, handling of "no customer activity" claims, and closing claims files in a timely manner.

In considering timeliness, staff found that 80 of the 90 claims files (88.9 percent) examined were handled in a timely manner, exceeding PEF's goal of completing 80 percent of its claims within 30 days. Five claims were delayed when the customer failed to take action, and they were included within the 80 timely claims.

Ten claims found to be untimely were characterized by claims completion timeframes between 46 and 247 days. Three of the claims were completed between 37 and 64 days, two were completed between 77 and 78 days, two were completed in 112 days, and one claim took 247 days to complete. Four of the claims were tree-trimming related, one was due to a failed transformer, one was reopened three different times before resolving the claim, and one claim was the result of the company not converting temporary service to permanent service in a timely manner.

Consistency

Staff's review of PEF's consistency in claims handling included whether the claim processing effort was generally consistent in claims documentation, treatment of customer claims requests, use of the company pay/deny claims matrix, use of depreciation methodology, notification of the claims decision, and payment of claims.

Staff found that 76 of the 90 claims (84.4 percent) were consistent in PEF's review, documentation, treatment, decision-making and payment of claims. The 14 claims (15.6 percent) found to be inconsistent were characterized by seven denied claims that were paid in other instances with similar conditions and cause codes, but they were not paid in those instances. Three claims were closed as "inactive" in less than the normal 30 days allowed. Three claims were insufficient in file documentation to allow staff to determine consistency in claims handling methodology and treatment. Within the seven denied claims, three involved underground causes and two were related to "tree trimming" causes. Overall, staff's sample results show that PEF was generally consistent in handling claims during the period from January 2003 through August 2008.

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Fairness

Staff's review of PEF's fairness in claims handling evaluated whether claims were considered and treated equally, claims decisions were fair and equitable, customer equipment

Appendix A

Survey of 2008 Claims Payment Policies

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Instructions: For each listed damage cause, indicate whether or not a claim would be paid. Also provide any information in company comments that would be considered during the claim investigation to determine if the claim will be paid.

Damage Cause	Claim Paid?		Company Explanation
	Yes	No	
1 Acts of God or Nature (lightning, wind, flood)		PEF	
2 Normal operation of electrical system (e.g. feeder relay)		PEF	
3 Utility "normal" equipment failure:			PEF: The claim payment matrix bases payment on evidence of fault. If equipment was properly installed and maintained and if maintenance is appropriate, the claim is denied. If the standard of care for installation and maintenance is not met, the claim is paid.
Transformer failure		PEF	
Lightning arresters		PEF	
Regulator		PEF	
Hot leg		PEF	
Wire down		PEF	
Open neutral	PEF	PEF	PEF: See Matrix 2 and 10.
Transponder	PEF		PEF: Referred to Load Management. Customer service costs are reimbursable.
4 Service cut in error	PEF		
5 Delayed reconnection of service	PEF	PEF	PEF: Depending on length and reason for the delay.

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Appendix A

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Damage Cause	Claim Paid?		Company Explanation
	Yes	No	
6. Failure of utility to maintain equipment:			PEF: If standard utility practice required maintenance and maintenance was not performed in a timely fashion, customer claims are paid.
Transformer failure	PEF		
Lightning arresters		PEF	PEF: Not a maintenance item.
Hot leg	PEF	PEF	PEF: If underground, Deny.
Wire down	PEF		
Open neutral	PEF		PEF: If underground, Deny.
Transponder	PEF		PEF: Referred to Load Management. Customer service costs are reimbursable.
Deteriorated/rotten pole	PEF		
7. Malfunctioning service connection:			
Due to improper hook-up by utility	PEF		
Due to normal wear and tear		PEF	
Due to failure of utility-owned equipment		PEF	PEF: Depends on the cause of the failure and if standard utility practice was followed.
Due to failure of customer owned equipment		PEF	
8. Dig-ins to customer's other utilities	PEF	PEF	PEF: Paid unless improper locate by other utilities or customer.

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Damage Cause	Claim Paid?		Company Explanation
	Yes	No	
9 Utility's contractor's error or damage	PEF		PEF: Paid by utility's contractor pursuant to contracted indemnity. Contractor is required to carry insurance.
10 Customer or customer's contractor error or damage		PEF	
11 Inadequate ground at customer premises:			
On customer's side of meter		PEF	
On utility's side of meter	PEF		PEF: If standard utility practice required inspection and inspection was not performed in a timely fashion, then customer claims are paid.
12 Failed surge protector leased or sold by utility to customer	PEF	PEF	PEF: If device fails, there is a manufacturer warranty. Meter devices are warranted for as long as the customer is in the program. Surge protection strips are warranted for ten years. Warranty covers actual cash value of loss.
13 Three phase customer's power surge			PEF: Three phase customers are responsible for protecting motors. Compensation for lost product depends on cause and fault.
Residential	PEF	PEF	
Commercial/industrial	PEF	PEF	
14 Insufficient generation:			
Due to unforeseen operating event on reporting utility's system		PEF	
Due to lack of sufficient generating capacity on reporting utility's system		PEF	
Due to unforeseen operating event on other than the reporting utility's system		PEF	
Due to lack of sufficient generating capacity on other than the reporting utility's system		PEF	
15 Verifiable consequential and incidental damages resulting from any claim that is otherwise paid (e.g. food, motel, wage and other non-speculative damages)	PEF		PEF: Yes, on a case by case basis if costs incurred were reasonable under the circumstances.

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Progress Energy Florida, Inc.
2007 Top Ten Cause Codes

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	2007 Total # Claimed	2007 Total # Paid
Outage	761 ✓	99
Open Neutral	637 ✓	275
Weather	177 ✓	0
Irregular Voltage	289 ✓ 260	82
Customer Related Event	137 ✓	0
Feeder Operations	260 ✓	14
Transactions	312 ✓	120
High Voltage	112 ✓	35
Underground (dig in/failure)	139 ✓	44
Transformer	68 ✓	17

2892

686

23.7%

	Total # Claims	Total # Paid
2003	4549	1387
2004	4119	1493
2005	3746	1318
2006	3488	989
2007	3227	704

30.5%

36.2% ✓

35.2% ✓

28.4% ✓

21.8% ✓

30.8%

19129 (1713) 68 5891

	Total Dollars Paid
2003	913,505.95
2004	1,477,787.78
2005	864,371.54
2006	630,632.02
2007	467,941.58

4,454,238.87

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Claims By Cause Codes For PEF Claims 2003-2008

No.	Description	Claims	Paid	Denied	%of Total	Dollars	% Denied
1	Outage	4,569	832	3737	20.0%	\$369,157	81.8%
2	Open Neutral	4,064	2,598	1466	17.8%	\$1,730,183	36.1%
3	Weather	3,311	2,280	1031	14.5%	\$0	31.1%
4	Irregular Voltage	2,137	865	1272	9.3%	\$410,709	59.5%
5	Customer Related Event	1,845	422	1423	8.1%	\$0	77.1%
6	Feeder Operations	1,805	188	1617	7.9%		89.6%
7	Transactions	1,546	1,191	355	6.8%		23.0%
8	High Voltage	897	354	543	3.9%		60.5%
9	Underground	775	318	457	3.4%		59.0%
10	Transformer	709	293	416	3.1%		58.7%
11	R-O-W Tree Trimming	444	43	401	1.9%		90.3%
12	Single Phasing	195	50	145	0.9%		74.4%
13	Low Voltage	188	79	109	0.8%		58.0%
14	Mobile Meter Reading	181	40	141	0.8%		77.9%
15	Fires	153	81	72	0.7%		47.1%
	Total	22,819	9,634	13,185		2,510,049	
	Actual/Document	22,856					

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Top Five	Cause	Number	Dollars	Pending	%Sample	Number
	Outage	4569		\$0	28.7%	26
	Open Neutral	4064		\$0	25.5%	23
	Weather	3311		\$0	20.8%	19
	Irregular Voltage	2137		\$0	13.4%	12
	Customer Related Event	1845		\$0	11.6%	10
	Total	15926	\$0	\$0	100%	90
	Sample % of Total Claims	69.7%				

PEF Damage Claim Sample

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1 Open	03-0091	46 Outage	03-1384
2 Neutral	03-3410	47	03-2201
3	03-4603	48	03-4094
4	03-5982	49	03-6014
5	04-0311	50	04-0730
6	04-3450	51	04-3276
7	04-7035	52	04-4115
8	04-8271	53	04-4977
9	05-0172	54	05-2308
10	05-0944	55	05-3266
11	05-1493	56	05-5182
12	05-2436	57	05-6515
13	06-0604	58	06-1395
14	06-1207	59	06-3664
15	06-2544	60	06-5266
16	06-5403	61	06-5554
17	07-0721	62	07-1199
18	07-1530	63	07-1614
19	07-4203	64	07-2508
20	07-5569	65	07-4161
21	08-3030	66	07-5150
22	08-3173	67	08-0298
23	08-3622	68	08-1026
24 Irregular	03-1658	69	08-1605
25 Voltage	03-5917	70	08-2154
26	04-5455	71	08-3051
27	04-7227	72 Weather	03-1213
28	05-3306	73	03-5708
29	05-3752	74	03-6390
30	06-2363	75	04-0429
31	06-5457	76	04-2575
32	07-1999	77	04-4857
33	07-3680	78	04-7417
34	08-0504	79	05-1104
35	08-2907	80	05-1737
36 Customer	03-5127	81	05-4209
37 Related	04-2716	82	06-1742
38 Event	05-4748	83	06-6249
39	05-5754	84	06-6927
40	06-0709	85	07-1907
41	06-6247	86	07-2721
42	07-0993	87	07-3234
43	07-3337	88	08-0939
44	08-0139	89	08-2537
45	08-3580	90	08-3935

Outage
Open Neutral
Weather

\$369,157
\$1,730,183
\$0

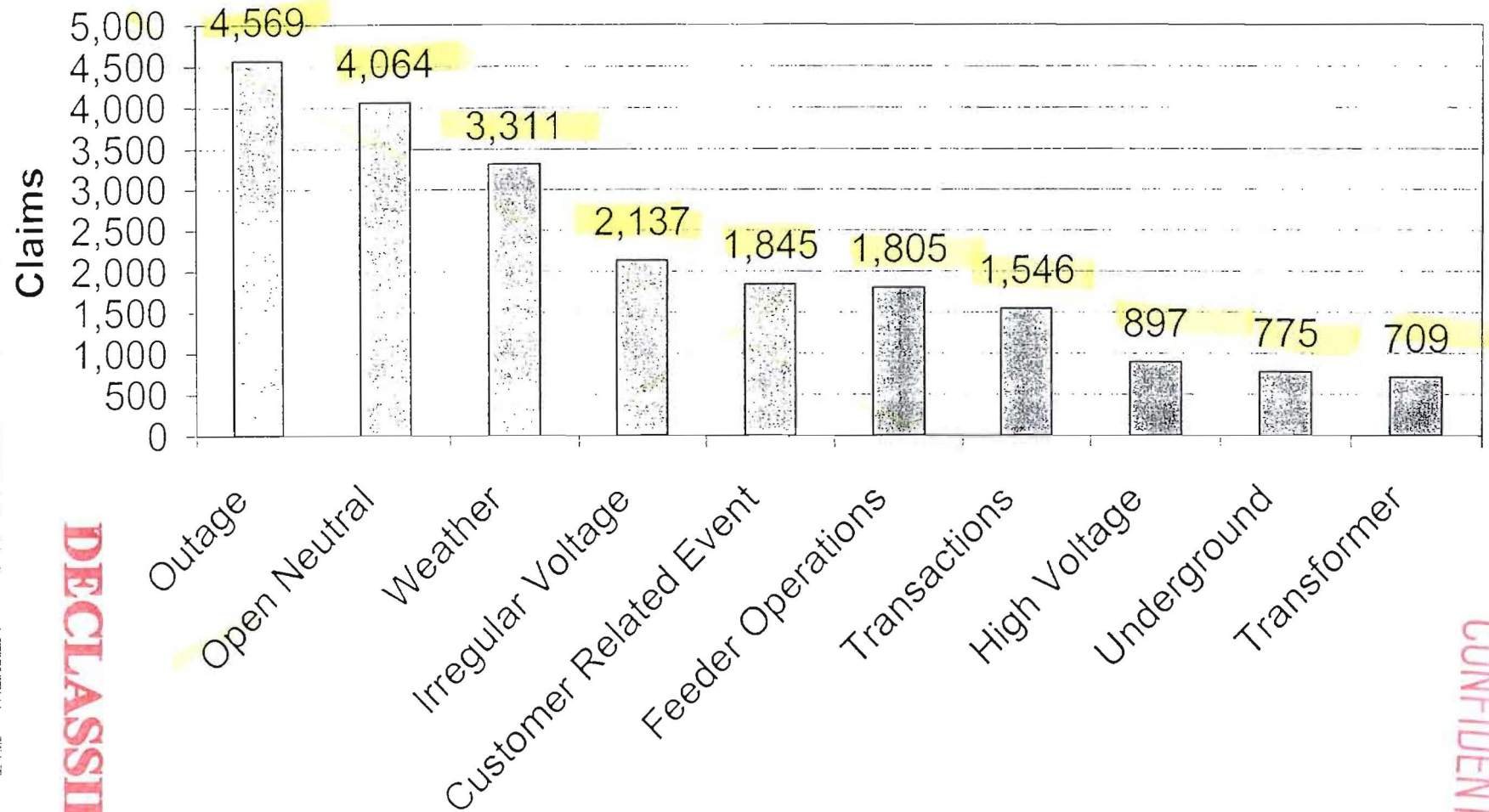
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Irregular Voltage \$410,709
Customer Related Event \$0

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PEF Claims Categories by Cause Code 2003-2008

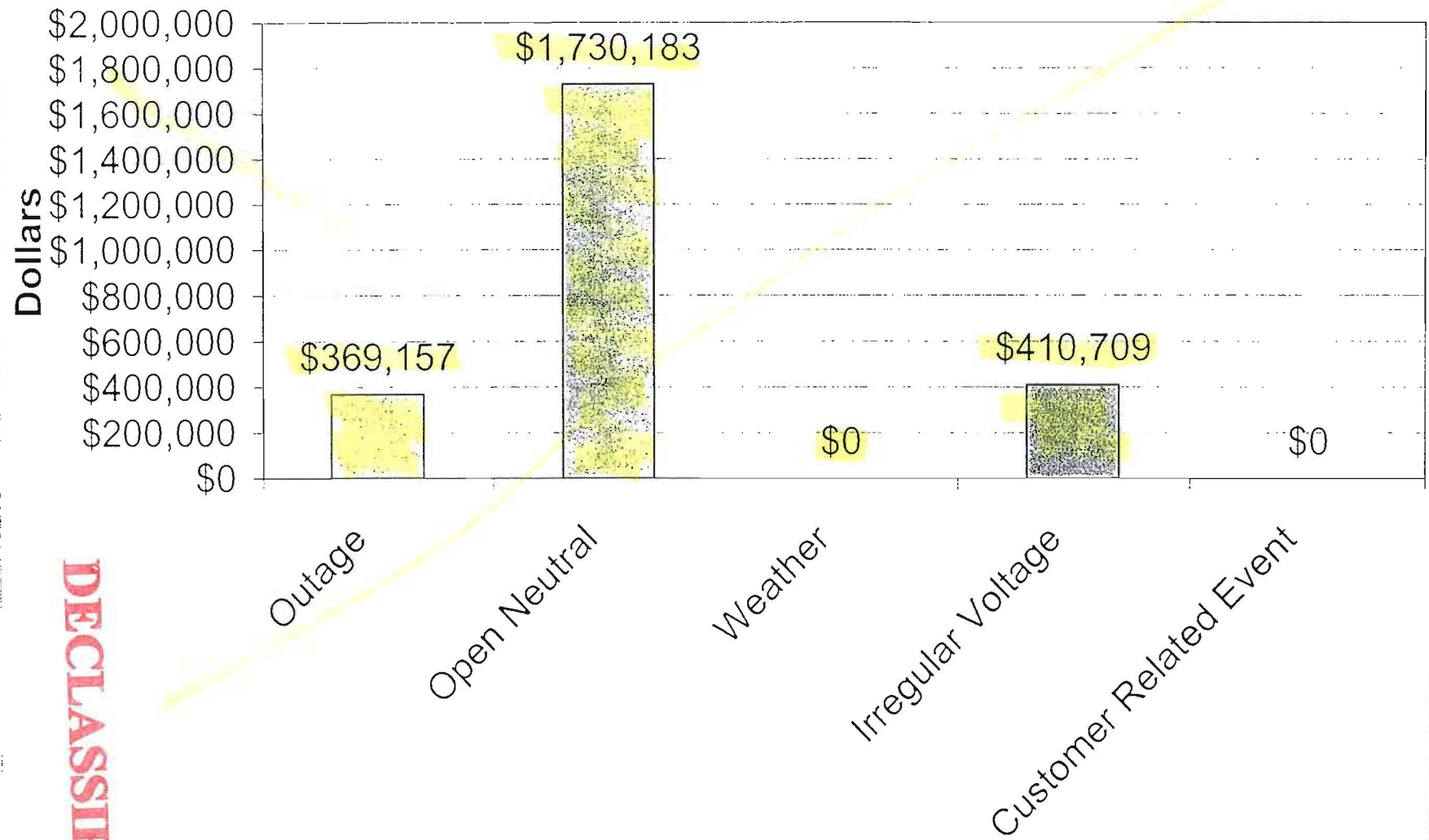


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PEF Top Five Claims Categories

Dollars Paid 2003-2008

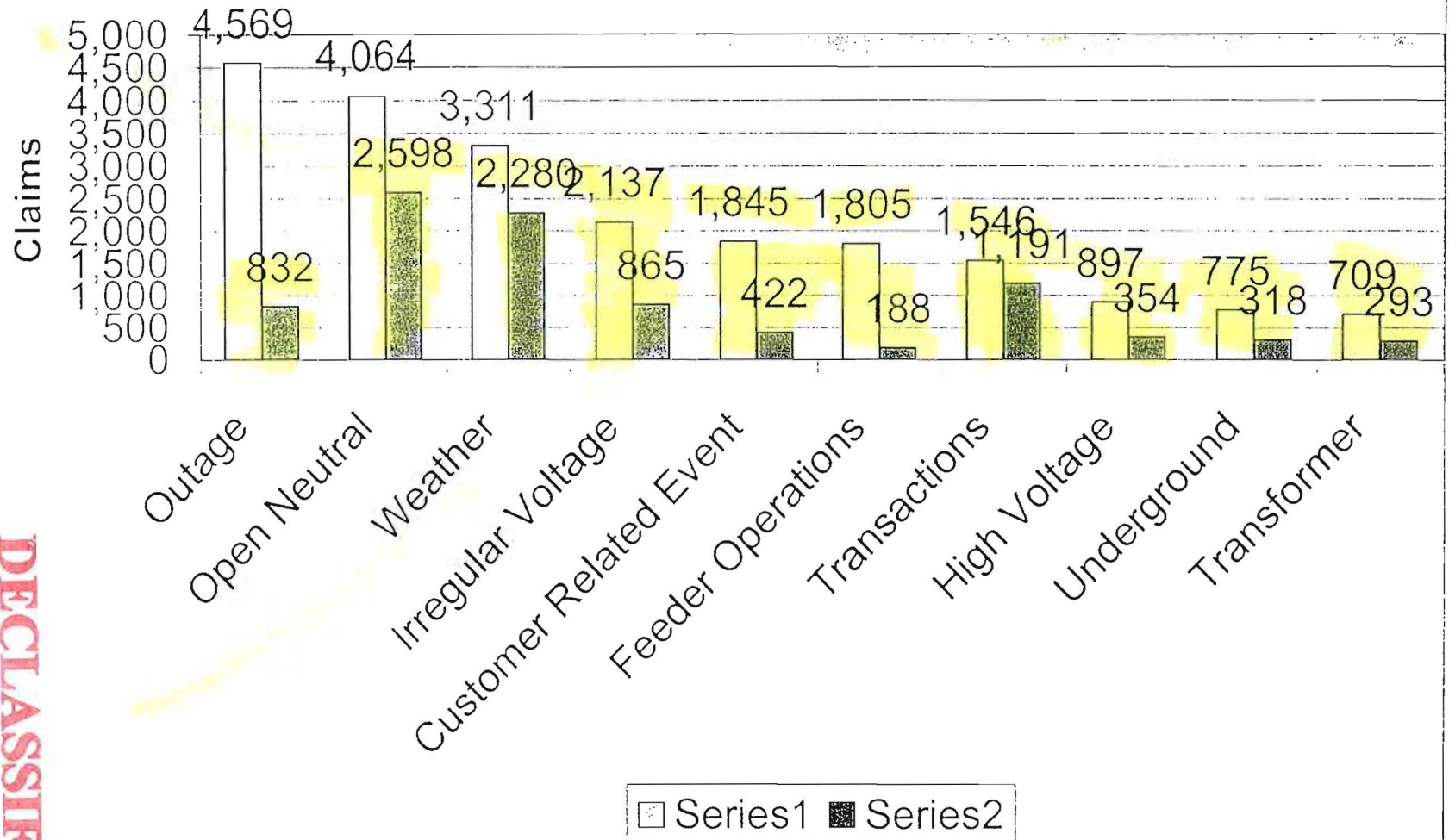


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PEF Top Ten Claim Causes Made vs. Paid

2003-2008



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PEF Underground Paid Claims Monthly 2007-2008

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
2007	15.4%	20.0%	23.5%	22.2%	50.0%	14.3%	20.0%	38.9%
2008	13.3%	20.0%	66.7%	11.1%	20.0%	33.3%	28.6%	36.4%

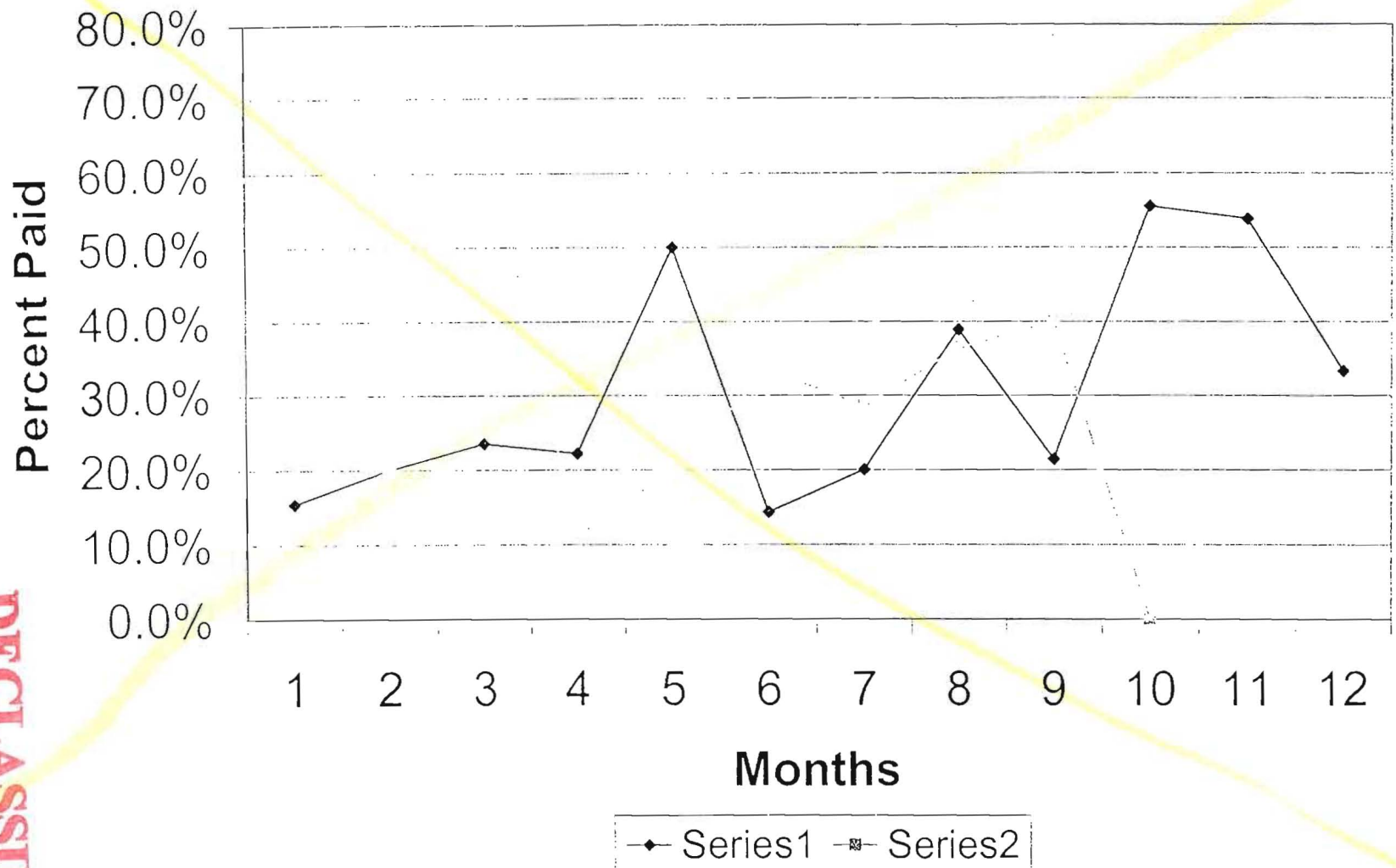
PEF Underground Claims Dollars Paid Monthly 2007-2008

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
2007	\$80.00	\$3,480.90	\$4,479.48	\$1,267.96	\$1,529.07	\$2,464.80	\$1,528.50	\$4,603.64
2008	\$12,986.32	\$470.48	\$2,562.45	\$120.00	\$2,337.35	\$3,867.83	\$5,798.85	\$6,875.77

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PEF Underground Claims

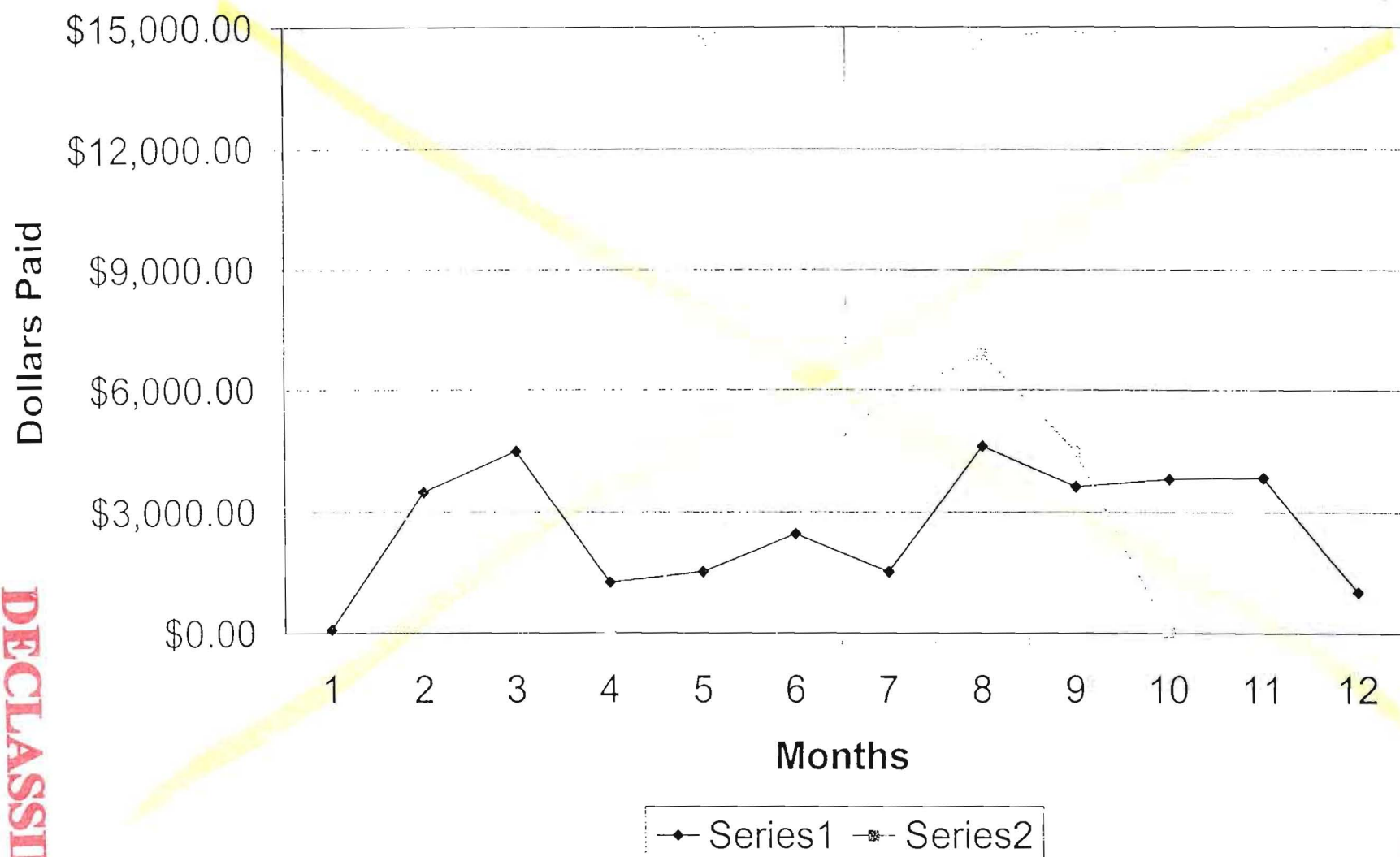
2007 - October 2008



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PEF Monthly Underground Claims Dollars Paid 2007-2008

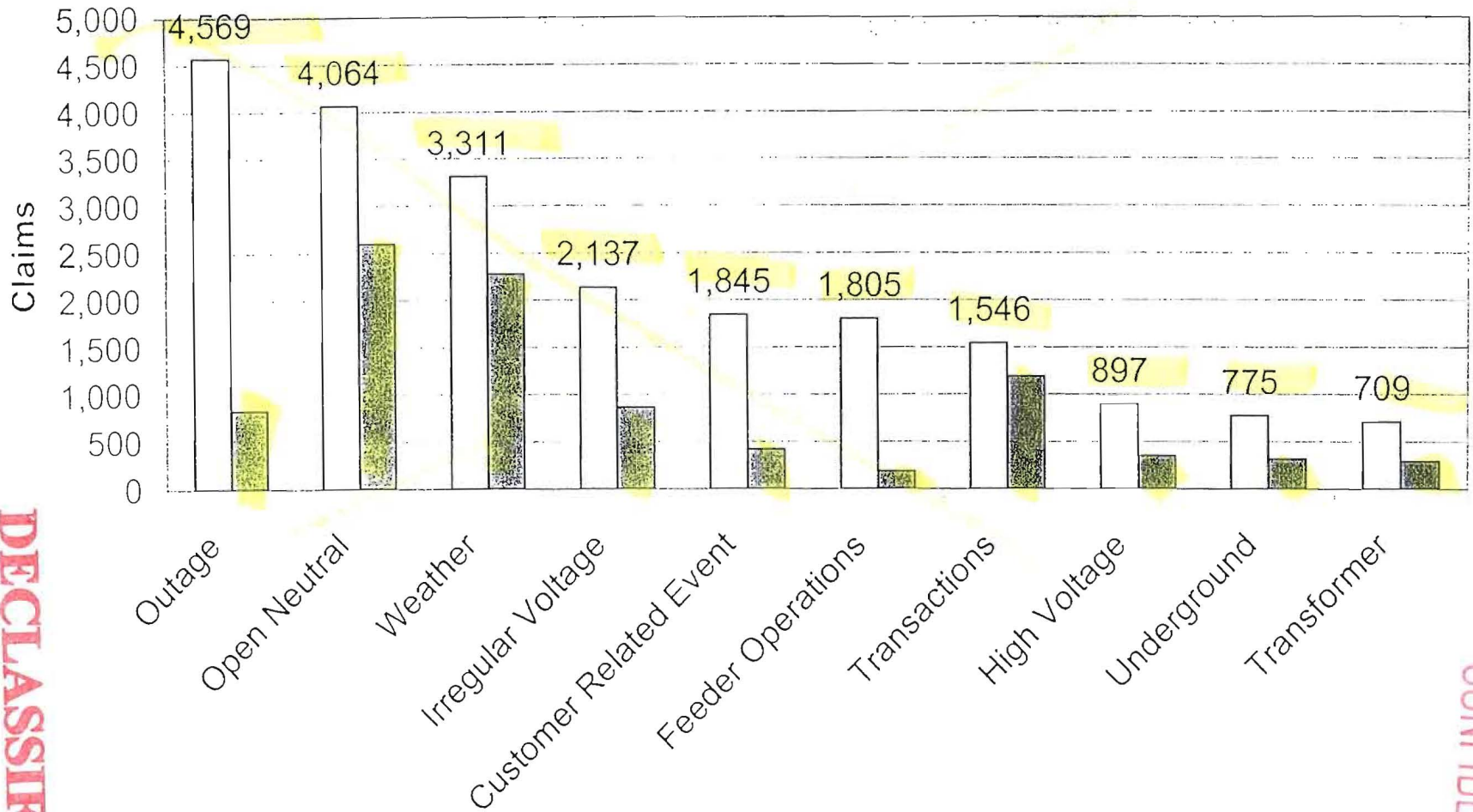


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PEF Top Ten Claims Causes

Claims Made vs. Paid By Code
2003-2008



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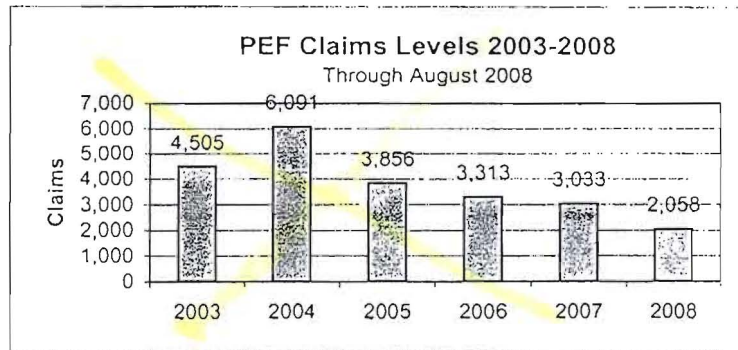
Description	Claims	Paid
Outage	4,569	832
Open Neutral	4,064	2,598
Weather	3,311	2,280
Irregular Voltage	2,137	865
Customer Related Event	1,845	422
Feeder Operations	1,805	188
Transactions	1,546	1,191
High Voltage	897	354
Underground	775	318
Transformer	709	293
R-O-W Tree Trimming	444	43
Single Phasing	195	50
Low Voltage	188	79
Mobile Meter Reading	181	40
Fires	153	81

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Claims and Claims Amount Paid Annually 2003-2008

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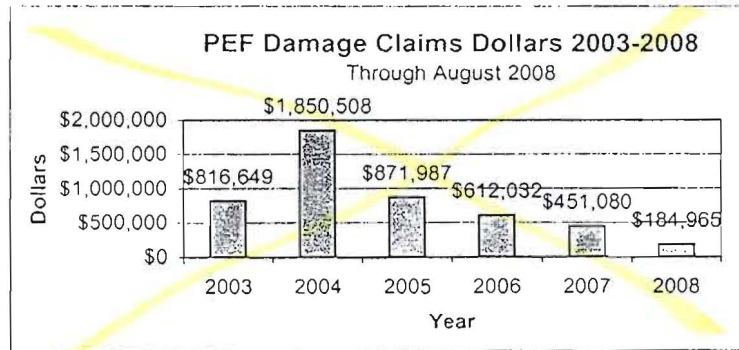
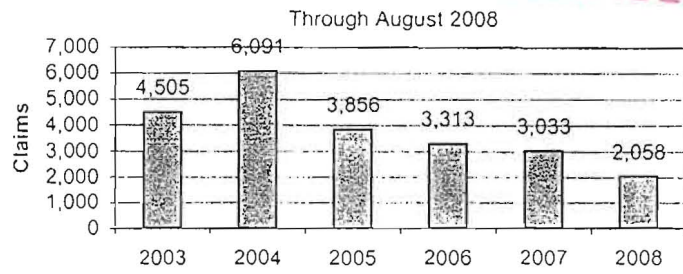
Year	Claims	Amt. Paid
2003	4,505	\$816,649
2004	6,091	\$1,850,508
2005	3,856	\$871,987
2006	3,313	\$612,032
2007	3,033	\$451,080
2008	2,058	\$184,965
Total	22,856	\$4,787,221
Avg. /Yr.	\$797,870	
Avg./claim	\$209	



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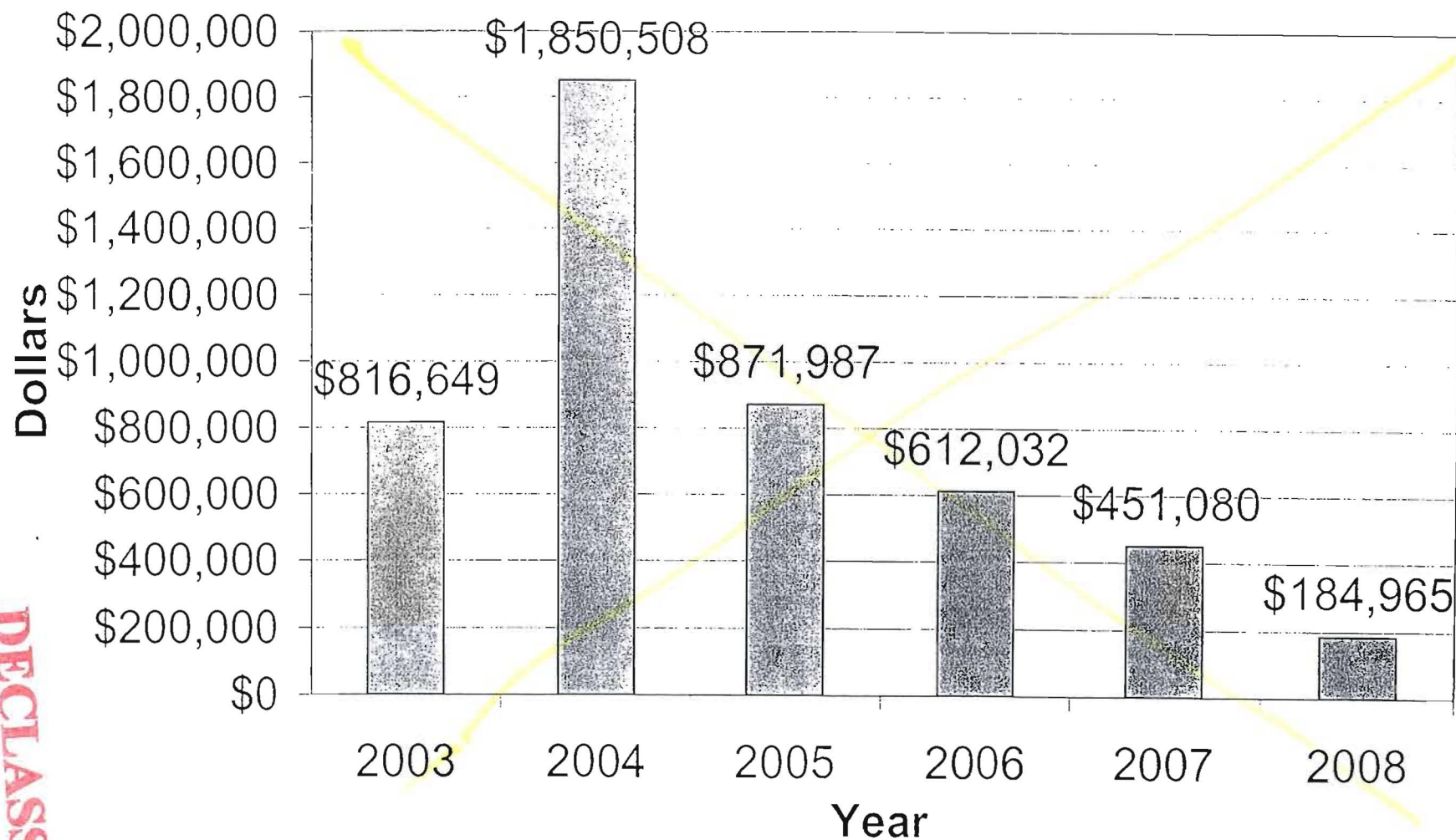
Year	Amt. Paid
2003	\$816,649
2004	\$1,850,508
2005	\$871,987
2006	\$612,032
2007	\$451,080
2008	\$184,965



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PEF Damage Claims Dollars 2003-2008

Through August 2008



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Top Five Claims Categories and Dollars Paid 2003-2008

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		Claims	Dollars
Customer Related Event			
	2003	448	\$0
	2004	323	\$0
	2005	260	\$0
	2006	210	\$0
	2007	137	\$0
	2008	106	\$0
Total		1484	\$0
Irregular Voltage			
	2003	608	\$104,054
	2004	395	\$83,303
	2005	406	\$111,233
	2006	342	\$56,371
	2007	260	\$36,543
	2008	192	\$19,205
Total		2203	\$410,709
Open Neutral			
	2003	705	\$336,621
	2004	872	\$441,826
	2005	773	\$397,937
	2006	657	\$270,388
	2007	637	\$178,562
	2008	536	\$104,849
Total		4180	\$1,730,183
Outage			
	2003	1150	\$86,096
	2004	764	\$81,376
	2005	683	\$71,799
	2006	733	\$40,829
	2007	761	\$63,989
	2008	609	\$25,068
Total		4700	\$369,157
Weather(storm/lightning)			
	2003	205	\$0
	2004	177	\$0
	2005	184	\$0
	2006	150	\$0
	2007	177	\$0
	2008	165	\$0
Total		1058	\$0

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	Cause Code	### Claimed	### Paid	\$\$\$	%%%
2003		4,549	1,387	\$913,506	30.5
2004		4,119	1,493	\$1,477,788	36.2
2005		3,746	1,318	\$864,372	35.2
2006		3,488	989	\$630,632	28.4
2007		3,227	704	\$467,942	21.8

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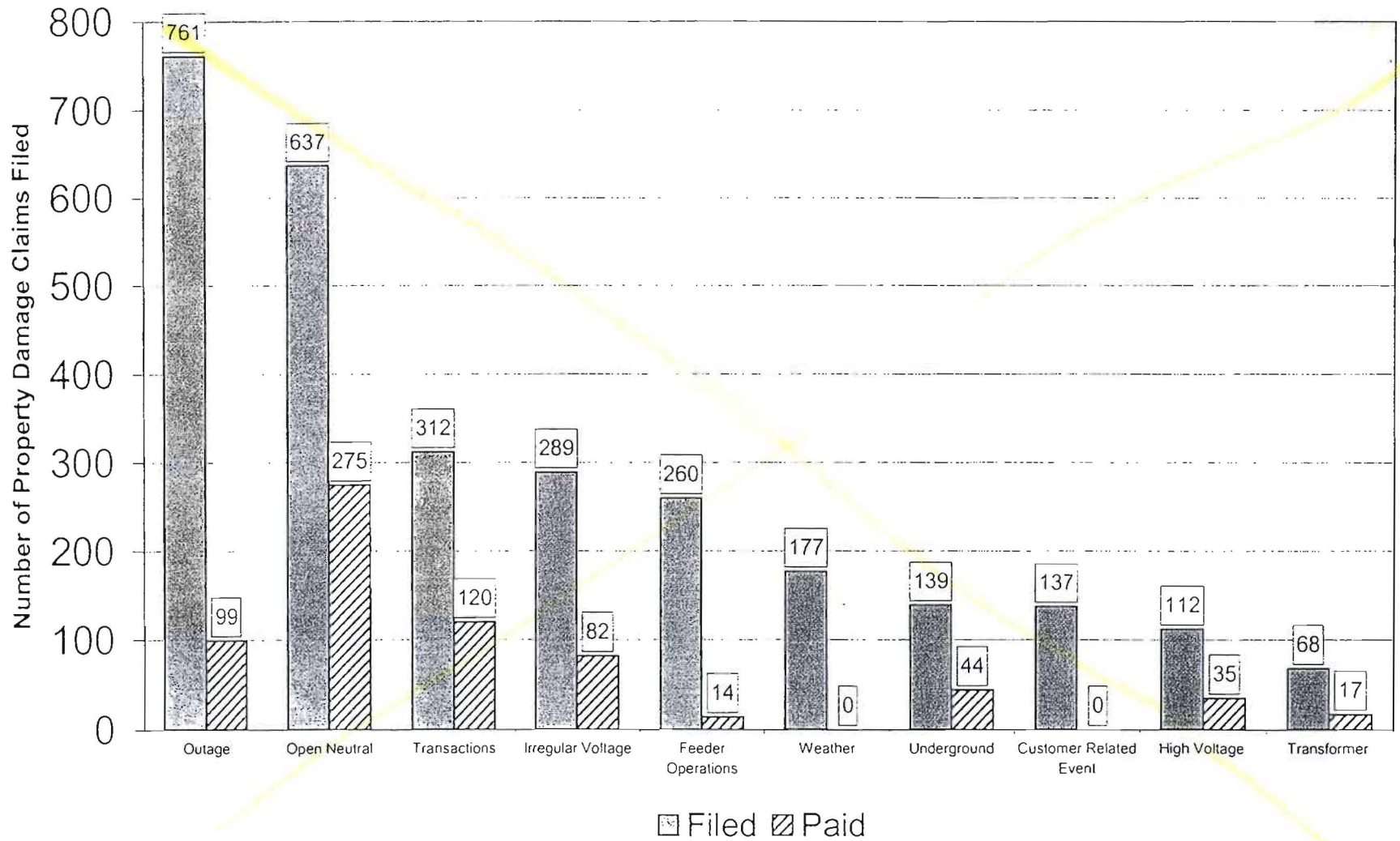
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Outage	761	99	0.91
Open Neutral	637	275	1.48
Transactions	312	120	0.86
Irregular Voltage	289	82	0.63
Feeder Operations	260	14	0.47
Weather	177	0	
Underground	139	44	
Customer Related Event	137	0	
High Voltage	112	35	
Transformer	68	17	

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Progress Energy Florida

2007 Property Damages by Cause Category: Filed vs Paid

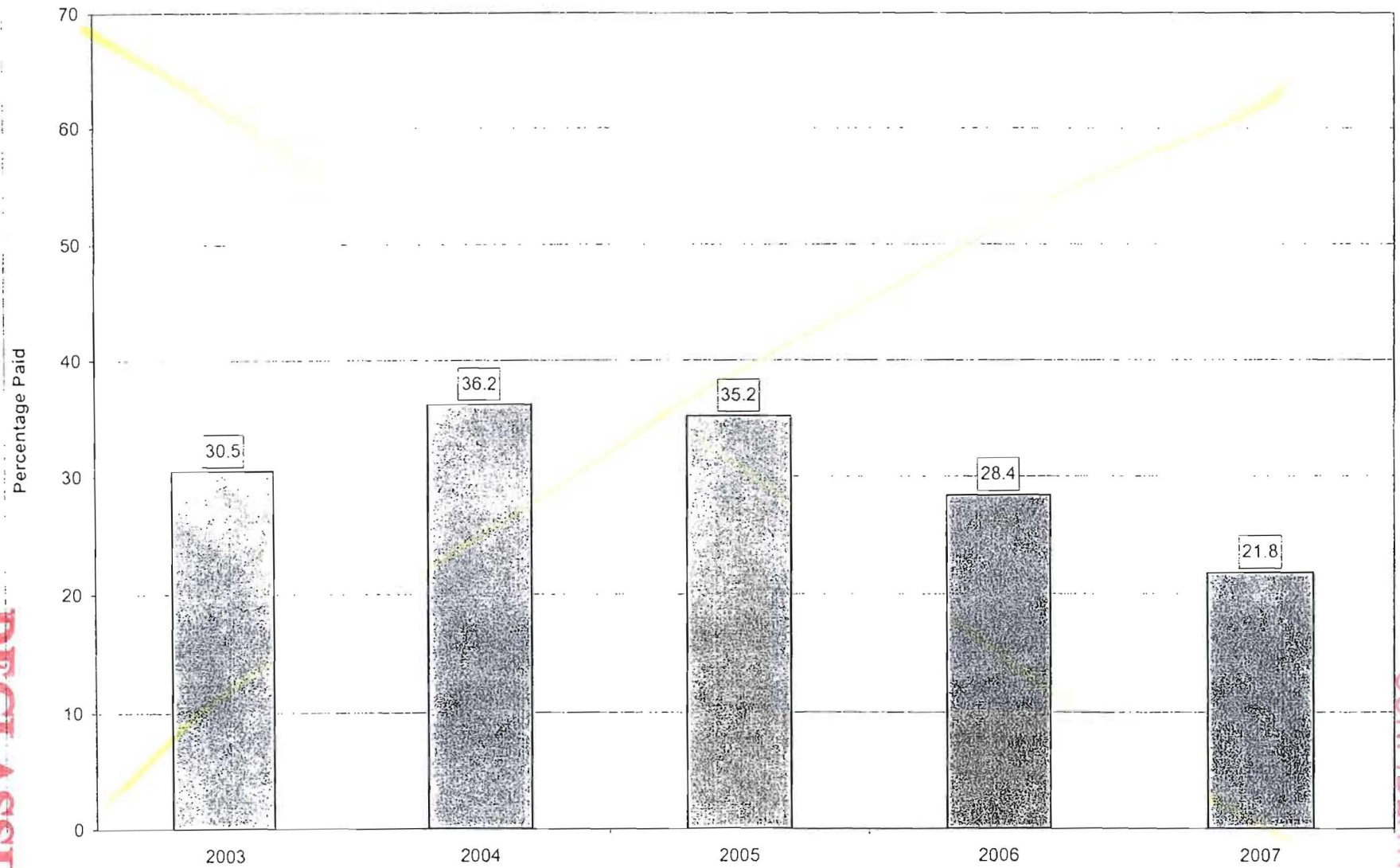


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Progress Energy Florida
Percentage of Property Damage Claims Paid

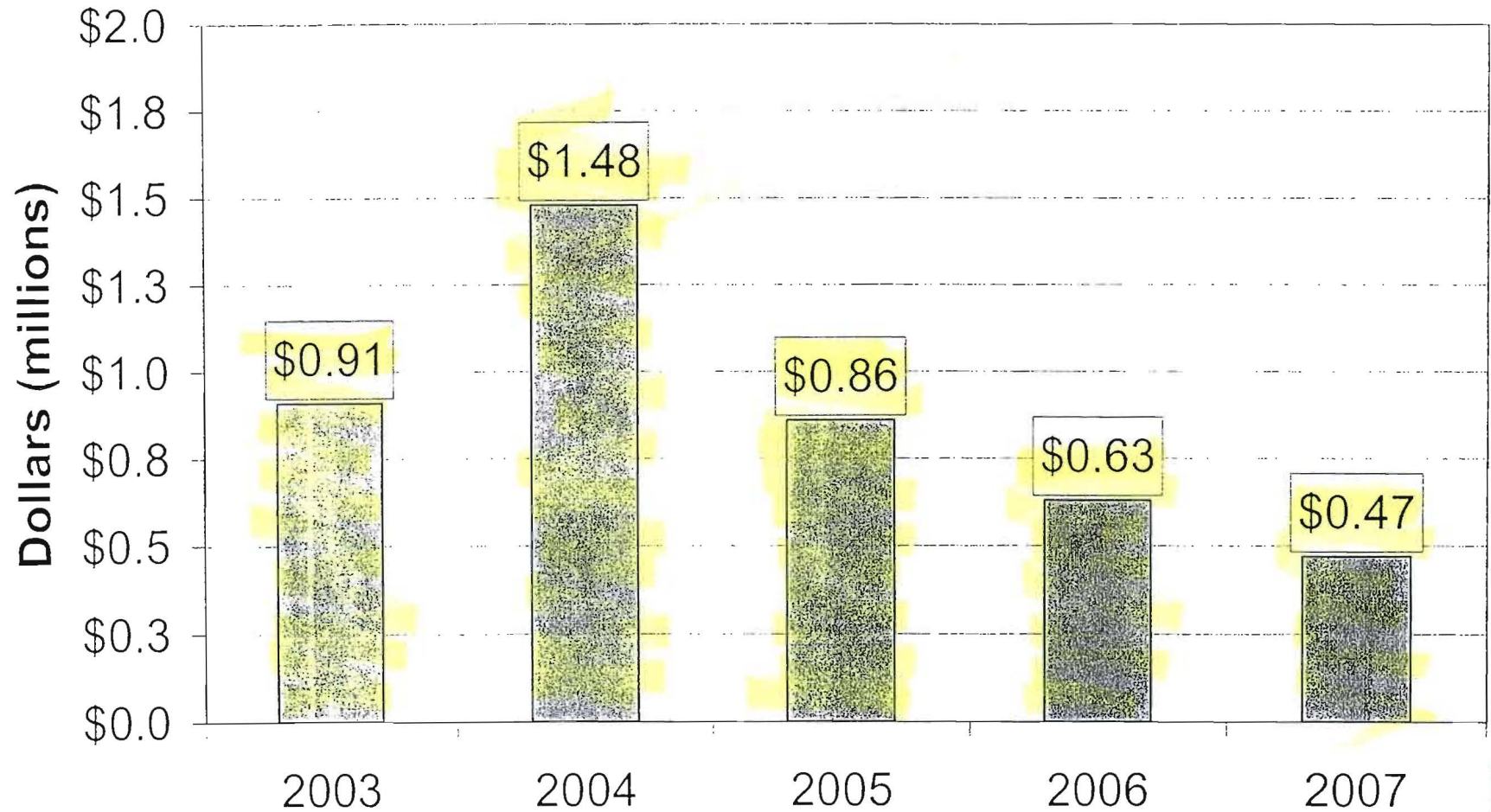


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Progress Energy Florida

Property Damage Claims Dollars Paid

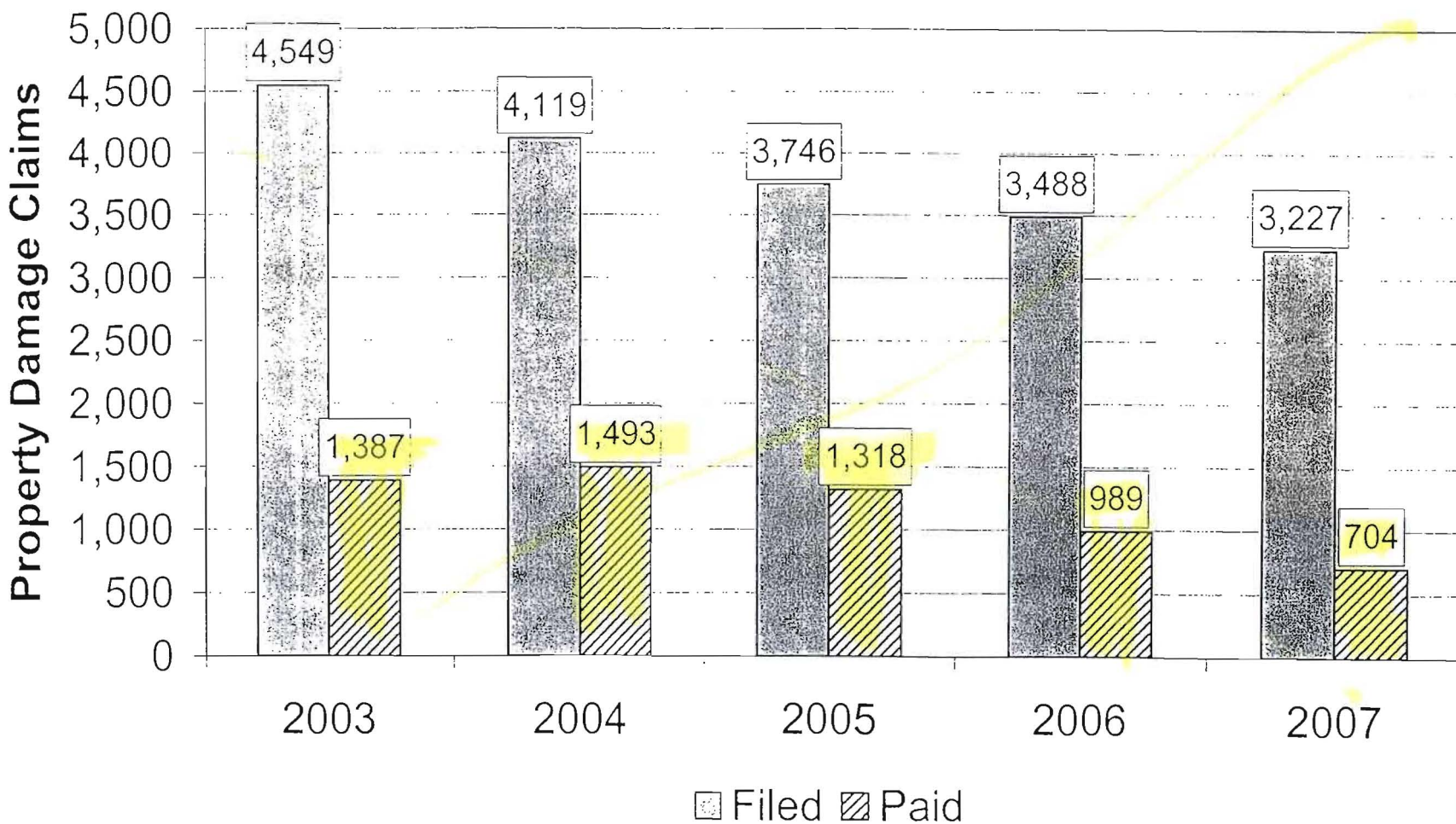


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Number of Property Damage Claims Filed and Paid



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PEF Sample (90)

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TIMELY

CONSISTENT

FAIR

COMPLIANT

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1. 1/6/03 - 4/2/03 ^{86 days} 116 FNB
6/12/03 Pd 281.18
UG transformer failed; bad one hot leg of 300v. wire;
cust. experienced power surge blew out c-pipe, mesh coverage
86 days + 43 days both cone of all but 907 requests. Co. cover difference; ^{cust} called
(129 days total) again reports TV has noise in it & damaged ~~both~~ radio as well
closed inactive 4/12 cust will have to clean up amt on apria machine & let us know,
Total Pd 281.18
2. 6/23/03 - 6/25/03 6/24 FNB
(2 days)
bad ventral; charged out water; cust. lost computer, & pay
system, telephone & alarm; cust. is Dr. in office mgr. gave
some info and became abusive & vulgar; called Dr. bk. and explained
can't authorize new items reimbursement & referred to their insur.
Co.; closed inactive 6/25/03
3. 8/12/03 - 8/21/03 8/14 file inter Begin
(9 days)
Cust had vintage but wh. now has refrigerator, stereo &
desert TV later damaged; Total Pd 330.00
4. 10/9/03 - 1/31/06 7
open needed bad lot line spline; claim for damage
& documentation ^{sketchy} cannot be seen Total Pd 596.91
24. 4/1/03 - 5/29/03 (49 days) "escalated issue" cust. called electrician before
PEF and wrote PEF to pay for electrician bill Tot. Pd 70.00
28. 9/2/03 - 12/23/03 112 days
Cust has been working w/ temporary cable on ground because PEF
did not rework; cust. has washer & 2 TVs damaged because of
voltage probs.; Co. sent someone to check TV (CBS Enterprises);
2nd set B&W RCA F27240WT '96 \$45.00; will send invoice
on washer he had filed Total Pd 80.00
36. 9/12/03 - 12/23/03 (112 days) PEF truck crushed unit at 5 sites in new devel.
as poles were set also damaged renewed asphalt;
PEF said will take care of but this claim was closed inactive
w/ no payment on 12/23/03 Total Pd 000.00

DOCUMENT NUMBER-DATE

00278 JAN 12 8

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- 46 3/17/03 - 3/19/03 (2 days) Cust. had outage or service then the answering machine has not been working; wrote claim to call him; TOT Pd \$50.00
- 47 4/29/03 - 4/30/03 (1 day) Cust. lost food due to outage incurred; Co. denied due to weather (storm blew down trees on line); Sent denial letter 4/29/03; closed 4/30 TOT Pd \$600.00
- 48 7/21/03 - 7/22/03 (1 day) Cust. lost ^{power} food in power outage; cust. states transformer caught fire; Co. claims adverse weather caused outage and denied claim TOT Pd \$000.00
- 49 10/14/03 - 10/27/03 (15 days) Cust. claims extended outage caused food she just purchased to go bad; confirmed via UMS. PEF missed blown fuse 10 custs out for 24 hrs. (these preventable); Settled food loss of \$50; TOT Pd \$50.00
72. 3/19/03 - 3/18/03 (9 days) Cust. received damage to stereo caused by momentary outage; Co denied claim due to weather
73. 9/26/03 - 9/30/03 (4 days) Internal referral of customer receiving lightning strike that damaged sprinkler system, lighting system, garage door, 2 phones, fax machine, telephone line damaged; bathroom light switch also damaged; denial letter sent to cust. referring to surge suppressor dept since cust. had PEF ^{surge} suppressor; that dept. handles claims for suppressors; closed 9/30
74. 10/31/03 - 11/3/03 (5 days total) Per telephone repair person a power surge on 10/29 caused phone damage & cust. wrote phone replaced; Co can find no specific ~~cause~~ other than storm; note on 11/3/03 says sent denial letter and closed file; 11/18 Cust called again and said she came home again and phone was dead; Phone Company checked their lines were all OK; PEF had connect and cleared some wires off line that day per her request; sent \$300 Good will; TOT Pd \$300.00

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5. 2 days 1/21/04 - 1/22/04 Cust. states TV blew when he had voltage prob.
Neutral lead from TX was loose; Co. repaired and charging payment
of \$98 for TV was issued. Tot. Pd. \$98.00
6. 19 days 7/12/04 - 8/4/04 PEF cust. says clock, radio, elec. broom, microwave not working
requesting reimpl.; Cause is unknown; with \$600 payment
for ^{damaged} equip. Tot. Pd. \$600.00
7. 36 days 10/12/04 - 11/17/04 Cust. experienced over voltage causing sparking, light
bulbs popping, ceiling fan spinning way to fast; Co advised to turn off
breakers would report ASAP; cust lost all food in fridge because Co.
did not dispatch all day; OMG says #4 svc. was very old and PEF
changed it out (because it fell apart); Cust has done some work
Tot. Pd. \$440.45
8. 11/29/04 - 12/7/04 9 days Cust. refrig., oven, microwave, phone in kitchen, sound
system, computer in bedroom, laptop computer, TV, wall pool motor all not
working; Co identified Bad Neutral in 4/0 LG SVC; ^{Cust.} ~~PEF~~
~~PEF~~ said PEF svc man to Cust. it was caused by the Co. that installed
the power pipe; Bowers will look @ TV and appliances and Bad Boy
to evaluate computer; Bowers Pd. \$181.79 3/22/05 (see sk. reg.)
Tot. Pd. \$181.79
26. 9/13/04 - 10/6/04 24 days Surges on PEF sides during restoration TV, VCR,
2 surge protectors, dell computer, printer, garage door, RCA clock radio
CD player, microwave and dryer were fried; Tot. Pd. \$677.96
27. 10/18/04 - 10/27/04 PEF failed to repair hole dug in pavement in front of
40 days cust. address after hurricane; water Co. to repair; passed
to another dept. to complete; closed file
37. 6/10/04 - 6/10/04 customer Bull Terrier was struck by ~~auto~~ and killed;
Cust. blames PEF Serviceman; Serviceman says he
^{remembers} closing gate; Co. believes cust. let dog out.
Tot. Pd. \$700.00

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- 2 days
50. 2/17/04 - 2/19/04 This claim was originally filed by cust. over electrician billing, cust. for 4 hrs waiting for P&F serviceman; P&F requires a signature on the 46-hour waiver for inspection; after arriving late due to other work the serviceman did not have the required form. P&F negotiated w/ Electricians Co. for 2.5 hrs of (rather than 4) @ \$22.50/hr.; changed claim to Elec. Co. from. Cust. name. TOT. Pd. \$56.25
51. 7/3/04 - 7/20/04 Cust. called to req. tree trim of limbs overhanging transformer lines were not trimmed, and fell on line, now several appliances have been burned out; fax, 3 lines + remote control boxes, computer, answering machine, Caller ID machine, base stereo alarm clock; ~~fax machine~~ Back Bay Computer to repair computer for \$195.22; 2 pens regained; fax; cell. charger, canon trimmer; ~~Booth brush~~ surge protector (2), wireless remotes on BellSouth answering machine \$36.20 TOT. PD 691.17
- 48 days
* 7/23
+ 11/24
52. 8/10/04 - 11/16/04 After power outages and surges received over just couple of weeks washing machine does not work; Co. down to 7/28 then, 8/10 human error, TOT. Pd. \$00.00
- 37 days
53. 8/31/04 - 11/3/04 Troublemaker said when he went to site crew from S.C. (4 days) came to hook up line (from hurricane) but never hooked up neutral 12/2/04 cut to pole caused damage to home; 12/2/04 die-open check TOT. Pd. \$1643.68
- 4 days
75. 1/29/04 - 2/19/04 Cust. claims surges have caused damage to fuse box, discussed surge protection discussed home wiring prog. that he has; cust. wrote # he claims neighbor got # for same issue; claims surge to fuse box was experienced as a result of storm 1/18/04; OMS for same date indicate "inside trouble" voltage OK; Pleaded cust. by sending electrician vendor to evaluate situation; Electrician said ^{cust.} equipment was old and failing
- 21 days
76. 6/3/04 - 6/9/04 (6 days) Cust. has small appliances damaged due to ~~pass~~ long term corrosion on service line confirmed by serviceman; Pd \$100.00 for 15 yr. old re-termination Pd 50.00

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- 77 8/24/04 - 11/16/04 Training contractor left auto in yard trying to avoid car
(19 days) on street; cust. requests \$100 for yard repair; authorized payment
for \$100.00. Home pd. Tot. pd. \$100.00
- 78 10/22/04 - 10/25/04 Entompinia leaving no documentation as to why
(3 days) \$222.60 was pd.; no explanation of claim; Tot. Pd. \$222.60
- 9 1/1/05 - 3/30/05 Cust. states voltage prob. has burned up computers;
(14 days) TV & fridge;
- 10 2/24/05 - 3/1/05 Cust. said window AC damaged due to voltage issues,
(5 days) AC man told him to call PEF; Tot. Pd. \$503.97
- 11 3/29/05 - 3/29/05 Replacement of microwave approx. 1 yr. old
(1 day) Tot. pd. \$94.00
- 12 5/18/05 - 5/23/05
(5 days) Cust. said 2 TVs were damaged by voltage prob.; lights
5/18-6/27 were getting bright then dim and TV blew up & started smoking;
(Total 40 days) 2 TVs & over range MW affected; MW is 4 yr. old; needed repair
of flame in w and range by MD Appliances Svc.; took a few
(5/19-26) days for cust. to get model numbers back to adjuster; Rep.
\$278.00 ch. payment to Hens Hardware for Sylvania TV, Sony TV, &
ATTN phone; ch. payment to MD Appliances \$553.27
- 28 7/6/05 - 7/11/05 FISC complaint cust says damage Total Pd 832.27
FISC Complaint (4 days) due to voltage to 2 TVs; based on RVM Cust. line num
76-9/8 plus 7/18-7/19 fine, but some tree trimming had to be done; Cust claims
8/23/05 19" Zenith TV and 35" Sony to be repaired; Cust has counsel
9/8/05 (64 days total) that suggests repair; Sony repaired but counsel repair Zenith
to Cust. location; Service Place to take Zenith to shop; Service
Place called back after having sat two weeks; Service Place detains
Zenith is not repairable; Cust. will accept \$175 and keep Zenith

Tot. Pd. \$427.54

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29. 7/22/05 - 8/4/05 Cust. has damaged appliances due to voltage prob.;
 (13 days) 8/3/cust will get list of damages A/c rent fee TBT, Pd. \$407.00
38. 9/6/05 - 9/7/05 Cust. states Hot Water heater elements & DVD player
 (1 day) were damaged because of too much voltage; Co. filter good
 load test and PEF side is OK; Co. called and left denied UM
 TBT Pd \$00.00
39. 10/31/05 - 11/2/05 RV backed into printer box at RV park box needs
 repair; was repair done by Co.? Does \$25 cover Co. costs
 to repair? Charge \$25.00?
54. 5/10/05 - 1/12/06 Cust has filed a lost product claim due to outage;
 (247 days?) Cust is concrete business needing power reliability to prevent
 is date wrong? lost product (concrete); complaint denied but PEF is
 working w/ cust. re: back-up generator;
 TBT, Pd. \$00.00
55. 7/5/05 - 7/8/05 Cust says wireless router damaged during outage on
 (3 days) 7/4/05; customer feeder outage on 7/5 but PEF
 is unable to assist TBT Pd \$00.00
56. 9/29/05 - 12/19/05 Due to power outage TV, A/V, 2 radios and phone
 (81 days) in bedroom damaged; also damaged garage door opener;
 Co. notes 8/28 lightning storm & lost power when power was
 restored items were not working (should 8/28 be 9/28?)
 10/6 called cust no ans.; 12/21 closed invoice; TBT Pd \$00.00
57. 12/12/05 - 12/15/05
 (3 days) Cust had transformer blow and had damages @ two
 locations on same street; Tablman advised that
 PEF lost one leg of feeder due to lightning; arcing;
 Cust has backup generator; Co advised cust. claim denied
 because one phase should not have caused their damage;

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- cont'd 57 Co sent denial letter to advise cust to use for insurance
79. 3/7/05 - 3/8/05 Cust experienced low voltage on PEF side and caused
 (1 day) damage to microwaves; Co. verified loose connection & weatherstrikes
 Cust settled for \$75 for both MWs. Tot. Pd \$75.00
80. 4/8/05 - 4/11/05 Cust states during storm lost night lby Cust
 (3 days) 2 TVs, a MW, and a fan; Cust. Electrician to replace UG
 Co. denied claim and spoke w/ cust.; ^{Co. found that} Cust owned UG
 was temporary since last November Tot. PD \$000.00
81. 8/1/05 - 10/28/05 Cust. heard lightning strike then by TV, VCR, alarm,
 (17 days) garage door & phones are not working; Co. called cust. &
 left msg. w/ baby-sitter. Tot. Pd \$000.00
132. 2/6/06 - 2/13/06 Cust. says bad svc. drop is to blame for damage
 (7 days) to a CD, ~~and~~ AM/FM stereo, Computer modem, AT&T house phone,
 Sprinter alarm clock and 5 power strips; CSE confirmed bad
 service drop and Co. requested list of damaged items; Repair,
 costs in file. Tot. Pd \$240.00
- 14 3/9/06 - 3/13/06
 (4 days) Cust. says power surge on 2/24 blew out refrigerator,
 Computer, TV, answering machine, wants damage claim; PEF originally
 identified no prob.; Problem persisted and hired electrician who
 noted loose connection in main; PEF came bk out and found
 open neutral at pole; Cust. asked to compile list of damaged equip.
 and fax to adjuster; 3/17/06 Adjuster pd. electrician \$356.50 and
 depreciated value of equipment Tot. pd \$1096.50
- 15 5/20/06 - 5/23/06 Cust. had big surge of voltage that blew out refrigerator,
 (2 days) Co. found UG neutral bad, only casualty was Euro fridge;
 Cust. pd \$200 3 yrs. ago and Co. offered \$140; Customer accepted; Tot. Pd \$140.00

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- 16 9/28/06 - 11/1/06 Possible claim for three businesses due to
 (35 days) broken service neutral strain sleeve pulled into causing voltage
 probs w/ Dry Cleaner, Muffler Shop, + Beverage Store; claim voltage
 since damaged equipment; Got found a "broken service neutral strain
 sleeve"; Pd. \$1577.56 to Cleaners; not sure about other businesses.
 Total Pd. \$1,577.56
- 30 5/1/06 - 5/16/06 Cust. states 3 DVD players + 2 TVs and cable box are not
 (5 days) working due to power surge due to line down in street; Total Pd. \$447.25
- 31 11/2/06 - 11/3/06 Cust. says had partial power for 3 days and had no power.
 (2 days) in kitchen dead; to lose 2 everything in fridge; PEF found
 bad UFD and repaired UFG SEC / SERVICES (NOT DIGIN); Agreed
 to pay for \$100 in lost food due to PEF delay in going out
 sooner.
 Total Pd. \$100.00
- 40 1/10/06 - 2/13/06 Cust. says tree fell into utility shed from 14 ft. alley where
 (3 days) PEF poles are located; County to cust. PEF may be responsible for tree
 Co. advised cust. PEF does have poles in that area serving custs. home,
 but do not own land or tree. PEF only trim tree to keep out of lines;
 denied claim
 Total Pd. \$0.00
- 41 11/9/06 - 11/9/06 Cust. on seasonal svc, called regarding damage to
 (2 days) refrigerator due to water change; I informed cust that ref is
 not related to change of water and that it did not cause the
 breaker to go off. Someone turned the breaker off in the home;
 Cust. says they were never contacted about water changeout; Called cust +
 explained denial;
 Total Pd. \$0.00
- 58 2/21/06 - 3/22/06 Cust was out of town from 2/23 - 2/26 and when returned
 (23 days) home found water on floor from fridge that had melted;
 Power on fridge was working when cust. arrived and Co. could not
 find outage during timeframe; Denied claim.
 Total Pd. \$0.00

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59. 7/14/06 - 7/17/06 Cust. claims P&T equip. failure caused loss of
 (3 days) food. 7/17 M/S acknowledged claim explained unforeseen equip.
 failure - explained I am unable to assist w/claim;
 Denied by phone Unit Pd. \$00.00
60. 9/21/06 - 9/22/06 Electrician reported 374 volts coming into home and believed
 (2 days) this blew out dryer; since gone had neutral on P&T and cust.
 would like to file property damage claim; field contact notes Volts
 found good on P&T Service; Spoke w/ cust. and she was not able
 to describe having any power related event; Checked records for July
 when dryer quit; account outage history does not show any during
 2006; ran feeder report for cust. feeder and found storm related feeder
 outage in 2006 including 2 on 7/21/06 cust. could have had feeder open
 not known it; since cust. could not identify specific event claim denied.
 Total Pd. \$00.00
61. 10/4/06 - 10/5/06 Cust. experienced outages today causing AC circuit board
 (2 days) and fan blower motor to burn up ~~cust.~~ seeking damages; Cause
 was system undetermined - Temp. - substation / Transmission; Sent cust.
 denied notice 10/5/06 Total Pd. \$00.00
82. 4/9/06 - 4/11/06 Cust. said lightning struck her house & computer does
 (2 days) not now work; no surge protection program; Explained to cust.
 lightning damage is not paid as it is storm related and beyond
 control of ~~CO~~, she said P&T pd a prior ~~to~~ similar claim;
 P&T checked and found prior loss was due to a neutral connector;
 Advised cust. two diff. types of claims are payable the other not.
 Total Pd. \$00.00
83. 11/8/06 - 11/8/06 Cust. states her TV is broken due to a storm and power
 (1 day) since it has property last night & wants TV repaired; Cause is
 trees preventable; Denied Total Pd. \$00.00

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84 12/29/06 - 12/29/06 Cust. noticed voltage prob 12/23 pm; all night long
 (1 day) had alot of wind; noticed voltage prob in am; called early christian
 eve to report voltage prob. @ 6:30 pm christian day experienced a
 big ball of fire and thought house would burn down; cust. noticed
 PEF truck working in neighborhood and asked Socman to look @ situation,
 Socman found broken neutral and repaired; cust. turned on power
 and all seemed OK but found lots of items were damaged; to client
 Total Pd \$000.00

17 2/20/07 - 2/21/07 Cust. explained that MW and TV do not work after trying to
 (2 days) plug them into electrical outlet after an outage when plugged in
 appliances came from outlet; Causes identified are UNC SEC/
 SERVICES (NOT DIG IN) POSSIBLE CLAIMS BAD NEUTRAL 4/06
 These two have been pd. in other claims but not here?

18 4/16/07 - 4/19/07 Bad neutral caused damage to items in home; problem have
 (3 days) been ongoing since last Oct. and stated following was damaged;
 food (\$200), \$150 comp. repair, \$100 for math, \$100 surge protector
 Transformer noted as prob. in notes on 4/19/07; Claim closed
 no activity on 4/19/07 Amt. Pd \$000.00

19 9/17/07 - 9/25/07 Cust has outage on 9/15/07 which damaged
 (8 days) appliances; Said PEF Socman told them they had a bad UC
 that needs replacing; Cause UNC SEC/SERVICES (NOT DIG IN)
 Informal customer cause was deteriorated cable; co. will
 replace cable rather than repair; Suggested cust. consider
 HD insurance as another option but co. denies claim; If
 letter from PEF is needed will gladly provide documentation;
 9/25/07 denied over phone Total Pd \$000.00

20. 12/10/07 - 12/11/07 P&T tech. made repairs on ~~cont. ^{12/08} and~~ many
 (7 days) appliances were damaged by bad neutral; cust was in process
 of reporting claim when phone went dead; no listing of all appliances.
 The cable that failed is customer owned - prob. will not be able
 to assist; Cust says P&T out a few wks ago to work on
 transformer; cust. states a few days later began having dimming lights
 12/10/07 re: bad underground temp. repair made; further
 work ticket to repair UG should be completed w/in 10 days Tot. Pd ^{12/08} 00.00
32. 5/15/07 - 5/22/07 Company owner says surge destroyed ice machine
 (7 days) about one week ago; Seems to be tied to 911 event that occurred
 early AM of 5/8 @ 4:40 where driver wired out a 45 ft. concrete
 pole; since this would be a car taken out pole type situation it
 falls into a non payable category; Called cust. bk and notified
 of denial and explained Tariff 4.04; cust. accepted explanation and
 appreciated investigator looking into situation. Tot. Pd. ^{12/08} 00.00
33. 8/17/07 - 8/20/07 Cust. has part power 1 leg is down; temporary setup
 (3 days) but cust. has flickering lights; P&T tech went out and said it
 needs electrician; cust. feels P&T damaged area behind meter since
 meter was handled by P&T trying to restore power; cust wants comp. for
 electrician's fee; Electrician says when P&T repaired the UG svc. the
 broken jaw caused a short; cust to pay \$86.22 total
 8/17/07 Pd \$86.22 & closed
42. 3/8/07 - 3/12/07 New cust. was advised he needed to call electrician to
 (3 days) check service because P&T already had power on; Cust. had
 no power and called the electrician and it turned out P&T
 had a prob; Cust. wants to be reimbursed for electrician;
 Cust.'s power had been disconnected for no known reason; will pay
 electrician charge of \$65 was advised prob on PE side Tot. Pd. ^{12/08} 06.50

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- 43 7/31/07 - 8/7/07 Cust. wants to place claim for electrician charges -
PSC Complaint (3 days) to replace burned meter jaws; Cust. believes P&T resp. for
damage and tenant may also file his own claim for food &
inotel; No denial letter, but statement sent may be
dismissing claim not complaint; unsure but no denial
letter for documentation Total Pd. \$00.00
- 62 3/23/07 - 3/26/07 Not sure ~~if~~ whether Verizon cut a ~~few~~ wires
(3 days) while out last or whether bad UC wire is on P&T side;
Cust. was experiencing an outage; unable to assist cust,
since Verizon contractor damaged cable during installation;
verbally ~~to~~ denied claim and the cust. would be willing to
send e-mail on cust. behalf if she would provide amount
of compensation requested; ~~the~~ Claim denied Total Pd. \$00.00
- 63 4/19/07 - 4/20/07 P&T owns installig lights damaged pump wiring
(2 days) requiring an electrician; closed/inactive on one day
Total Pd. \$400.00
- 64 6/13/07 - 6/21/07 Cust. states frequent momentary outages caused damage to
(9 days) surge protector, 2 computer, A/C unit of fridge; Co could not
identify specific cause ^{for} customer claim + denied;
Total Pd. \$00.00
- 65 11/13/07 - 11/19/07 Cust. had surge that damaged DVD VCR receiver and
(6 days) surge protector; also claiming bill for electrician; 2nd may
be from transformer; Bad UC recital appears to be first
occurrence; no previous outages problem calls, will request a.k. for
electrician identifying the prob. \$155.60 Total Pd. \$155.60
- 66 11/8/07 - 11/13/07
(5 days) Cust. had power turned off due to transformer down the
street being moved; wants food replaced due to outage
11/9/07 Cust. agreed to \$50

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- 85 5/9/07 - 5/23/07 Bad storm knocked out 3 TVs; Parents not home when called
 (14 days) Left msg. w/ child; will try later; closed 5/23 no action?
 thought contacted 30 days before closing not 14? Tot pd \$00.00
- 86 6/16/07 - 6/26/07 Cust. reports TV destroyed after lightning storm on 6/11;
 (Same day) Plus meter based suppressor; claim filed for MBA surge suppressor
 forwarded to that dept. Tot pd \$00.00
- 87 7/24/07 - 7/25/07 Electrician concentrator is not working after storm on the 21st
 (2 days) Cust. is PEF surge protection cust. Has temp. replacement and
 holding off on possible repair until PEF able to see damage;
 closed to inside dept. for surge suppressor claim Tot pd \$00.00
- 21 7/17/08 - 7/18/08 Cust. claims voltage ~~prob.~~ damaged her TV, MW, vac,
 (3 days) a few ceiling fans and smoke detector, etc.; PEF women
 found badly corroded connections at the weather head; connection
 failed due to corrosion from salt air; PEF is unable to prevent
 and does not offer any compensation when property damage occurs,
 7/10/ called cust + denied; Tot. pd \$00.00
- 22 7/14/08 - 7/30/08 Cust. claims high voltage damaged TV, MW, refug,
 (16 days) 6 outlets, water heater timer; pd cust. claim of \$982.10 7/29
 and addit. \$12.75 on 7/31; Tot pd. \$1,024.85
- 23 8/4/08 - 8/5/08 Large power surge on cust. sys. damaged TV, dryer, MW;
 (2 days) power off 6 hrs. lost some food; pd for MW, food, TV
 repair Tot pd \$289.50
- 34 1/30/08 - 2/26/08 Cust. said a/c air handler port was damaged w/
 (27 days) recent voltage surge and wants to be reimbursed for electrician
 Notes say Co. wants to pay \$100 for electrician pd. + closed file
 No mention of other \$100 shown in Claim Total; Tot pd \$00.00

35 4/27/08 - 4/12/08 Cust. reported outage damaged his machine and wants P&F to replace; Claim has had damage to many ~~other~~ appliances ~~over~~ over the yrs. and is tired of problems; Union indicates appliances damaged and denied claim; file not closed and reviewing again; No further review but was not able to determine anything different
9/12/08 Denied cust. claim Tot Pd \$00.00

44 8/8/08 - 11/6/08 Cust. had outage while out to town; got bk. had spoilage of food and moved everything outside including fridge; P&F cut his power in error; Adjuster said would compensate ^{\$100} for food but not fridge because cust left it outside & didn't just clean it out; Claim was escalated to Claim Committee Review and agrees to compensate cust. \$200 for both food & fridge; cust. agreed & check was issued Total Pd \$200.00

45 8/4/08 - 8/4/08 Cust. believes P&F damaged meter base when they pulled meter out and he believes he should not have the burden of repair; Reconnect order noted on account disconnect shows damaged lower jaws repair needed; no claim filed just venting; denied & closed

67 1/17/08 - 3/4/08 Cust. power failed @ 3:00 AM and not bk. in until 6:25 AM
Cust says groceries ^{in fridge} are spoiled; appears to be second occurrence of bad LG; previous time was 4/25/07; ^{cust req.} ~~cust req.~~ help w/ lost food; pd \$150.00 for food

68 3/5/08 - 3/5/08
1 day Customer experienced power event because of faulty meter can equip that is customer-owned; unable to assist because it is customer-owned; bad join is cause for damage; lower left jaw in meter pedestal burnt and P&F cannot reconnect until repaired; denied claim

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- 69, 4/10/08 - 4/24/08 Cust had power outage which blew out fridge & lost
 (14 days) approx. \$500 in groceries; claim for food loss & damage to fridge;
 Bad bill appears to be cust's first occurrence and cust. contends do
 not show any other sec. outages; however electrician indicates
 line under driveway & needs retrench; co will replace
 service to home but will not assist w/ damages or food
 loss; co's policy to deny on first occurrence Tot Pd. \$00.00
- 70, 5/16/08 - 6/5/08 Outage caused damage to coffee maker, DVD player, and
 (20 days) couple of elec. outlets; Cause is tree - non preventable;
 4/15 called cust. and denied claim by phone Tot Pd. \$000.00
- 71, 7/7/08 - 7/8/08 Cust. states loss of food and damage to computer
 (2 days) caused by 8 hr. outage; OMS shown NO PRIMARY
 CABLE (FAILURE NOT DIGN); sent letter 508
 denying claim; Tot Pd. \$000.00
- 88, 2/20/08 - 2/28/08 Cust. says late storm caused Big Screen TV and Computer
 (1 day) not to work; smaller TV acting "funky"; cust. says tree
 fell on powerline, powerline fell on cable and caused
 cable to blow along w/ everything hooked to it; Cable co. says
 PEF's issue; again tree caused outage - unpreventable;
 2/28/08 declined claim Tot Pd. \$000.00
- 89, 6/10/08 - 6/11/08 Cust's transformer blew was repaired by PEF and when
 (2 days) power was restored surge blew meter can off the
 wall; PEF does nothing to fix cust. meter can prior to
 closing & fixes; contends they did all they should;
 Contended cust. advised claim and provided summons in
 writing for his use; Tot Pd. \$000.00

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90 8/18/08 - 8/19/08 ^{Cont.} ~~Regrets~~ Pto was doing work in area from
(2 days) 10:00 AM to about 3:00 PM and may have caused 2 outages and
3 ranges during that time span; lightning damaged feeder
2593 and cont. affected; No rest assist on lightning; called
cont + denied claim 8/19/08 Tot. Pd. \$00.00

Bureau of Performance Analysis

Interview Summary

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Company: Progress Energy Florida
Area: Customer Property Damage Claims
Auditor(s): Fisher/Cryan

Interview Number: PEF-IVS2
File Name: Same

Name: Larry Mazer
Associate General Counsel and Claims Manager

Date of Interview: 10/2/08
Location: St. Petersburg
Telephone Number:

(1) Purpose of Interview: To understand the responsibilities and duties of the Claims Manager in the claims process.

(2) Interview Summary:

- a. Larry has been with the company 18 yrs. and is a licensed attorney in N.C. and Fla. w/25 yrs. experience in claims in Progress Energy Carolina and Florida; Larry has been in Florida 3 years; he was attorney for claims group for 14 years in the Carolinas; the Claims team is located within the Legal Department; Larry is the Associate General Counsel and Claims Manager; he reports to Alex Glenn, Progress Energy Florida General Counsel;
- b. "B" claims are claims filed by the company against others, such as contractors, vendors, and outside interests negatively impacting the company; "A" claims are filed against the company, such as customer property damage claims; both functions are handled within the claims staff; six investigators handle "A" claims; a secretary handles the checks and accounting for both types of claims, and a paralegal assists with litigated claims; Larry rarely litigates claims, PEF uses outside attorneys for litigation matters;
- c. The six claims investigators are all licensed investigators with the State of Florida; Claims goals include 90% of all customers called back w/in one business day, 60% of all claims closed within 10 days, and 80% of all claims closed within 30 days. (provided in DR-1.8); the primary need to track dollars for claims is to return budget dollars; Claims Manager trends dollars for annual dollar estimated budget; the objective is to be at \$0 at the end of the year; Larry is measured on how well he does against expectations, along with other qualitative goals pertaining to handling of claims and efficiencies. A monthly report shows where Claims is with the budget;
- d. Calling the claimant back within one business day is an important goal; early on the investigators give the customer the lay of the land and discuss what the company does and does not pay w/the cust. and that they may want to contact their insurance company; the primary goals with handling claims investigations is to go over liability first then damages; that is why PEF does not use a claim form up front to capture customer equipment model, age, etc.; PEF first determines liability; PEF primarily discusses this information over the phone and may have the customer fax the information to the investigator;
- e. PEF requires a signed release in cases where PEF is paying a deductible; a release agreement is also prepared for complex claims on case-by-case basis, not by dollar claim amount; the check also acts as a release mechanism; PEF checks tells the customer they want to speak to the insurance company when they are requested to pay the customer deductible; this allows PEF to confirm whether the insurance company is paying the deductible in their settlement; if the customer goes to both the insurance company and PEF for payment of the same claim they have completed a fraud;
- f. If PEF experiences delays in the claims process it will not close the claim if the ball is in PEF's court, but will place the claim in pending state if the customer is delaying the process; pending claims are not included in the claims measurements as an open account; claims can also be re-opened when the customer decides to pursue the claim up to four years;
- g. New claim assignments are by territory; this helps the investigators develop a relationship with the operations centers in their areas; all investigators are managed based on the workload; one of PEF's goals is to have no single investigator with more than 5% of the average claim load of the group; this assures no single group is inundated with claims while another has none; two investigators are located outside Pinellas county; one covers the panhandle and one covers Orlando and the operating areas within Central Florida; investigators handle claims both from their desk and from the field; for accidents or claims that are questionable, the investigator would go to the field.
- h. Larry reviews performance with investigators at mid year and end of the year; otherwise Larry would only discuss performance if the investigator was out of sync with performance; PEF upper management gets a copy of the Workload Completed monthly report;
- i. In the event an investigator found a trend in claims due to employees not following procedures the investigator would notify the General Manager and the G.M. would communicate with the work centers that procedures were not being followed; Claims would be copied on any improvement actions by the field;
- j. The primary difference between OH and UG is that UG can't be inspected like OH; no utility has periodic testing of UG service lines to homes; the key is timeliness and accuracy; because of the inability to find an open neutral; PEF believes that it is not a guarantor; the company is looking for whether it failed to maintain, inspect, or install incorrectly; the company has to find culpability on the company's part to pay a claim; any time there is culpability on PEF the company pays; if there is no culpability on PEF, it does not pay the claim; PEF has based its policy on input from standards people and have determined their policy to be the best for the company and customer.
- k. PEF's decision for replacement or repair looks at the likely costs to repair vs. actual cash value, and determines whether to use a local repair shop or a vendor should be sent out have an evaluation done; the company will pay to have a vendor go out and complete the evaluation if needed; this decision may prove less for the customer and get the equipment repair sooner, which assists the customer; there is no preset value of determination, but anything less is in the ratepayer interest; PEF uses a variety of sources to reach depreciable amount, but would never go to zero, and may offer a goodwill gesture in those cases;

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(3) Conclusions:

- a. The six claims investigators are all licensed investigators with the State of Florida; Claims goals include 90% of all customers called back w/in one business day, 60% of all claims closed within 10 days, and 80% of all claims closed within 30 days.
- b. "A" claims are filed *against* the company and "B" claims are claims filed *by* the company against others;
- c. The primary need to track dollars for claims is to return budget dollars; Claims Manager trends dollars for annual dollar estimated budget; the objective is to be at \$0 at the end of the year.
- d. Calling the claimant back within one business day is an important goal; early on the investigators give the customer the lay of the land and discuss what the company does and does not pay w/the cust. and that they may want to contact their insurance company.
- e. In the event an investigator found a trend in claims due to employees not following procedures the investigator would notify the General Manager and the G.M. would communicate with the work centers that procedures were not being followed; Claims would be copied on any improvement actions by the field.
- f. PEF first determines liability; PEF primarily discusses this information over the phone and may have the customer fax the information to the investigator;
- g. If PEF experiences delays in the claims process it will not close the claim if the ball is in PEF's court, but will place the claim in pending state if the customer is delaying the process; pending claims are not included in the claims measurements as an open account; claims can also be re-opened when the customer decides to pursue the claim up to four years;
- h. The primary difference between OH and UG is that UG can't be inspected like OH; no utility has periodic testing of UG service lines to homes; the key is timeliness and accuracy; because of the inability to find an open neutral; PEF believes that it is not a guarantor; the company is looking for whether it failed to maintain, inspect, or install incorrectly; the company has to find culpability on the company's part to pay a claim; any time there is culpability on PEF the company pays; if there is no culpability on PEF, it does not pay the claim; PEF has based its policy on input from standards people and have determined their policy to be the best for the company and customer.
- i. PEF's decision for replacement or repair looks at the likely costs to repair vs. actual cash value, and determines whether to use a local repair shop or a vendor should be sent out have an evaluation done; the company will pay to have a vendor go out and complete the evaluation if needed; this decision may prove less for the customer and get the equipment repair sooner, which assists the customer; there is no preset value of determination, but anything less is in the ratepayer interest; PEF uses a variety of sources to reach depreciable amount, but would never go to zero, and may offer a goodwill gesture in those cases;

(4) Date Request(s) Generated:

No. _____

No. _____

No. _____

NONE

(5) Follow-up Required:

NONE

Project Manager

DECLASSIFIED

Bureau of Performance Analysis

Interview Summary

CONFIDENTIAL

Company: Progress Energy Florida
Area: Customer Property Damage Claims
Auditor(s): Fisher/Cryan

Interview Number: PEF-IVS3
File Name: Same

Name: Mary Shelton
Title: Claims Agent/Investigator

Date of Interview: 10/2/08
Location: St. Petersburg
Telephone Number:

DECLASSIFIED

(1) Purpose of Interview: To understand the responsibilities and duties of the Claims Investigator/Agent in the claims process.

(2) Interview Summary:

- a. Has been w/co. 17 yrs.; reports to Larry Mazer and has no direct reports to her; prior to joining the claims group she handled Commission complaints for PEF; has been in Claims since October 2005, received her license in December 2005;
- b. Responsible for receiving, investigating, and resolving property damage claims; claims > \$5,000 are reviewed w/Larry to make sure everything is covered; work is assigned by work center through STARS; her area is Jamestown, Seven Springs, Zephyr Hills, and helps cover other areas if work load requires assistance throughout the state; in investigating claims she looks to what id the driving force in the claim if the claim is non-electrical; claims investigators get input from the field and rely on their input to help analyze the conditions causing the claim; upon occasion, if necessary they may have equipment evaluated by outside engineers to evaluate the cause of failure of equipment;
- c. **Goals include customer contact w/in 24 hrs; completing investigations in ten days and 30days; they receive monthly feedback on their performance through the monthly performance report done by Larry; also have mid year and end of year reviews; are not measured on percent of claims denied or paid, and are not measured on reductions in claims levels for the year; training consists of different types of company training and licensing continuing education; for instance learn about use of company equipment from work center safety training re: bucket trucks, etc.; Crawford also provides adjuster training seminars that are useful in keeping accreditation (every two years 24 credits) and licensing requirements current;**
- d. On cases w/injuries she would provide Larry a report; ea. Agent I responsible for preparing a report that goes to Larry for approval based on what the payout is expected to be as well as the FPSC reporting requirement for claims > \$5,000;
- e. Use reporting information from the Customer Service System CSS regarding the account address and any outstanding balances; STROMS is the claims system that claims documentation resides in; WBS is the system used to research work orders, FDROP is the system used to check on feeder operations within the areas a claim is filed, OMS is the system used to find out whether any outages were experienced in the area the claim was reported; primarily the Claims Team receives customer damage claims form Customer Care;
- f. After completing investigation, the customer is called to give them the results; if the customer is not able to be reached, the investigator will leave a callback number where they can be reached; if the customer is not in agreement with the results and wants to escalate the claim, the Claims Committee is a second level of appeal at PEF to review the investigation, results, and facts of the case to determine whether the customer has a logical appeal to the decision; the Committee may be able to call the customer the same day, or may need further investigation; if additional investigation is needed the customer is called and informed of the decision; if the customer is not happy with the decision of the Committee their decision may be appealed to the Claims Manager as a second level of appeal. After that level of appeal the next recourse is usually litigation of the customer chooses to continue to appeal; If the claim is a payable claim, the investigator prepares a check request and spreadsheet inventory goes with the check including the depreciation schedule; PEF uses web claims pages such as "How Old Is My Appliance?" to find the age of the customer equipment once they have a model number; on-line resources help w/replacement values, equipment life, and age for depreciation; Orion is also used for computers, TVs, stereos, and playstations;
- g. **Investigators are required to investigate more thoroughly open neutrals and underground claims; the claims decision matrix upgrade in 2006 provided additional guidance to assure consistency in ruling on claims; regular updates to the matrix scenarios are made to assure that all investigators use the same guidelines for consistency; for underground isolation and repairs, PEF uses "Thumper" to isolate damaged cable and "The Beast" to test the cable under voltage load; the devices can assist in determining whether fence posts, tree roots, or damage cause by other parties can be the source of the UG cable problem;**
- h. If a splice fails after a long period (10-12 years) PEF may not pay since the splice is considered a permanent repair; it may be considered an unknown failure unless the company can find some culpability due to workmanship, materials, or something the company failed to do that could have caused to failure;

(3) Conclusions:

- a. Claims investigators get input from the field and rely on their input to help analyze the conditions causing the claim; upon occasion, if necessary they may have equipment evaluated by outside engineers to evaluate the cause of failure of equipment; **Goals include customer contact w/in 24 hrs; completing investigations in ten days and 30days;**
- b. Use reporting information from the Customer Service System CSS regarding the account address and any outstanding balances; STROMS is the claims system that claims documentation resides in; WBS is the system used to research work orders, FDROP is the system used to check on feeder operations within the areas a claim is filed, OMS is the system used to find out whether any outages

were experienced in the area the claim was reported;

c. Investigators are required to investigate more thoroughly open neutrals and underground claims; the claims decision matrix upgrade in 2006 provided additional guidance to assure consistency in ruling on claims; regular updates to the matrix scenarios are made to assure that all investigators use the same guidelines for consistency;

d. For underground isolation and repairs, PEF uses "Thumper" to isolate damaged cable and "The Beast" to test the cable under voltage load; the devices can assist in determining whether fence posts, tree roots, or damage cause by other parties can be the source of the UG cable problem;

e. If a splice fails after a long period (10-12 years) PEF may not pay since the splice is considered a permanent repair; it may be considered an unknown failure unless the company can find some capability due to workmanship, materials, or something the company failed to do that could have caused to failure;

(4) Date Request(s) Generated:

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NONE

(5) Follow-up Required:

NONE

Project Manager

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d. The cust. Is notified of the investigation results by phone contact, and in some cases by letter, if they are waiting on the customer to provide information, will inform customer that information is needed to move forward w/claim; CSS provides customer contact information numbers if needed; if the customer is not happy with the claims decision, two levels of appeal exist, one is the Claims Committee and the second level is the Claims Manager; Claims payments cannot be credited to the customer's bill; in some cases a two-party check may be issued to ensure payment of a vendor is made by the customer; the investigator can make "good will" adjustments up to \$100 as they believe is necessary for a claim;

e. Senior investigators handle the more complex claims, which may have a "long release" form as part of the documented claims package;

f. The decision matrix was brought about in the last five years, and has been updated recently by the Metric Committee; in claims meetings we examine any areas for improvement to the matrix;

(4) Date Request(s) Generated:

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No. _____

NONE

(5) Follow-up Required:

NONE

Project Manager

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Bureau of Performance Analysis

Interview Summary

CONFIDENTIAL

Company: Progress Energy Florida
Area: Customer Property Damage Claims
Auditor(s): Fisher/Cryan

Interview Number: PEF-IVS4
File Name: Same

Name: Keith Bentley
Title: Sr. Claims Investigator

Date of Interview: 10/2/08
Location: St. Petersburg
Telephone Number:

DECLASSIFIED

(1) Purpose of Interview: To understand the responsibilities and duties of the Senior Claims Investigator in the claims process.

(2) Interview Summary:

- a. Keith has been with the company 10 yrs.; before his time w/PEF he was an insurance agent; has been in the Claims dept. about 5 yrs. and was a claims investigator 2 1/2-3 yrs. and a Senior Investigator for a couple of yrs.; reports to Larry Mazer; part of the Senior Investigator position is serving on the Claims Review Committee, which consists of the three senior claims investigators, and acts as a first level review panel for customer claims that appeal a claims decision; Senior Investigators also assist in taking witness statements and gather data (take measurements, take possession of evidence, tag evidence for investigation, do fire investigations); more experienced investigators assist and help newer investigators in these instances; He covers the St. Pete, Inverness, Winter Garden; Wildwood and Lake Wales work centers are locations for other two Sr. Investigators;
- b. His goals are the same as other investigators, w/addition of training assignments; he will set up training sessions and make them available to Florida and Carolina investigators as well; goals are reviewed twice annually as part of the PEP personal development mid yr. and end of yr.
- c. The investigator works with the operations centers and field personnel to learn about different equipment at safety meetings and other operations meetings; Must fulfill 24 hrs. credit over 2 yrs. for licensing requirements; also have regular meetings with the Fla. Investigators to discuss topics as a group;
- d. The claim is first received by Claims Investigators in STARS; CSS provides customer service files with, customer contact information on the account, the system address of the feeder that serves the customer, a history of trouble information related to the customer account, and work tickets generated to resolve any service problems; the OMS system provides detail information on system events, such as outages, that have occurred and may have impacted the customer's service; investigators can use information from op center on feeders in the field; SDROP is used to identify when feeder operations occur; Investigators rely on information provided from the ops centers, engineering stds. people, as well as sharing "golden nuggets" between agents to help the group be more aware of special items;
- e. The cust. Is notified of the investigation results by phone contact, and in some cases by letter, if they are waiting on the customer to provide information, will inform customer that information is needed to move forward w/claim; CSS provides customer contact information numbers if needed; if the customer is not happy with the claims decision, two levels of appeal exist, one is the Claims Committee and the second level is the Claims Manager; Claims payments cannot be credited to the customer's bill; in some cases a two-party check may be issued to ensure payment of a vendor is made by the customer; the investigator can make "good will" adjustments up to \$100 as they believe is necessary for a claim;
- f. Senior investigators handle the more complex claims, which may have a "long release" form as part of the documented claims package;
- g. The decision matrix was brought about in the last five years, and has been updated recently by the Metric Committee; in claims meetings we examine any areas for improvement to the matrix;

(3) Conclusions:

- a. part of the Senior Investigator position is serving on the Claims Review Committee, which consists of the three senior claims investigators, and acts as a first level review panel for customer claims that appeal a claims decision; Senior Investigators also assist in taking witness statements and gather data (take measurements, take possession of evidence, tag evidence for investigation, do fire investigations); more experienced investigators assist and help newer investigators in these instances;
- b. goals are the same as other investigators, w/addition of training assignments; he will set up training sessions and make them available to Florida and Carolina investigators as well; goals are reviewed twice annually as part of the PEP personal development mid yr. and end of yr. ; Must fulfill 24 hrs. credit over 2 yrs. for licensing requirements; also have regular meetings with the Fla. Investigators to discuss topics as a group;
- c. The claim is first received by Claims Investigators in STARS; CSS provides customer service files with, customer contact information on the account, the system address of the feeder that serves the customer, a history of trouble information related to the customer account, and work tickets generated to resolve any service problems; the OMS system provides detail information on system events, such as outages, that have occurred and may have impacted the customer's service; investigators can use information from op center on feeders in the field; SDROP is used to identify when feeder operations occur; Investigators rely on information provided from the ops centers, engineering stds. people, as well as sharing "golden nuggets" between agents to help the group be more aware of special items;

Bureau of Performance Analysis

Interview Summary

CONFIDENTIAL

Company: Progress Energy Florida
Area: Customer Property Damage Claims
Auditor(s): Fisher/Cryan

Interview Number: PEF-IVS5
File Name: Same

Name: Rudi Mast
Title: Surge Programs

Date of Interview: 10/3/08
Location: St. Petersburg
Telephone Number:

DECLASSIFIED

(1) Purpose of Interview: To understand the company's role in providing surge protection devices to its customers and how the claims process for these devices works.

(2) Interview Summary:

a. Rudi Masi has worked for the company for 35 years; has been in both regulated and non-regulated marketing; started as a lineman and moved up in the line department, into energy conservation, product development, commercial major accounts manager (CIG), has been in district management has been an account specialist; has been in non-regulated for about 10 years; the non-regulated portion of PEF is making org. changes; he will report to the Director of Lighting in Raleigh beginning November 1, 2008.

b. Rudi is currently in the Market and Energy Services department and has approx. 30 people reporting to him; 10 sales people, customer dispatch, customer sales, and a contractor network used for installation, repair and removal of product; Market and Energy Services department also provides the non-regulated home wiring services; this group supports both Florida and the Carolina Operations; the department is responsible for handling e-billing, customer billing payment options, bill inserts and marketing for e-bill; Have been in the home wiring service for 10 yrs. and use the same contractor network for surge protection to handle home wiring services; contractors are licensed and bonded, and must go through PEF Customer Service Training to adhere to PEF policies, guidelines, and procedures; Only master electricians are sent out to the customer location;

c. PEF provides class-B meter-based arresters and UL listed plug-in suppressors to provide two levels of customer surge protection; plug-in suppressors carry the manufacturer warranty and are backed up by an insurance policy; any claims for suppressors are paid out of a non-regulated claim fund if the contractor does not cover the customer deductible; Paid 182 times in Fla. For a total of \$34,480.61 avg. \$189.45;

d. The meter-based product is strong and beefy and operates in milliseconds; the meter-based service is warranted for as long as the customer has the service, and PEF will replace if any problem with the service; does not make cust. Wait until unit is repaired or re-stocked, immediately brings new unit and replaces the old unit; basic troubleshooting is to have customer see if the light on the unit is lit; if not a failure has occurred and the unit is replaced w/in 24 hrs.; Class A plug-ins are warranted for ten years (customer owns); if customer has a problem, PEF replaces the customer plug-ins and works with mfr. for replacement;

e. Goals for surge protection are established in customer satisfaction, customer penetration, customer churn (<.7%), safety goals; contractors held to same safety goals and requirements as regulated employees; contractor accidents count against internal accidents OSHA events; reporting of monthly KPI (Key Performance Indicators) to Customer & Market Services - Raleigh, where the department head is responsible for both regulated and non-regulated businesses; claims handled through manufacturers and PEF will back-up if needed; upon occasion will offer "good will" payment to customer; claims are generally received by phone;

(3) Conclusions:

a. the non-regulated portion of PEF is making org. changes; he will report to the Director of Lighting in Raleigh beginning November 1, 2008

b. Rudi is currently in the Market and Energy Services department and has approx. 30 people reporting to him; 10 sales people, customer dispatch, customer sales, and a contractor network used for installation, repair and removal of product; Market and Energy Services department also provides the non-regulated home wiring services; this group supports both Florida and the Carolina Operations; the department is responsible for handling e-billing, customer billing payment options, bill inserts and marketing for e-bill; Have been in the home wiring service for 10 yrs. and use the same contractor network for surge protection to handle home wiring services; contractors are licensed and bonded, and must go through PEF Customer Service Training to adhere to PEF policies, guidelines, and procedures; Only master electricians are sent out to the customer location;

c. PEF provides class-B meter-based arresters and UL listed plug-in suppressors to provide two levels of customer surge protection; plug-in suppressors carry the manufacturer warranty and are backed up by an insurance policy; any claims for suppressors are paid out of a non-regulated claim fund if the contractor does not cover the customer deductible; Paid 182 times in Fla. For a total of \$34,480.61 avg. \$189.45; meter-based product is strong and beefy and operates in milliseconds; the meter-based service is warranted for as long as the customer has the service, and PEF will replace if any problem with the service; does not make cust. Wait until unit is repaired or re-stocked, immediately brings new unit and replaces the old unit; basic troubleshooting is to have customer see if the light on the unit is lit; if not a failure has occurred and the unit is replaced w/in 24 hrs.; Class A plug-ins are warranted for ten years (customer owns); if customer has a problem, PEF replaces the customer plug-ins and works with mfr. for replacement;

d. reporting of monthly KPI (Key Performance Indicators) to Customer & Market Services - Raleigh, where the department head is responsible for both regulated and non-regulated businesses; claims handled through manufacturers and PEF will back-up if needed; upon occasion will offer "good will" payment to customer; claims are generally received by phone;

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(4) Date Request(s) Generated:

No. _____

No. _____

No. _____

NONE

(5) Follow-up Required:

NONE

DECLASSIFIED

Project Manager

Bureau of Performance Analysis

Interview Summary

CONFIDENTIAL

Company: Progress Energy Florida
Area: Customer Property Damage Claims
Auditor(s): Fisher/Cryan

Interview Number: PEF-IVS6
File Name: Same

Name: Raymond Phillips
Title: Internal Audit Manager

Date of Interview: 10/3/08
Location: St. Petersburg
Telephone Number:

DECLASSIFIED

(1) Purpose of Interview: To understand the role of Internal Audit in auditing the claims process and associated controls and to understand why PEF has not conducted an internal audit of this area in over five years.

(2) Interview Summary:

a. Raymond has over 30 years with the company and has an accounting background; has audited his entire career with PEF; has been involved in operational audits of field offices, and most recently he is involved in the nuclear auditing of the uprates and the new units; Last Jan '07, became Audit Manager for Florida Delivery type audits; Mid '08 audit focus on Construction Auditing became more pivotal; Raymond is a CIA and reports to Bob Bazemore, Vice President;

b. Excluding Project Assurance PEF plans one yr. ahead in its audit horizon; PEF does risk-based auditing, not cycle-based auditing; 40% of the audit plan is not risk-based; SOX auditing represents about 20-25% of the total plan; the new SOX plans allow more risk-based evaluating; part of the 40% non risk-ranked auditing is in trading, where a look at loss trading, data mining, and look at outliers as a means of reviewing those areas; in environmental safety IA does more cycle type auditing;

c. In developing the audit plan, receive input from the VPs of different business units and potential risk issues are clarified; the highest risk issues are formally ranked as the top audit candidates; five factors are reviewed, and three are common inherent risks to all, 1) recent major changes, 2) reliability and customer service image 3) ???; the risks are ranked into the highest risk priorities and balanced against resources to complete the audits to complete the final plan; Damage Claims has not come up; several ways damage claims may pop-up are through networking w/management, SOX process requires auditing of litigated cases, or through benchmark reviews; Timing of last audit is a component of risk evaluation, but has not raised the risk level high enough to warrant audit; the SOX reviews provided added insight into the function and its areas of risk and help satisfy management that the level of risk is small compared to other business areas;

(3) Conclusions:

a. Excluding Project Assurance PEF plans one yr. ahead in its audit horizon; PEF does risk-based auditing, not cycle-based auditing; 40% of the audit plan is not risk-based; SOX auditing represents about 20-25% of the total plan; the new SOX plans allow more risk-based evaluating; part of the 40% non risk-ranked auditing is in trading, where a look at loss trading, data mining, and look at outliers as a means of reviewing those areas; in environmental safety IA does more cycle type auditing;

b. In developing the audit plan, receive input from the VPs of different business units and potential risk issues are clarified; the highest risk issues are formally ranked as the top audit candidates; the risks are ranked into the highest risk priorities and balanced against resources to complete the audits to complete the final plan; Damage Claims has not come up; the SOX reviews provided added insight into the function and its areas of risk and help satisfy management that the level of risk is small compared to other business areas;

c.

(4) Date Request(s) Generated:

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NONE

(5) Follow-up Required:

NONE

Project Manager

Bureau of Performance Analysis

Interview Summary

CONFIDENTIAL

Company: Progress Energy Florida
Area: Customer Property Damage Claims
Auditor(s): Fisher/Cryan

Interview Number: PEF-IVS7
File Name: Same

Name: Larry Mazer
Title: Claims Manager re: Legal-Litigated Claims

Date of Interview: 10/3/08
Location: St. Petersburg
Telephone Number:

DECLASSIFIED

(1) Purpose of Interview: To understand the role of the Legal-Litigated Claims function and understand how it handles litigated claims and claims greater than \$5,000 in compliance with Commission Rules 25-6.019 and 25-6.0345.

(2) Interview Summary:

- Litigated cases take longer in Fla. Than N.C. due to the courts system; average would be about 3 years or longer; litigated cases are not re-opened like property damage claims, but can be appealed, which takes longer to resolve; in cases where litigation is experienced the release is much more detailed and check greater than \$5,000 would go through Treasury for a check and require higher approvals; the check is returned to the attorney for payment;
- Litigated cases are often served by an attorney or registered agent; the registered agent sends two copies to claims; the lawyer determines the nature of the law suit and the paralegal calendars the case; a response, if needed, is mailed out and the case would be referred to the outside attorneys to defend the company;
- Goals and Objectives are only based on the budget for litigated claims; staying within the budget is successfully meeting the goal; budgeted amounts are regularly revised based on anticipated settlement amounts; The budget is for one calendar year and the goal is measured year by year; the goal is also to always work toward the expectation of the budget; at the end of the year the target is to be at \$0; A monthly Litigated Claims report is maintained and presented to executive management to follow the status of outstanding cases and any revisions as those occur; the claims budget is used to pay for all claims; quarterly, estimates of probable and estimated amounts required for contingent liability are reported to accounting by the Claims Manager.
- PEF is self insured for the first \$5 million and has secondary insurance levels beyond that amount for unusual cases;
- In reporting claims greater than \$5,000 having to do with the electrical system, the claims adjuster evaluates the claim as representing >\$5,000 and it is sent to the Claims Associate, who prepares a check and Larry must see FPSC report before it goes to Tony; Claims manager has a personal approval amount of \$5,000;
- During the last five years PEF changes in handling litigated claims were primarily that it combined the Claims Manager and the Torts Lawyer responsibilities including property and litigated claims;

One improvement area might be in balancing legal resources based on case loads and types of cases handled; Larry is looking at balancing work load and cases with outside attys and fees against internal costs; also considering decentralization vs. centralization of resources, case loads, etc. and in-house vs. outside;

(3) Conclusions:

- In cases where litigation is experienced the release is much more detailed and check greater than \$5,000 would go through Treasury for a check and require higher approvals; the check is returned to the attorney for payment;
- Litigated cases are often served by and attorney or registered agent; the registered agent sends two copies to claims; the lawyer determines the nature of the law suit and the paralegal calendars the case; a response, if needed, is mailed out and the case would be referred to the outside attorneys to defend the company;
- Goals and Objectives are only based on the budget for litigated claims; staying within the budget is successfully meeting the goal; budgeted amounts are regularly revised based on anticipated settlement amounts;
- In reporting claims greater than \$5,000 having to do with the electrical system, the claims adjuster evaluates the claim as representing >\$5,000 and it is sent to the Claims Associate, who prepares a check and Larry must see FPSC report before it goes to Tony; Claims manager has a personal approval amount of \$5,000;
- During the last five years PEF changes in handling litigated claims were primarily that it combined the Claims Manager and the Torts Lawyer responsibilities including property and litigated claims;

(4) Date Request(s) Generated:

No. _____
No. _____
No. _____
NONE

(5) Follow-up Required:

NONE

Project Manager

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Bureau of Performance Analysis

Document Summary and Control Log

Company: <u>Progress Energy Florida</u>	Workload Control #: <u>PA-08-08-003</u>
Area: <u>Customer Damage Claims</u>	File Name: <u>I:\BPA\Reports\Damage Claims\Documants\PEF DR-1 Log.doc</u>
Auditor(s): <u>Fisher/Cryan</u>	

Document DR-1.1:
Date Requested:
Date Received:
Comments: (i.e., Confidential)

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Exhibit 2 and 21

Document Title and Purpose of Review: Please provide a copy of the company policies and procedures relating to customer property damage claims.

Summary of Contents: Exhibit #1 Job Descriptions: Job Content Questionnaires are provided for the Associate Claims Investigator, Claims Investigator, Sr. Claims Investigator and Lead Claims Investigator positions were provided. Each shows Job Purpose, Major Job Duties, Major Leadership or Supervision, Nature of Job, Task Complexity, Discretion and Judgement, Working Conditions, Background, Job Related Experience, and Other Job-Related Skills for the job title. **Exhibit #2 Claims Payment Scenarios: A Claims Payment Matrix is provided with Scenario Guidelines and explanations of when different types of claims for Potential payment or potential denial; 32 scenarios are provided.** Exhibit #3: Title Page Used Price.com is used to find out what used equipment is worth; this information is used by auctioneers, appraisers, collectors, pawn brokers, and investigators to eliminate the guesswork about current and fair market value for products and equipment. Exhibit #4 Title page ClaimsPages.com provides current insurance news as well as other tools such as Claims Resources and Tools, forms, databases, and a depreciation calculator; the calculator computes the depreciated value of an item, given the item's age and replacement value; formula used is $ACV = RCV - (DPR * RCV * Age)$; ACV is Actual Cash Value (depreciated value), RCV= Replacement Cash Value (Cost to Purchase Now), DPR= Depreciation Rate (% per year); Exhibit #5 Depreciation Guide provides a 14 page listing of major appliances, with their annual depreciation% and useful years; in some cases the instruction is to use a % of replacement costs or full replacement cost; **Exhibit #6 PSC Damage Notification Form is the form the company uses to report applicable damage claims > \$5k to the FPSC; Exhibit #7 Request For an Investigation Card (given by field personnel to customers) shows an example of the card field personnel provide to customers when they meet a customer experiencing an event where possible damage claims would be filed, or the customer asks the field rep how to reach a claims agent.**

Conclusions: PEF has different levels of claims investigators personnel responsible for increasing complexity of claims and duties. Supervisory responsibilities are only part of the Lead Claim Investigator.

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No. _____ Description:

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Follow-up Required: Document depreciation methodology used by company for determining claims value

Document DR-1.2:
Date Requested:
Date Received:
Comments: (i.e., Confidential)

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Exhibit 8 and 10

Document Title and Purpose of Review: Please provide a copy of the company's current customer property damage claim goals, objectives, and key performance measurements.

Summary of Contents: **Exhibit #8 2008 to date Claims Investigation Performance Measures; 2008 to date Workload Financial Forecast Data shows 2008 claims goals 60% of all claims closed within 10 days of receipt, 80% of all claims closed within 30 days of receipt (claims on hold due to customer inactivity is pending; neither open or closed and are excluded from the total); also 90% of all customers receive callback within one day after initial notice from customer is entered into STARS; no claims investigator should have more than 5% plus or minus from the average workload of the unit; each investigator is responsible for taking the required CE classes necessary to maintain their Property Claims Adjuster's license; Exhibit #8 also includes the Workload Completed and Financial Statistics report for August-08 showing annual claims and financial forecasts and comparisons of 2007/2008 data; A 2008 Callback 90% within 1 Business Day chart for each adjuster was provided with data through August; Exhibit 9 Investigator Insurance Licenses was provided to show that all adjusters have state licenses as adjusters for all lines; Exhibit #10 Investigator Performance & Development Plan (Redacted) shows the Claims Generated by Op Center for August-08 tracking the number of claims in each area, performance of the 10 and 30 Day Percentage Goals for each investigator during '08; a Monthly Claim Workload for each of the investigators is included for August '08; a chart showing January - August Open Claims totals is added; Exhibit 10 Investigator Performance and Development Plan (Redacted) provides a copy of the Performance**

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 FPSC-COMMISSION CLERK

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and Development Planning (PDP) responsible for the SR. Claims Investigator; key areas include six key measurement goals and core skills for the position; Employee Development Planning is also an activity documented with specific actions to be taken.

Conclusions:

Data Request(s) Generated:

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Follow-up Required:

Document DR-1.3:
Date Requested:
Date Received:
Comments: (i.e., Confidential)

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Document Title and Purpose of Review:

Summary of Contents: a. Please provide a listing of all customer property damage claims alleged to be caused by electric power outages, voltage drops, surges or spikes, and related causes filed against the company for the period January 2003 through 2008 to date. The listing should include: Date filed, Name and address of complainant, Actual or alleged cause of complaint, Amount claimed, Amount Paid, Date closed, Annual summary of amounts claimed and paid for each year b. Please identify all customer property claims identified in question 3a that were in excess of \$5000.00.

Conclusions: Exhibit 11 Customer Property Damage Claims for 2003-2008 to date states that the city and zip code of a complainant is identified in each STARS file but it is not contained in a field that is retrievable as part of a search; Progress Energy addresses a valuation of the customer's claim after it has accepted liability. In all those instances when liability is denied no claim valuation is prepared. Progress Energy does not elicit this information from the customer because it establishes an expectation that he will be compensated. It is standard insurance industry practice to address liability before addressing damages. Progress Energy's STARS data base does not have a dedicated field for a customer's estimate of loss; Exhibit #12 Annual Dollar Value of Claims Paid 2003-2008 lists claims by Report Date, Complainant Name, Claim Number, Address, Cause of Complaint, Amount paid, and Close Date; Each day has the total dollars paid amount for the day; Total Claims by year and Total Dollars Paid by year are summarized annually. Exhibit #13 PSC Audit Report for 2003-2008 claims >\$k, provides a listing of PEF claims paid in excess of \$5,000 for the period 2003-2008; Total of 56 claims > \$5,000 and total dollars of \$1.01 million;

Data Request(s) Generated:

No. _____ Description:

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Follow-up Required:

Document DR-1.4:
Date Requested:
Date Received:
Comments: (i.e., Confidential)

Document Title and Purpose of Review: Please provide a listing of company damage claim codes, and company policy for payment for each code.

Summary of Contents: Exhibit #14- Codes provided for Claimant/payee, Full and Final Settlement, Transaction Type, Caps. Historical Cov., Paid Code, Class Code, Type of Injury (Fatality, Injury, Property), Financial Code (employee, substation, regional operations, power plants), product or service, regulated and non-regulated, coverage (general liability and Auto liability), Agent code, Litigation code (Claim, demand, informal hearing, petition, in suit, settlement, trial), Major Coverage (general liability, bodily injury, property damage) and by company (Progress Energy Florida); Exhibit # 2 Claims Payment Scenarios - A Claims Payment Matrix is provided with Scenario Guidelines and explanations of when different types of claims for Potential payment or potential denial; 32 scenarios are provided;

Conclusions: STARS provides many different codes to allow claims management to review and analyze both current and historical claims information.

Data Request(s) Generated:

No. _____ Description:

No. _____ Description:

Follow-up Required:

Document DR-1.5:
Date Requested:
Date Received:
Comments: (i.e., Confidential)

Document Title and Purpose of Review: Please complete the attached survey of claims payment policies. If the form does not allow enough space needed for comment, please attach a sheet to your response. In the columns labeled "Yes" and "No," please indicate if your company's policy is to pay such a damage claim or not.

Summary of Contents: Exhibit #15 - Response to Survey of 2008 Claims Payment Policies - PEF does not pay for utility normal equipment failure: wire down, and failure of the utility to maintain equipment: lightning arrestors, hot leg (UG) and open

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Exhibit 15

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neutral (UG) when other utilities do: PEF does not pay for malfunctioning service connection: due to normal wear and tear, due to failure of utility-owned equipment, and other utilities do;

Conclusions: PEF does not pay in some categories when other utilities do. PEF appears to be more restrictive to pay/deny conditions than are other utilities reviewed.

Data Request(s) Generated:

No. _____ Description:

No. _____ Description:

Follow-up Required:

Document DR-1.6:
Date Requested:
Date Received:
Comments: (i.e., Confidential)

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Exhibit 16

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Document Title and Purpose of Review: Please provide a flow chart detailing the progression and timeframe of a customers property damage claim through its conclusion. Include any points in the process where the customer is notified of the progress, and/or receives updates as to the claims status.

Summary of Contents: Exhibit #16 Claims Flow Chart- PEF provided a four page foldout flowchart showing Day 1 through day 30 flow of events and decisions regarding the claims process; Shows Day one as when the investigator opens the claim and begins documentation; shows day two as when the customer is contacted by the investigator, indicating that the goal is to complete 60% of claims within 2-10 days, and 80% within 2-30 days; shows investigator activities during investigation, communication between departments, determination of liability, denial/acceptance of liability, request of customer documentation of damages, the adjustment process and issuing check process; also shows denial process and the appeal process through Claims Committee or Claims manager if the customer is not satisfied and process that concludes with customer satisfied or unsatisfied;

Conclusions: The flowchart gives direction of key process activities and events, but does not fully explain how to perform those activities or direct the employee to specific departments for assistance; the flowchart does not provide detailed information, but instead a step by step flow of the process; employees may need more detailed information in formal procedures;

Data Request(s) Generated:

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Follow-up Required:

Document DR-1.7:
Date Requested:
Date Received:
Comments: (i.e., Confidential)

Document Title and Purpose of Review: Please identify all methods available to the customer for filing a property damage claim.

Summary of Contents: Property damage claims may be filed by phone, mail or via the internet;

Conclusions: no additional statements as to how customer reaches claims dept. by internet, etc.

Data Request(s) Generated:

No. _____ Description:

No. _____ Description:

Follow-up Required:

Document DR-1.8:
Date Requested:
Date Received:
Comments: (i.e., Confidential)

Document Title and Purpose of Review: a. Please provide a copy of any form that is required to be completed by the customer when filing a property damage claim. b. Please provide a copy of any forms identified in question 8a that are available to customers in languages other than English.

Summary of Contents: a.) No form is required by progress Energy. Investigators communicate with customers by phone, personal visits, e-mail or fax. b.) N/A

Conclusions: PEF does not use a form to have customers report their damaged equipment; instead the company gathers information through phone, fax or internet;

Data Request(s) Generated:

No. _____ Description:

No. _____ Description:

Follow-up Required:

Document DR-1.9:
Date Requested:

Document Title and Purpose of Review: Please provide the annual number, and percentage, of claims that required litigation to provide resolution to customer property damage claims for each year from January 2003 through 2008 to date.

Date Received:
Comments: (i.e., Confidential)

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Exhibit 17,18,19

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Summary of Contents: At the current time Progress Energy is litigating 5 matters related to Power Quality issue in County, Circuit or Appellate Courts and 0 matters in Small Claims court regardless of the year the matter was initiated; The single largest category of power quality litigated are subrogation claims brought by insurance companies that have paid customers for their damages; Progress Energy estimates that it litigates, on average, 5 or less claims per year in county or Circuit Court; Matters likely extend beyond one year; the date of filing has been used for statistical purposes; Since litigated claims are not always identified in Exhibit 11, they are listed below both as to open and closed litigated matters for the time period requested; Exhibit #17 – provides summary of closed litigated cases regarding power quality during the period 2003-2008 ; Exhibit #17 Closed Power Quality Litigated Matters 2003 to Present shows seven cases the claim numbers, case summary and status of the case; Exhibit #18 Open Power Quality Litigated Matters 2003-Present shows six cases litigated during 2003-2008 and the status of the claims; Exhibit #19 Annual Number of Liquidated Claims provides the annual number of litigated claims, number of paid claims annually, and percent of claims requiring litigation; For the period PEF paid 22,856 claims; 4505 ('03), 6091 ('04), 3856 ('05), 3313 ('06), 3033 ('07), and 2058 through August '08

Conclusions: Total claims paid for the period was 22,856 claims; 4505 ('03), 6091 ('04), 3856 ('05), 3313 ('06), 3033 ('07), and 2058 through August '08

Data Request(s) Generated:

No. _____ Description:

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Follow-up Required:

Document DR-1.10:
Date Requested:
Date Received:
Comments: (i.e., Confidential)

Document Title and Purpose of Review: Please provide a copy of all audits completed, or expected to be completed, on the customer property damage claims process for the years 2003 through 2008.

Summary of Contents: NO SUCH AUDITS HAVE BEEN UNDERTAKEN

Conclusions: NO SUCH AUDITS HAVE BEEN UNDERTAKEN; See PEF interview IVS-6 explaining Internal Audit planning process and SOX audit reviews which give company confidence that claims is a low risk audit area;

Data Request(s) Generated:

No. _____ Description:

No. _____ Description:

Follow-up Required:

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Document DR-1.11:
Date Requested:
Date Received:
Comments: (i.e., Confidential)

Document Title and Purpose of Review: a. Please provide a copy of all property damage claims education materials made available to customers from January 2006 through 2008 to date. b. Please provide a copy of all materials listed in question 11a that are available to customers in languages other than English.

Summary of Contents: PROGRESS ENERGY HAS NO SUCH MATERIALS

Conclusions: PEF does not provide educational materials to customers regarding the claims process; However, the company explains the process once an investigator has been assigned the claims file;

Data Request(s) Generated:

No. _____ Description:

No. _____ Description:

Follow-up Required:

Document DR-1.12:
Date Requested:
Date Received:
Comments: (i.e., Confidential)

Document Title and Purpose of Review: Please provide an actual, or transcript copy of all public service announcements, or advertisements relating to customer property damage claims from January 2006 through 2008 to date.

Summary of Contents: NO PUBLIC SERVICE ANNOUNCEMENTS REGARDING CUSTOMER PROPERTY DAMAGES HAVE BEEN MADE.

Conclusions:

Data Request(s) Generated:

No. _____ Description:

No. _____ Description:

Follow-up Required:

Document DR-1.13:	Document Title and Purpose of Review: Please identify all damage prevention programs offered to customers.
Date Received:	Summary of Contents: For a monthly fee of \$5.95, the Surge Protection Service program provides customers with a main surge protection device that is installed at the electric meter and maintained by PEF. PEF also offers plug-in surge protectors that customers can purchase outright for any electronic equipment they may have; Exhibit # 20 Customer Information Materials on the Surge Protection Program provides additional information on the services provided by PEF.
Comments: (i.e., Confidential)	Conclusions: Surge Protection Service program provides customers with a main surge protection device that is installed at the electric meter and maintained by PEF.
	Data Request(s) Generated:
	No. _____ Description:
	No. _____ Description:
	Follow-up Required:

Division of Regulatory Compliance

Bureau of Performance Analysis

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Bureau of Performance Analysis

Document Summary and Control Log

Company: Progress Energy Florida
 Area: Customer Damage Claims
 Auditor(s): Fisher/Cryan

Workload Control #: PA-08-08-003
 File Name: I:\BPA\Reports\Damage Claims\Documants\PEF DR-2 Log.doc

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<p>Document #: DR-2.1 Date Requested: Date Received: Comments: (i.e., Confidential) CONFIDENTIAL</p>	<p>Document Title and Purpose of Review: Please provide the most current organizational chart for the Legal Services Department, including the Claims Management organization.</p> <p>Summary of Contents: Organizational chart as of 10/14/08 shows General Counsel 's organization, including four Assoc. Gen. Counsel II-Legal and Regulatory Affairs-FL Team reporting to General Counsel; Claims organization is under Assoc. General Counsel II-Legal Lawrence F. Mazer and CLAIMS-PEF TEAM includes Claims Investigators (3), Sr. Claims Investigators (3), Sr. Legal Secretary (1), and Associate Claims Specialists-Legal (3);</p> <p>Conclusions: Total of 11 in Claims Team members that report through Associate General Counsel and Claims Manager;</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-2.2 Date Requested: Date Received: Comments: (i.e., Confidential) CONFIDENTIAL</p>	<p>Document Title and Purpose of Review: Please provide a disk of damage claim listings during 2003-2008 to-date by cause code, with a summary of annual total claims made, total claims paid, and the dollars paid for each of the following cause codes: Outage, Open Neutral, Weather, Irregular Voltage, and Customer Related Event.</p> <p>Summary of Contents: Disk provided with claims by cause code, w/summary of annual total claims made, paid, and dollars paid for top five cause codes (Outage, Open Neutral, Weather, Irregular Voltage, and Customer Related Event);</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-2.3 Date Requested: Date Received: Comments: (i.e., Confidential) CONFIDENTIAL</p>	<p>Document Title and Purpose of Review: Provide copies of the Monthly Claims Report for the last two years, providing total complaints monthly, number of claims, dollar amount paid for claims, and the top ten categories of claims reported to management.</p> <p>Summary of Contents: Provide copies of the Monthly Claims Report for 2007 and 2008, providing total complaints monthly, number of claims, dollar amount paid for claims, and the top ten categories of claims reported to management.</p> <p>Conclusions: Monthly Claims reports track the results for claims paid, not paid, dollars paid, types of claims and claims level handled by Claims Investigator, and top ten claims causes are documented for 2007 and 2008; STARS report of monthly total for 2007-2008 are also provided;</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-2.4 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Please provide a more detailed description of the detailed cause codes listed in PEF's STARS "A" claims listing provided in DR-1 giving specific detail as to the type of claim included within the cause code.</p> <p>Summary of Contents: Additional explanation is provided for 12 cause types;</p> <p>Conclusions: None</p>

CONFIDENTIAL	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:
Document #: DR-2.5 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: a. Please describe the criteria PEF uses to determine whether a damage claim estimated to be greater than \$5,000 is reported to the FPSC in compliance with Rule 25-6.019. b. Please explain why PEF did not report to the FPSC any reports of damage claims over \$5,000 during 2003-2005 and only one report in 2006. c. Please explain why PEF reported only three damage claims > \$5,000 during 2007 and has reported none in 2008.
CONFIDENTIAL CONFIDENTIAL	Summary of Contents: A property damage claim is reported within 30 days to the FPSC when it meets the following criteria: 1) a malfunction or accident occurs; 2) in connection with any part of the electrical system; 3) damages property of others; and 4) the amount of damages exceeds \$5,000.; Criteria 1 does not include normal expected operations of the electrical system such as feeder operations; Criteria (2) does not include automobile accidents, or events indirectly related to the electrical system such as damage to property caused by trucks or personnel in the course of repairs or installations (ruts, cement damage, damaged fences, excavation damages).; Criteria 3) above does not include any claims involving personal injuries nor the costs for appraisals, expert opinions etc. obtained by PEF or the customer related to adjustment of the claim but not repair any property; Criteria (4) requires damages that are verifiable and adjusted for actual cash value. PEF does not verify or adjust damages for customers unless it first accepts liability for damages of a third party; b. PEF did not have well articulated reporting criteria and controls in place during 2003-2005; PEF has put in place the following controls to ensure compliance including: (1) re-training of Claims Investigators, (2) Requiring all claims in excess of \$5,000 be approved by a second signature of the Claims Manager or a Senior Investigator (3) the Claims Associate has been trained to flag all payment requests in excess of \$5,000 to ensure compliance (4) Investigator goals for 2009 will include 100% compliance with this requirement; Retroactive reports for 2006 and 2007 are being submitted to Tony Valazquez; c. In 2007 PEF inadvertently failed to notify FPSC of 4 claims meeting the criteria of Rule 25-6.019; All four occurred in the first half of the year before PEF began to more rigorously comply with this Rule; One claim resulted from one event but multiple checks were written and the investigator did not realize the payments exceeded \$5,000; One claim resulted from a set of facts involving the liability of a third party; in 2008 PEF has been in full compliance;
DECLASSIFIED	Conclusions: PEF has established better controls to report claims in excess of \$5,000 and has retroactively reported 2006 and 2007;
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:
Document #: DR-2.6 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: a. Please provide a list of all claims greater than \$100,000 during the period 2003-2008. b. Please provide a detailed description of the primary cause for each claim greater than \$100,000, whether it was a property damage claim or personal injury claim, and the outcome of the case (i.e., appealed, settled, currently in litigation).
CONFIDENTIAL	Summary of Contents: PEF had three claims greater than \$100,000 during the period 2003-2008; One claim was \$380,000 , one was \$250,000 , and one was pending and between \$100,000 and \$300,000 .
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:
Document #: DR-2.7 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review:
	Summary of Contents: Please provide copies of the standard release (on the back of the check) and a PEF release contract used to settle large damage claims.
	Conclusions: Exhibit #5 - Standard release (long form) document provided;
CONFIDENTIAL	Data Request(s) Generated: No. _____ Description:

	No. _____ Description: _____
	Follow-up Required: _____
Document #: DR-2.8 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: a. Please describe PEF's policy on handling customer damage claims associated with underground facilities. b. Please provide PEF's policy for routine inspections of underground plant facilities, and a copy of its plan, as required in Rule 25-6.036, Inspection of Plant.
CONFIDENTIAL	Summary of Contents: a. PEF pays all damage claims caused by underground failures when damage is due to the culpable actions of its employees; For instance, PEF will pay an underground claim if due to an improperly prepared splice; PEF will presume the culpability of its employees if an underground line fails within two years of its initial installation; PEF will also presume the culpability of its employees if underground facilities fail for a third time indicating the end of its useful life and PEF's failure to identify this state when making a second repair. b. PEF provided reference to its DSSOP or Distribution System Storm Operational Plan as having the documentation for its inspection program;
CONFIDENTIAL	Conclusions: PEF will pay UG claims in first two years, if PEF employees are found to have culpability, or when the third failure occurs; this policy allows for possible culpability by company employees, and the customer will experience at most three incidents before cable is changed out;
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required: _____
Document #: DR-2.9 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: 9. a. Please describe the step-by-step calculation and methodology PEF uses for depreciating customer equipment in the damage claims process, including any website URLs used, not previously provided in DR-1. b. Please provide an example of the calculation described above using a damaged three year old customer refrigerator, a customer equipment purchase value of \$1,000 and depreciation values used by PEF in the example. c. Assuming that PEF finds it has liability for the customer claim, what would the settlement price offered by PEF be for the example in 9b?
CONFIDENTIAL	Summary of Contents: a. (1) Customer provides descriptive information regarding the damaged item including, brand name, model number, serial number, approximate age, size, and features; (2) PEF's Investigator will research the depreciated value of the item if it is included within data bases and the value therein will be the depreciated value; (3) If not within an existing data base, PEF's Investigator will seek out the current cost of a similar like kind and quality item; (4) the current or replacement cost (RCV) will be depreciated using depreciation schedules customarily used to identify the annual depreciation rate(DPR) for consumer goods; PEF Investigators often use the depreciation calculator contained in ClaimsPages.com; (5) the formula to determine actual cash value (ACV or depreciated value) is as follows: $RCV \times DPR \times age = Depreciation$; $RCV - Depreciation = ACV$; b. Assuming base item was new and cost \$1,000, the calculation would be: $\$1,000 \times .07 \times 3 = \210 , $\$1,000 - \$210 = \$790$ (round up to \$800); Assuming PEF had liability the depreciated settlement figure offered would be \$800.
DECLASSIFIED	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required: _____
Document #: DR-2.10 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please provide a tiered listing of primary and secondary insurance claims coverage levels, including self insurance, additional levels of excess coverage, insurance providers, and dollar limits for each level of coverage.
	Summary of Contents: PEF is self insured for \$0-\$5 million and has additional liability insurance providers for claims coverages of \$5-35 million, \$35-100 million, \$100-125 million, and \$125-250 million;
CONFIDENTIAL	Conclusions: PEF has sufficient insurance coverage for claims up to \$250 million
	Data Request(s) Generated: No. _____ Description: No. _____ Description:

<p>Document #: DR-2.11 Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p>CONFIDENTIAL</p> <p>CONFIDENTIAL</p>	<p>Follow-up Required:</p> <p>Document Title and Purpose of Review: a. Please provide the Internal Audit Department Process Summary for Damage Claims. b. Please provide the Internal Audit Risk Assessment of Controls for Damage Claims. c. Please provide the Internal Audit summary of SOX sampling and results completed to-date for Damage Claims.</p> <p>Summary of Contents: PEF's Audit Service Department (ASD) provided a response to staff's request for additional documentation for SOX testing and process review completed for the Claims function that identified levels of risk associated with Claims and what ASD would need to cause an audit of Claims; ASD noted that "substantial change in the risk profile" could cause an audit to be required; no such change has occurred and Claims remains a low risk profile; ASD also provided a description of its annual audit plan and risk prioritization (21 pages)</p> <p>Conclusions: Until PEF's Claims organization experiences change that seriously increases its risk profile, Claims will remain as a low risk audit prospect;</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-2.12 Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p>CONFIDENTIAL</p> <p>DECLASSIFIED</p>	<p>Document Title and Purpose of Review: Please provide the written summaries of claims, discussed with staff during field interviews, associated with the Tampa Tribune articles related to PEF's repayment for power damage.</p> <p>Summary of Contents: PEF provided additional information re: Lakamp claim, Bowmer claim, Riordan claim and Dorobkowski claims mentioned in the St. Pete Times articles; Ther was no claim made under the name Dorobkowski during December 21-17 2005, 2006, or 2007; Riordan claim began 9/8/08 and as of 9/22/08 company accepted liability and was adjusting damages; Boehmer claim began 5/28/06 PEF accepted liability for 51 yr. old transformer w/ no prior customer service issues; Pef accepted liability based on cash value and agreed to pay insurance deductible of \$500, and customer received replacement coverage from insurance; Lakamp claim started 9/25/07 and extended through 10/24/07 claim liability was denied by PEF and letter was provided to customer for insurance claim;</p> <p>Conclusions: Based on company-supplied summaries, These claims were handled per policy and customers did not agree with company not taking responsibility; However, customers were indemnified through personal insurance and PEF did pay deductible when requested;</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-2.13 Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p>CONFIDENTIAL</p>	<p>Document Title and Purpose of Review: a. Please provide a status of the current condition at Mrs. Friar's location after the resolution of her damage claim, i.e. have all cuts been fixed, has cable been replaced and tested, etc. b. Please provide the number of claims that had been reported by the prior owner of Mrs. Friar's house. c. Please provide the number of cable cuts identified by PEF during its investigation of Mrs. Friar's claim. d. Please describe any conditions identified by PEF that ultimately showed company culpability and payment of Mrs. Friar's claim. e. Please describe any conditions identified by PEF that ultimately showed the company had no culpability and led to Mrs. Friar's claim being denied.</p> <p>Summary of Contents: a.) The failed neutral line has been repaired and no further complaints regarding power quality have been received; b.) PEF has no record of any claims being made by any resident of the home prior to May 23, 2007; c.) PEF identified two cable failures at the customer location; one failure occurred on a hot leg entering the residence; the second failure occurred on the neutral also serving the residence; d.) no facts were identified showing company culpability; e.) the failure of the neutral line occurred on May 23, 2007 approximately three years after the customer purchased the property; the servicemen's report stated that the neutral was most likely nicked during installation of the landscaping directly above it based on the fact that a hot leg had also been spliced in the same hole; the failure of the hot leg occurred between October 1981 and July, 2004; PEF has no record of the earlier repair to the hot leg, but it had to have occurred before July, 2004 when the property was purchased by the current customer; there is no record of a power quality issue before May, 2007. The serviceman's secondary cable failure report was based on the fact that the current repair occurred in the same hole as the first repair and both repairs were in an area that was clearly landscaped with large bushes and timbers; Facts unknown to the serviceman caused the serviceman to make an erroneous supposition that the two</p>

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events were related; there were three _____s between the two events; therefore PEF concluded the first repair was not evidence that the line was in a failure end of life mode but rather that a member of the public had interfered with the line; Pef determined that the entire event was due to the negligence of the property owner or a contractor during the initial installation of the planted area or at a later time.

Conclusions: PEF reasoned that the conditions experienced by the current owner were probably due to the previous owner or contractor when the planting beds were put in. Therefore, PEF denied the claim, but fixed the service.

Data Request(s) Generated:

No. _____ Description:

No. _____ Description:

Follow-up Required:

Division of Regulatory Compliance

Bureau of Performance Analysis

i:\bn\audit forms\3field\document summary and control log.doc

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Bureau of Performance Analysis

Document Summary and Control Log

Company: Progress Energy Florida
 Area: Customer Property Damage Claim
 Auditor(s): Fisher/Cryan

Workload Control #: PA-08-08-003
 File Name: I:\BPA\Reports\Damage Claims\Documentants\PEF DR-3 Log.doc

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Document #: DR-3.1 Date Requested: Date Received: Comments: (i.e., Confidential) CONFIDENTIAL	<p>Document Title and Purpose of Review: Please provide the detail claim file information for the attached listing of 90 sample claims from the period 2003-2008. Include all documented claims details, including work sheets, notes of claim activity, written remarks, depreciation analysis, and other documents memorializing the claims decision process made for each claim. Provide any STARS screen prints that identify the claim and provide subsequent actions by the parties, investigation reports, amounts offered to customers for settlement of claims, denials letters, settlement agreements, and other communications with the customer. If possible, please provide this information on CD media. In addition, please identify all information to be claimed confidential by the company.</p> <p>Summary of Contents: PEF provided 90 claims sample requested for staff's review and provided both hard copy and media views</p> <p>Conclusions: Results are summarized in the final report and in staff workpapers; Overall, PEF was timely in 80 of 90 (88.9%) claims. it was Consistent in claims handling in 76 of 90 (84.4%) claims, Fair in 78 of 90 (86.7%), and compliant with company procedures in 73 of 90 (81.1%) claims handled; Claims file documentation was lacking in some cases and did not provide enough information for staff to clearly identify whether the claim was handled timely, fairly, consistently, or in compliance with company procedures; staff found that PEF could better document claims activities in the file to help clarify what actions were completed, decisions were made and what methodologies were used.</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
Document #: DR-3.2 Date Requested: Date Received: Comments: (i.e., Confidential)	<p>Document Title and Purpose of Review: If there are any problems in correctly identifying any of the sample claims, please call or e-mail me ASAP to discuss or receive a replacement sample item.</p> <p>Summary of Contents: No replacements were necessary or provided ;</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
Document #: Date Requested: Date Received: Comments: (i.e., Confidential)	<p>Document Title and Purpose of Review:</p> <p>Summary of Contents:</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>



RESIDENT
LICENSE

TOM GALLAGHER
Chief Financial Officer
State of Florida

MARY R. SHELTON MRS.

License Number P024071

IS LICENSED TO TRANSACT THE FOLLOWING CLASSES OF INSURANCE

Independent Adj - All Lines 12/27/2005

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DR-1

EXHIBIT 9

DOCUMENT NUMBER - DATE
00278 JAN 12 2006
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ALEX SINK
Chief Financial Officer
State of Florida

KEITH ALAN BENTLEY

License Number A019596

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Independent Adj - All Lines .02/01/2005

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Chief Financial Officer
State of Florida

JERRY W. CARTER
License Number E465900

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Independent Adj. - All Lines

This licensee must have an active appointment with the insurer or employer for whom he/she is acting.
Marketed. See reverse for additional requirements.
The Florida Community College System is a provider of insurance services providing such services for the benefit of the
persons within the Florida Department of Financial Services.

DEPARTMENT OF FINANCIAL SERVICES

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ALEX SINK
Chief Financial Officer
State of Florida

THOMAS JAMES CURRIER

License Number A059665

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Independent Adj - All Lines 03/21/2007

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It is being returned to the licensee.

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RESIDENT
LICENSE

TOM GALLAGHER
Chief Financial Officer
State of Florida

STEPHEN OSBURN
License Number E161445

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Independent Adj - All Lines

This license must have an active appointment with the insurer or employer for which products or services are being marketed. See reverse for additional requirements.
This license is subject to the Department's requirement for pre-licensing test scores for the appointment.
This license is subject to the Department's requirement for the pre-licensing test scores for the appointment.

DEPARTMENT OF FINANCIAL SERVICES

PSC Audit Report for 2003 - 2008 claims >5K

STARS

Date Filed	Name of Complainant	Claim Number	Address	Cause of Complaint	Amount Paid	Close Date
Report Date: 2003						
8/5/2003	BLACKWELL, PETER	03 -4477		Open Neutral	7,121.86	9/4/2003
8/4/2003	BRYAN, LAURA	03 -4417		Outage	6,352.31	10/20/2003
11/3/2003	CHURCH OF SCIENTOLOGY	03 -6419		Transformer	9,979.00	2/5/2004
1/20/2003	CO-OP PARTNERS FLORIDA	03 -0373		Underground (dig-in/failure)	7,866.59	4/3/2003
8/14/2003	CYPRESS HOTEL	03 -4653		Outage	5,689.64	9/5/2003
5/27/2003	MCCLARREN, ROBERT	03 -2756		Fires	60,744.08	10/16/2003
1/27/2003	SORRENTO APTS.	03 -0517		Irregular Voltage	5,620.98	2/20/2003
8/26/2003	ST PAUL UNITED METHODIST	03 -4984		High Voltage	8,581.21	8/27/2003

Total By Report Date:

8 Claims

111,955.67

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EXHIBIT 13

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DOCUMENT NUMBER-DATE

STARS

-1-

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Friday, August 29, 2008

1:45:37PM

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Progress Energy Florida Inc.

SC Audit Report for 2003 - 2008 claims >5K TARS

Date Filed	Name of Complainant	Claim Number	Address	Cause of Complaint	Amount Paid	Close Date
Report Date: 2004						
10/20/2004	BELLINGER, EDWARD	04 -7300		Weather (hurricane/catastrophic)	5,689.51	10/27/2004
7/15/2004	BEST OPERATORS INC	04 -3551		Fires	6,798.69	2/9/2005
11/9/2004	ENTERPRISE RENT A CAR	04 -7857		Weather (hurricane/catastrophic)	6,738.01	11/9/2004
9/11/2004	FEAZELL, JONATHAN	04 -5452	201 SPANISH OAK TRL	Weather (hurricane/catastrophic)	7,350.86	9/21/2004
9/8/2004	FRENCH, JACQUENLYN A.	04 -5172	633 TUSCARORA TRL	Weather (hurricane/catastrophic)	5,341.00	12/9/2004
10/8/2004	HGI OPCO LLC DBA HILTON GARDEN INN	05 -1026		Weather (hurricane/catastrophic)	5,000.00	3/22/2005
11/2/2004	JOHNSON, CHERIE	04 -7703		Open Neutral	7,090.53	3/8/2005
9/9/2004	MILLER, MICHAEL	04 -5307		Weather (hurricane/catastrophic)	5,410.35	10/27/2004
2/25/2004	ORLANDO UTILITIES COMM.	04 -1028		Transmission/Industrial	6,471.00	3/15/2004
9/8/2004	PETERSON, DEAN L	04 -5453		Fires	380,010.00	10/3/2005
4/29/2004	POLOUS, SUSIE	04 -1948		Fires	5,161.79	5/6/2004
7/12/2004	R - MOTEL, INC.	04 -3475		Outage	8,086.64	7/13/2004
2/10/2004	RIVER RUN LLC	04 -0800		Underground (dig-in/failure)	7,443.71	3/29/2004
2/21/2004	SIEMENS WESTINGHOUSE	04 -0892		Transmission/Industrial	33,637.14	5/3/2004
11/27/2004	TOWER REALTY/MAITLAND CTR	04 -8381	2603 MAITLAND CENTER	Transformer	45,071.11	5/20/2005
8/24/2004	TRINITY ASSEMBLY OF GOD	04 -4668		Weather (hurricane/catastrophic)	6,858.00	12/9/2004
3/22/2004	TRINITY TILE	04 -1274		Outage	5,967.65	8/11/2004
12/16/2004	WESTGATE VACATION VILLAS DBA CENTRAL FLORIDA INV. INC	04 -8672		High Voltage	29,477.00	1/13/2005
Total By Report Date:		18 Claims			577,602.99	

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Progress Energy Florida Inc.

SC Audit Report for 2003 - 2008 claims >5K TARS

Date Filed	Name of Complainant	Claim Number	Address	Cause of Complaint	Amount Paid	Close Date
Report Date: 2005						
3/15/2005	BALLANTYNE, DAWN	05 -1256	14051 MARINE CT	Weather (hurricane/catastrophic)	7,500.00	9/6/2005
8/1/2005	CITY OF ST. PETERSBURG BEACH FD	05 -3966		Fires	9,704.60	11/28/2005
2/21/2005	DINGMAN, WILLIAM	05 -0868	1621 VIA TUSCANY	Outage	14,000.57	3/1/2005
2/10/2005	HARDER PREC COMP INC	05 -0713		Single-Phasing	9,330.45	3/16/2005
2/19/2005	HILMER, LELIA	05 -0863		High Voltage	6,844.57	4/15/2005
2/12/2005	KALMANSON, BARRY	05 -0755		Open Neutral	6,042.49	4/18/2005
9/2/2005	MCMAHON, KAREN	05 -4698	621 TOMOKA DR -	Open Neutral	6,010.44	5/17/2006
3/9/2005	MORROW, EDWARD	05 -1173	1035 KELLY PL	Open Neutral	13,619.96	4/5/2005
12/9/2005	SHERATON SAFARI	05 -6597		Transformer	6,237.44	3/13/2006
2/15/2005	ST. PETERSBURG	05 -0792		High Voltage	9,138.56	2/18/2005

Total By Report Date:

10 Claims

88,429.08

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Progress Energy Florida Inc.

SC Audit Report for 2003 - 2008 claims >5K TARS

Date Filed	Name of Complainant	Claim Number	Address	Cause of Complaint	Amount Paid	Close Date
Report Date: 2006						
8/14/2006	AHAD, MAHOOTCHI	06 -4412		Underground (dig-in/failure)	7,338.00	8/16/2006
6/22/2006	CARROLL, RICHARD	06 -3171	1939 DIXIE LN -	Outage	5,540.00	6/26/2006
6/13/2006	COLWELL, MATTHEW	06 -2989	ENTERPRISE PLANT -	Weather (hurricane/catastrophic)	6,197.89	6/19/2006
1/4/2006	CONSTRUCTION MATLS	06 -0051	7600 S ORANGE AVE -	Transformer	8,556.85	1/17/2006
6/19/2006	DJRJ CO	06 -3110	4103 GALL BLVD -	Open Neutral	5,371.53	6/20/2006
2/10/2006	ESCALERA, GABRIEL	06 -0734	9524 RIDGE RD -	Fires	5,611.92	2/21/2006
3/9/2006	METZEL, FREDERICK	06 -1211	14252 AMERO LN -	Transformer	19,534.91	4/26/2006
6/26/2006	MISSION INN RESORTS	06 -3244	10400 COUNTY ROAD 48 -	Outage	5,985.38	6/27/2006
6/22/2006	RAINER, ROBERT	06 -3213		Fires	15,000.00	6/30/2006
7/5/2006	WALLSCHLAGER, CHERYL	06 -3445		Fires	30,982.95	7/10/2006
Total By Report Date:			10 Claims		110,119.43	

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Progress Energy Florida Inc.

SC Audit Report for 2003 - 2008 claims >5K TARS

Date Filed	Name of Complainant	Claim Number	Address	Cause of Complaint	Amount Paid	Close Date
Report Date: 2007						
9/26/2007	ADOLPHSON, CURTIS	07 -4412	2534 HERON LN N -	Feeder Operations	5,426.39	10/3/2007
5/11/2007	GONZALEZ, JOSE	07 -1936	307 S 20TH ST * APT B -	Fires	7,688.86	5/31/2007
3/23/2007	HERMANN ENGELMANN GRNHSE INC	07 -1195	3050 S BINION RD -	Outage	25,555.41	4/5/2007
2/8/2007	LAWSON, GAIL	07 -0568	1500 CARLTON CEMETARY RD -	High Voltage	14,541.60	2/19/2007
6/11/2007	MANOS, GEORGIA	07 -2439	941 MANDALAY AVE - REMAINING	Outage	5,120.50	6/27/2007
5/9/2007	MASON, DONALD J.	07 -1922	307 S 20TH STREET UNIT 2	Open Neutral	22,000.00	6/26/2007
1/2/2007	MORRISON, RAY	07 -0028	2455 CAROL WOODS WAY -	High Voltage	11,690.70	1/8/2007
7/13/2007	SENIOR BUBBLES	07 -3022	1408 CLEVELAND ST -	High Voltage	12,130.34	10/24/2007
1/3/2007	WATSON, ROBERT	07 -0039	2435 CAROL WOODS WAY -	High Voltage	9,595.64	1/4/2007
Total By Report Date:			9 Claims		113,749.44	

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Progress Energy Florida Inc.

SC Audit Report for 2003 - 2008 claims >5K

TARS

Date Filed	Name of Complainant	Claim Number	Address	Cause of Complaint	Amount Paid	Close Date
Report Date: 2008 2/4/2008	FLORIDA MULCH	08 -0552	4754 N. KENANSVILLE RD. -	Underground (dig-in/failure)	12,686.32	2/13/2008
Total By Report Date:			1 Claims		12,686.32	

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Progress Energy Florida Inc.

SC Audit Report for 2003 - 2008 claims >5K TARS

Date Filed	Name of Complainant	Claim Number	Address	Cause of Complaint	Amount Paid	Close Date
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and Totals:

56 Claims

1,014,542.93

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id	Description	Can Be A Payee
	Claimant/Payee	Yes
	Vendor	Yes
	Attorney	Yes
	Doctor	Yes
	Agent	Yes
	Alternate Payee	Yes

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DOCUMENT NUMBER-DATE

00278 JAN 12 8

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Code	Description
	Full and Final Settlement
	LITIGATION INFORMATION
	Reserve only - Not Applicable
	Partial Payment - fill in Description 1
	Vendor Payment

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ans. ty /	Code	Description
	10	Med/BI/Comp Payment
	14	Closed/Inactive
	1R	Med/BI/Comp Reserve
	20	Expense Payment
	2R	Expense Reserve
	30	Ind/PD/Coll Payment
	31	Denied
	32	Closed / Outside Contractor
	33	Closed / Inside Department
	34	Closed / Inactive
	3R	Ind/PD/Coll Reserve
	40	Recovery Amount
	4R	Recovery Reserve
	60	Legal Fees
	6R	Legal Reserve
	70	Other Lit Settlement & Expense
	7R	Other Reserve
	90	Deductible Payment
	9R	Deductible Reserve

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Code	Description
ABI	Auto Bodily Injury
APD	Auto Property Damage
GLB	GL Bodily Injury
GLD	GL Property Damage

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Code	Description
R	Circumstances
LE	File Note
FI	Follow up
	Letter to customer
AL	Legal Note
T	Litigation Information
ED	Medical Information
	Property Damage Information
ION	Return Phone Call
OP	Reopen Claim Reason
TL	Settlement Reason
IPV	Supervisor note

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Code	Description
EL1	Delay Claim - Construction
EL2	Delay Claim - Catastrophic
	Delay Claim - Utility Co.
	Mobile Meter Reading
CT	Customer Transaction(cutoff/dispute etc)
CU	Customer Related Event
EP	Energy Programs
EV	Environmental
FI	Fires
FO	Feeder Operations
HV	High Voltage
IV	Irregular Voltage
LP	Line Protection/Regulation
LV	Low Voltage
MI	Misc.
ML	Missed Facility Locates
ON	Open Neutral
OU	Outage
PN	Property Damage (other-non elec)
RW	R-O-W/Tree Trimming
SP	Single-Phasing
TF	Transformer
TI	Transmission/Industrial
UD	Underground (dig-in/failure)
VC	Vehicle/Collision
VI	Vehicle/Property Damages
VB	Vehicle Damage (rental)
WE	Weather(storm/lightning)
WX	Weather (hurricane/catastrophic)

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Code	Description
	Substation Voltage
	Company Premises
	Distribution Voltage
	Generation Voltage
	None Applicable
	Off Company Premises
	POWER PLANT (Emissions)
	POWER PLANT (Other)
	Service Voltage
	Transmission Voltage

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Code	Description
P	Contractor Property Damage
	Fatality - Contractor
	Fatality - Employee
	Fatality - Public
	Injury - Contractor
	Injury - Employee
	Injury - Public
	Injury to Minor
D	PROPERTY DAMAGE

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Code	Description
E1	EMPLOYEE (Human Performance)
E2	Substation
4	Regional Operations
	Power Plants

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Code	Description
RD	Product
RV	Service

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Code	Description
DN	Non-Regulated
EG	Regulated

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code	Description	Short description
0	General Liability	GL
	Auto Liability	AUTO

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Code	Description
AA	Pending claims
	E. Bruce Allen
	Keith Bentley
FM	Loretta Murray
M	Larry Mazer
IRS	Mary Shelton
EK	Pamela Kappes
KS	Susan Stewart
D	Stephen Osburn
JC	Thomas Currier
AF	Judith Fechner
WC	Jerry Carter
AP	Sharon Powell
INK	Unknown

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Code	Description
	Attorney Representation
	Claim Only
	Demand
	Informal Hearing
	Petition
	In Suit
	Settlement
	Trial

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Code /	Major Coverag /	Description
1.	20	General Liability
	30	Auto Liability - Bodily Injury
	30	Auto Liability - Property Damage

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Customer Service Center - Florida - Online Manuals

Online Manuals
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C&MS Home Page
CSC Online Manuals Home Page
My Customer
Contact Information
Emergency
Power Outage
Find Information
News Update
My CSC
Feedback

Receipt Number

Subject: Claims - Customer's Property Damaged

Definition/General Information

- Please **do not** commit to any claim requests.
- If a customer insists on obtaining specifics about their appliance claims (whether we will replace their appliances, or whether they should get estimates on their appliances, etc.), please inform the customer that our Claims Department will make those decisions.
- We are unable to provide resolution details because each claim is investigated and resolved by a Progress Energy Claims Investigator.
- Storm Related Damages - Do not refer customers to our Claims department for storm related damages. Suggest that customers call their insurance company or agent for any storm related damages. This may include damage from fallen poles or wires to home and/or property and claims resulting from outages such as food spoilage, hotel expenses, and meals.
- All non storm related claims should be initiated by issuing a property damage order in CSS at the account level.
- If the customer insists on filing a storm related claim with Progress Energy, please issue a property damage order through CSS. Be sure to be as specific as possible with your comments. The customer is typically contacted by claims within a 24 hour time frame (excluding weekends and holidays).
- Any claims pertaining to our **Meter Based Surge Protector** are handled by the SHOP - 227-2307 (Speed dial 30), or e-mail the Products-Sales and Service mailbox.

Work Process Information

- Retrieve account.
- Issue the service order from the **account level**. However, if the location is inactive, issue the order from the premise level.

DOCUMENT NUMBER - DATE

00278 JAN 12 66

FPSC-COMMISSION CLERK

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- Select Actions/Account Actions/Service Orders/Issue Other Request.
- Double click task list item "Investigation Order"
- Investigation Order Type: Scroll down to select Property Damage
- Enter "requested by" information.
- Enter today's date in the "Date Wanted" field.
- Enter specific details in the comments field, include:
 1. Specific equipment and/or property the customer is reporting damaged.
 2. The date of the incident and the time (if at all possible).
 3. The name of the person calling in the claim.
 4. A daytime telephone number so the claims department can contact the individual making the request.
 5. If a PE contractor was involved, the name of the contractor.
- Select O.K. and Process.
- Note: A Request and a Customer Contact will be automatically generated.

**Load Management
(Potential Damage Caused By Load Management
Equipment)**

- The claim should be the result of the malfunction of Energy Management equipment or a problem caused by a Progress Energy contractor upon installation of maintenance of the equipment.
- Issue a Load Management Maintenance Order
 - Select Programs
 - Select Residential Load Management from the listing
 - Select Actions
 - Issue Load Management Maintenance Order
 - Enter Phone Number
 - Select Other Service Type Radio Button
 - Select Needs Immediate Attention and Defer To Energy Services checkboxes
 - Insert Comment and Process

Note: The comment should indicate the problem and the potential claim and any other important information.

- Upon reviewing the WFM item, the DOC technician will contact the customer to advise that the potential claim has been received.
- The DOC technician will process the WFM and assign the investigation order to the appropriate field agent.
- The field agent will contact the customer to set up an appointment to investigate the validity of the claim.

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	<ul style="list-style-type: none">Any disputed claims will be sent to the appropriate claims investigator by the field agent.
Contacts	Daytime Contacts: <u>Pam Kappes - 230.5034</u> After Hours Contacts: <u>Claims Department - After Hours Information.</u> (Please do not provide home phone numbers)
Related Topics	
Last Update	Wednesday, May 21, 2008

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