

**BEFORE THE FLORIDA
PUBLIC SERVICE COMMISSION**

**DOCKET NO. 120015-EI
FLORIDA POWER & LIGHT COMPANY**

**IN RE: PETITION FOR RATE INCREASE BY
FLORIDA POWER & LIGHT COMPANY**

COM	5
APA	1
ECR	10
GCL	1
RAD	1
SRC	1
ADM	1
OPC	1
CLK	1
Crt Rep	1

TESTIMONY & EXHIBITS OF:

MARLENE M. SANTOS

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
FLORIDA POWER & LIGHT COMPANY
DIRECT TESTIMONY OF MARLENE M. SANTOS
DOCKET NO. 120015-EI

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1 I. INTRODUCTION

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Q. Please state your name and business address.

A. My name is Marlene M. Santos. My business address is 9250 W. Flagler Street, Miami, Florida, 33174.

Q. By whom are you employed and what is your position?

A. I am employed by Florida Power & Light Company (“FPL” or the “Company”) as Vice President of Customer Service.

Q. Please describe your duties and responsibilities in that position.

A. As Vice President of Customer Service for FPL, I have responsibility for developing and implementing programs and services that optimize the level of customer service provided to FPL’s customers.

Q. Please describe your educational background and professional experience.

A. I have a Bachelor’s Degree and a Master’s Degree in Business Administration from the University of Miami. I have been Vice President of Customer Service since January 2005. Since joining FPL in 1981, I have held numerous positions of increasing responsibility in several functional areas, including Finance, Marketing, and Customer Service, and have participated in various special projects as assistant to FPL’s President. I joined Customer Service in 1990 and have served as Manager of Marketing, Manager of Commercial Services, Director of Revenue Recovery, and Director of Customer Care.

1 **Q. Are you sponsoring any exhibits in this case?**

2 A. Yes. I am sponsoring the following exhibits: MMS-1 through MMS-6, which
3 are attached to my direct testimony.

- 4 • MMS-1, Summary of Sponsored MFRs
- 5 • MMS-2, Customer Service Awards
- 6 • MMS-3, Customer Care Center Satisfaction Research
- 7 • MMS-4, Field Organization Satisfaction Research
- 8 • MMS-5, Online Energy Dashboard
- 9 • MMS-6, Complaints for Florida Investor-Owned Utilities

10 **Q. Are you sponsoring or co-sponsoring any Minimum Filing Requirements**
11 **(“MFRs”) filed in this case?**

12 A. Yes. Exhibit MMS-1 shows my sponsorship and co-sponsorship of MFRs.

13 **Q. What is the purpose of your testimony?**

14 A. The purpose of my testimony is to describe how FPL provides a superior level
15 of service to our customers while at the same time maintaining low cost and
16 efficient operations.

17 **Q. Please summarize your testimony.**

18 A. We’re very proud that our many efforts to provide efficient and outstanding
19 service to our customers have helped to keep FPL's typical residential bill the
20 lowest of Florida's 55 electric utilities and approximately 25 percent below the
21 national average. We have worked hard to control costs by ensuring that our
22 operations continue to be improved with additional functionality that allows
23 us to serve customers as accurately and efficiently as possible.

1 FPL has been recognized with several awards for providing superior customer
2 service. In 2011, FPL received the ServiceOne Award from the worldwide
3 consulting firm PA Consulting Group for an unprecedented eighth
4 consecutive year. In PA Consulting's benchmarking study, FPL performed
5 better than the benchmark in key indicators and cost per customer for
6 customer care, billing, and payment processing functions. We have also
7 received a number of additional awards from other leading industry
8 associations further validating the extremely high level of FPL's customer
9 service. A summary of recent customer service industry awards and
10 recognitions is attached to my testimony as Exhibit MMS-2.

11
12 Our superior customer service is achieved through continuous process
13 improvement in our operations. FPL has designed its care centers to ensure
14 customer inquiries are answered promptly and accurately. We have
15 developed a "Best-In-Class" Interactive Voice Response ("IVR") system
16 which provides customers with the option to complete their interaction in a
17 fully automated manner for many general inquiries. Our field operations
18 group provides face-to-face services to both residential and business
19 customers and has been recognized nationally for providing excellent
20 customer service. Our customers are offered a variety of billing, payment and
21 other options that provide added convenience and flexibility in receiving and
22 paying their bills or performing general inquiries.

23

1 FPL believes it is critical that the Company continue to invest today in order
2 to secure benefits for our customers in the future. To further that objective,
3 we are investing in smart grid technologies to create a smarter and more
4 efficient system for the delivery of electricity. Smart meters serve as the
5 initial step. FPL's smart meter project was reviewed and approved by the
6 Commission in FPL's 2009 Rate Case. The smart meter project provided the
7 foundation for FPL to apply for a Department of Energy ("DOE") Smart Grid
8 Investment Grant. The \$200 million grant awarded to FPL by the DOE has
9 funded several significant projects that allow us to provide many incremental
10 benefits of the smart grid to our customers at no additional cost to them.

11
12 The smart grid technology is already providing benefits to FPL's customers.
13 Customers with activated smart meters have access to an online energy
14 dashboard that provides information that allows them to see how much energy
15 they are using by the hour, day, and month, and help them manage their
16 energy consumption. They can see what they are spending for electricity
17 during those time intervals and they are also able to obtain a projection of
18 their next bill. This project is providing additional benefits for our customers
19 through reduction in estimated bills and improved theft detection.

20
21 We are particularly mindful of the impact of these uncertain economic times
22 on our customers. The Company has responded by reaching out into the
23 communities we serve to provide programs for seniors and low-income

1 customers. FPL staff members work closely with social services agencies to
2 assist customers in need. In 2011, we coordinated nearly 182,000 assistance
3 payments received from numerous agencies, representing approximately
4 \$49 million toward low income customers' electric bills. In addition, FPL has
5 a referral process that helps notify customers who may be eligible for
6 assistance. Through this program, we reached nearly 217,000 customers in
7 2011, providing contact information for the specific agencies that offer
8 assistance services in their areas.

9
10 My testimony also demonstrates that the excellent performance in Customer
11 Service and the benefits provided to customers mentioned above have all been
12 achieved while keeping our O&M expenses below the Commission
13 benchmark. The spending in Customer Service is reasonable and necessary
14 and supports FPL's need to increase base rates to a level that would allow us
15 to continue providing high quality and value of service while at the same time
16 keeping FPL's typical residential bill the lowest of Florida's 55 electric
17 utilities.

18

1 **II. OVERVIEW OF CUSTOMER SERVICE**

2

3 **Q. Please provide an overview of the Customer Service organization.**

4 A. FPL’s Customer Service organization is responsible for the development and
5 execution of policies, processes and systems related to contacts with our
6 customers. This includes customer care centers; customer service field
7 operations, which is responsible for account management for large
8 commercial/industrial and governmental customers; complaint resolution;
9 billing and payment processes; development and implementation of FPL’s
10 Demand Side Management (“DSM”) programs; field meter activities
11 including implementation of smart meters; and credit and collections
12 activities.

13 **Q. Has FPL been recognized for providing superior performance in the area**
14 **of Customer Service?**

15 A. Yes. FPL is recognized as an industry leader in terms of customer service
16 performance. As I mentioned previously, FPL was awarded the ServiceOne
17 Award last year by the PA Consulting Group for the eighth consecutive year,
18 an unprecedented achievement in our industry. PA Consulting Group is a
19 leading management, systems and technology consulting firm with worldwide
20 operations in more than 35 countries. The ServiceOne Award recognizes
21 utilities that provide exceptional service to their customers as determined by a
22 set of 27 objective measures of excellence in customer care developed by a
23 panel of industry experts. These measures were selected to provide

1 comprehensive, quantitative measurement of the service attributes that matter
2 to customers. The measures include meter reading, billing, call center, field
3 service, credit and collections, theft protection, and self service.

4
5 In addition to receiving the ServiceOne Award, FPL was also awarded four
6 PA Consulting Balanced Scorecard Achievement Awards in 2011. These
7 awards recognize excellence on the part of specific functional areas within
8 customer service. FPL received Balanced Scorecard Achievement Awards in
9 the areas of customer care, meter reading, billing, and field meters.

10
11 Our field operations group has also been nationally recognized for its service
12 to business customers. FPL received the Edison Electric Institute's ("EEI")
13 2011 National Key Accounts Award for Outstanding Customer Service. More
14 than 700 of the nation's leading chain and multi-site businesses voted in the
15 awards program. EEI is the association of U.S. Shareholder-Owned Electric
16 Companies that provides public policy leadership, critical industry data,
17 market opportunities, strategic business intelligence, and other services. In
18 addition, FPL earned first place in the national 2011 E Source Gap and
19 Priority Benchmark Survey of Utility Large Business Customers in
20 recognition of their satisfaction with the utility and the value provided by
21 account representatives. E Source provides independent research, advisory,
22 and information services to utilities, major energy users, and other key players
23 in the retail energy marketplace.

1 **III. CUSTOMER CARE CENTERS**

2

3 **Q. Please describe the operation of the customer care centers.**

4 A. Our customer care centers have been designed and are continuously enhanced
5 using state-of-the-art technology with the objective of ensuring that all
6 customer inquiries are answered promptly and accurately. There are three
7 care centers and numerous remote agents that have been configured to act as
8 one virtual contact center that handles inbound and outbound calls, as well as
9 faxes, letters, and emails.

10 **Q. How do FPL's customer care centers compare with other call centers in**
11 **the industry?**

12 A. FPL participates in an annual benchmarking study conducted by PA
13 Consulting Group. The 2011 benchmarking study, based on 2010 year-ending
14 data, consisted of 15 electric and gas utilities. As part of this study, many
15 individual performance measures that are typical industry indicators were
16 benchmarked. The following metrics are indicative of FPL's outstanding
17 performance compared to other participants. In four key areas, FPL's
18 performance is significantly better than the industry average: calls answered in
19 30 seconds, call abandonment rate, calls answered by the IVR, and cost per
20 customer. FPL's percentage of calls answered in 30 seconds was 87 percent
21 compared to the benchmark average of 68 percent. Our call abandonment rate
22 was 3.2 percent compared to the benchmark average of 6.5 percent. In
23 addition, FPL's percent of calls answered by the IVR was 62.4 percent versus

1 the benchmark average of 40.8 percent. Finally, our strong emphasis on
2 process management and leveraging of technology resulted in a cost per
3 customer of \$7.58, which is \$2.22 less than the industry benchmark average of
4 \$9.80.

5
6 As mentioned previously, FPL's customer care center was awarded the PA
7 Consulting Balanced Scorecard Achievement Award in 2011. Of the
8 participating utilities, FPL was the only company to receive the Balanced
9 Scorecard Achievement Award for care centers, reflecting FPL's superior
10 performance in this area.

11 **Q. How has FPL been able to achieve such high customer acceptance for its**
12 **use of the IVR system?**

13 A. FPL's industry-leading IVR customer acceptance is the result of the
14 development of many applications that allow customers to easily complete
15 general inquiries through the IVR without the need to speak to a
16 representative. Capabilities have been created that provide interactive
17 customer applications for disconnecting service, power outage reporting,
18 billing inquiries, bill payment, payment extensions, reconnection of service,
19 requesting duplicate bills, and obtaining general information on many other
20 services we provide. In 2011, business conducted through our self-service
21 telephone applications exceeded 12.6 million transactions. These transactions
22 account for 64 percent of all phone calls received by FPL. In 2011, E Source
23 ranked our IVR system among the best (No. 3) in the electric power industry.

1 **Q. Why is FPL's Care Center cost per customer so much lower than the**
2 **average of companies that participated in the study?**

3 A. FPL has created an efficient and cost-effective care center operation. Our
4 strong emphasis on process management results in enhanced accuracy and
5 consistency, which in turn lowers our cost per customer. In addition to
6 continuously monitoring these processes, the leveraging of technology has
7 enabled FPL to keep its cost per customer low. As previously described, FPL
8 has maintained an intense focus on improving and expanding the automated
9 services offered through its IVR.

10 **Q. Does FPL measure customer satisfaction for customers who contact the**
11 **customer care centers?**

12 A. Yes. Ongoing surveys are performed to measure overall satisfaction with the
13 way calls are handled.

14 **Q. Please describe the results of these surveys.**

15 A. The surveys are conducted using a random selection process and are
16 performed on an ongoing basis. The surveys measure overall satisfaction with
17 the call, the ease of contacting FPL, the representative, and the IVR. The
18 percent satisfied score is based upon the number of customers who scored the
19 process as a six or seven on a seven point scale. Seven indicates the highest
20 satisfaction rating and one indicates the lowest satisfaction rating. Using this
21 scale, overall satisfaction with the call, ease of contacting FPL, satisfaction
22 with the IVR, and satisfaction with the representative were all at or above 83
23 percent for residential customers and 80 percent for business customers for

1 year-end 2011. These scores demonstrate FPL's strong performance in these
2 measures. Additionally, a key design of the surveys is to provide a means of
3 identifying improvement opportunities. FPL continuously monitors the
4 results of the surveys in order to identify those areas of concern where we can
5 proactively take action. FPL's residential and business care center satisfaction
6 research results are attached to my testimony as Exhibit MMS-3.

7

8

IV. CUSTOMER SERVICE FIELD OPERATIONS

9

10 **Q. Please describe how FPL provides service through its field operations**
11 **group.**

12 A. FPL provides additional services to our customers through its field force of
13 residential, small/medium business, and commercial/industrial representatives.
14 This group of employees is dedicated to serving individual customers at their
15 home or place of business. Services provided to our residential and
16 small/medium business customers include DSM programs such as on-site
17 personalized analysis of business or home energy use, high bill investigations,
18 or investigation of any other concerns that a customer may have about their
19 electrical service. Commercial/industrial representatives provide a
20 personalized level of service to our larger commercial/industrial customers. A
21 dedicated account manager serves as a single point of contact for all energy-
22 related and customer service issues for these large, complex energy users. A
23 dedicated account team supports the efforts of the account manager in the

1 areas of reliability, new construction, new energy technology, billing, energy
2 efficiency, and other innovative solutions.

3 **Q. Does FPL measure customer satisfaction for customers who interact with**
4 **the field organization?**

5 A. Yes. Similar to how we conduct surveys with customers that contact our care
6 centers, ongoing surveys are performed to measure satisfaction of residential
7 and business customers with the way field services are handled. The percent
8 satisfied score is the percent of customers who scored the satisfaction with the
9 field representative a six or seven on a seven point scale. Seven indicates the
10 highest satisfaction rating and one the lowest. Survey results for these
11 customers have been exceptional. For example, in 2011, business customers
12 rated their satisfaction with the account manager as a six or seven 98 percent
13 of the time for small/medium business customers, and 100 percent of the time
14 for national accounts customers. Residential customers rated their satisfaction
15 with the field representative at 90 percent or higher. FPL's field organization
16 satisfaction research results are attached to my testimony as Exhibit MMS-4.

17

18 As mentioned previously, our business account management team has been
19 recognized nationally for its performance. FPL earned first place in the
20 national 2011 E Source Gap and Priority Benchmark survey. The E Source
21 Gap and Priority Benchmark is based on survey responses from more than
22 1,300 U.S. utility large business customers. FPL received high scores in all
23 categories, including satisfaction with the utility and with their account

1 representative, as well as the value provided by the utility relative to the price
2 paid for energy. In addition, FPL received the EEI 2011 National Key
3 Accounts Award for Outstanding Customer Service. More than 700 of the
4 nation's leading chain and multi-site businesses voted in the awards program.

5

6 **V. BILLING, PAYMENT AND INTERNET OPTIONS**

7

8 **Q. What billing and payment options does FPL provide its customers?**

9 A. FPL recognizes that our customers want options in terms of billing and
10 making payments. The Company strives to enhance its service to customers
11 and provide such choices by offering a variety of billing and payment options.
12 These options are designed to make it easier for customers to do business with
13 the Company, and at the same time reduce costs which benefits all customers.
14 For billing options, customers may choose to receive their bill electronically
15 or as a paper bill. Customers then have the option of paying bills by mailing
16 the payment to FPL, paying at a pay station, or paying electronically by phone
17 or online.

18 **Q. How do FPL's costs for billing and payment functions compare to other
19 utilities?**

20 A. FPL has worked hard to control these costs over the years by maximizing
21 postage and paper discounts and providing customers with lower cost billing
22 and payment options that meet their needs. Our success is demonstrated by
23 the results of the 2011 PA Consulting benchmarking study. FPL's cost per

1 customer for billing expense is \$4.84, which is \$2.08 less than the benchmark
2 average of \$6.92. FPL's cost per customer for payment service expenses is
3 \$0.61, which is \$0.78 less than the benchmark average of \$1.39.

4 **Q. Would you elaborate on the customer services that FPL provides to its**
5 **customers over the Internet?**

6 A. FPL recognizes that many customers appreciate the ability to use interactive
7 self-service to do business. FPL continues to focus on developing and
8 expanding its self-service applications so that its customers can conduct
9 business with FPL on the Internet. Customers can use FPL.com to update
10 their account information, make billing inquiries, request payment extensions,
11 report power outages and status updates, report street light outages, order
12 duplicate bills, and connect, disconnect or transfer service. As previously
13 discussed, customers may also view and pay their monthly bill online.
14 Customers can visit FPL.com to enroll in email bill, budget billing, and online
15 pay options. Customers have the option to request to be automatically
16 enrolled for online services when they connect their service on the telephone.
17 Customers can also take an Online Home Energy Survey to better manage
18 their consumption. In addition, customers whose smart meters have been
19 activated can view their energy usage information by the hour, day or month
20 online and see a projection of their next bill.

21

22 The number of transactions performed on FPL's website continues to grow at
23 a steady pace. In the 2011 PA Consulting benchmarking study, FPL ranked

1 first quartile, reporting an average of 5.6 automated Web transactions per
2 customer compared to an average of 3.4 for the 14 reporting companies. Our
3 Internet applications allow customers to conduct business with the Company
4 24 hours a day, an option preferred by many customers and a means by which
5 FPL can continue to reduce operational costs.

6

7

VI. SMART GRID AND SMART METERS

8

9 **Q. Is FPL deploying Smart Grid technologies, including Smart Meters?**

10 A. Yes. As part of our Energy Smart Florida initiative, FPL is deploying smart
11 grid technologies that are helping to build a stronger, smarter, cleaner, and
12 more efficient electrical infrastructure. Smart meters serve as the initial step
13 in the development of our smart grid initiative and support the established
14 federal policy to modernize the nation's electric infrastructure. FPL's smart
15 meter project was reviewed and approved by the Commission in FPL's 2009
16 Rate Case, as reflected in Order No. PSC-10-0153-FOF-EI, issued on
17 March 17, 2010 in Docket Nos. 080677-EI and 090130-EI ("2010 Rate Case
18 Order"). The smart meter project provided the foundation for FPL to apply
19 for a DOE Smart Grid Investment Grant. The Commission's approval of
20 FPL's smart meter project allowed us the opportunity to receive a \$200
21 million grant from the DOE.

22

1 **Q. Please explain the benefits received by FPL's customers as a result of the**
2 **DOE grant.**

3 A. The \$200 million grant has funded several significant projects that allow us to
4 provide many incremental benefits of the smart grid to our customers at no
5 additional cost to them. The installation of intelligent devices on our grid will
6 allow us to help reduce, shorten, and lessen the impact of power outages for
7 customers, while preventing many potential outages before they occur.

8
9 The grant also funded our In-Home-Technology Project which is designed to
10 test emerging in-home technologies and dynamic pricing associated with
11 smart meters. This program will help FPL to better understand its customers'
12 needs and some of the potential products and services that could be offered to
13 customers to better manage their energy usage.

14
15 In addition, the grant has provided FPL the opportunity to partner with Miami
16 Dade College to develop a program through the Florida College System that
17 will help customers create personal energy plans using face-to-face training
18 and hands-on participation.

19 **Q. What is the current status of the DOE grant?**

20 A. FPL has satisfied the requirements to receive full reimbursement of the \$200
21 million. We plan to complete all of the initiatives associated with the grant by
22 the end of 2012.

23

1 **Q. What is your role in the deployment of smart grid technologies?**

2 A. The deployment of smart grid technologies spans various departments within
3 FPL. I am responsible for overseeing the administration of the DOE grant for
4 FPL and the implementation of the smart meter project. FPL's smart meter
5 project includes the deployment of state-of-the-art integrated solid-state smart
6 meters and associated network equipment to the over four million residential
7 and small/medium business customers we serve. The meters are equipped
8 with secure two-way communications; remote reading and connection
9 capabilities; and the ability to collect data regarding consumption at
10 predetermined intervals. The meters also include "flags" which are useful for
11 the determination of outage, restoration, and theft.

12 **Q. What is the current status of FPL's smart meter deployment?**

13 A. As of March 1, 2012, FPL has installed more than 3 million smart meters in
14 its service area. FPL continues to anticipate that it will achieve full
15 deployment by the end of 2013.

16 **Q. What benefits are customers seeing as a result of smart meters?**

17 A. Customers are beginning to see the benefits associated with the installation of
18 smart meters. Customers with activated smart meters have access to more
19 detailed information about their energy consumption. Instead of having to
20 wait until the end of the month to see how much energy has been consumed,
21 customers with smart meters have access to an online energy dashboard where
22 they can see how much energy they are using by the hour, day, and month.
23 They can also see what they are spending for electricity during those time

1 intervals and obtain a projection of their next bill. In addition, the average
2 temperature for each day is available so that customers can correlate the
3 impact weather has on their energy usage. Customers can also compare their
4 past energy consumption information to see trends or patterns in their energy
5 use. All of this information allows customers to make informed choices and
6 better manage their energy usage. An example of the information available on
7 FPL's online energy dashboard is attached to my testimony as Exhibit MMS-
8 5.

9
10 Customers who do not have access to the Internet can also benefit from the
11 energy usage information now available through smart meter technology.
12 Customers can call FPL to speak to a customer service representative who will
13 be able to review their usage on the phone and answer questions. Customers
14 can also use the recently enhanced IVR to get energy usage and other smart
15 meter information.

16
17 Smart meters offer our customers more convenience by providing readings
18 without the need to access customer property. Remote readings are being
19 utilized to regularly bill our customers and to complete orders associated with
20 opening and closing accounts, reducing the number of estimated and prorated
21 bills. In areas with activated smart meters, we currently see an estimated-bill
22 rate of 0.36 per 1000 meters, compared to areas where legacy meters are still
23 in place where the rate is 14 per 1000 meters. Additional information

1 captured by the meters has also assisted in the identification and reduction of
2 theft of electricity. The success rate of the leads generated by the smart meter
3 is twice that of previous processes.

4
5 We plan to continue to improve our service by leveraging smart meter
6 technology. For example, FPL witness Hardy describes how we are
7 integrating smart meter data with our Trouble Call Management System. This
8 will provide real-time outage information/visibility and improve the outage
9 experience for the customer. In addition, the future implementation of the
10 remote connect service functionality will allow us to remotely perform move-
11 in, move-out, and emergency reconnects, improving our response to
12 customers. This service will also allow us to take quicker action on accounts
13 where there is unaccounted usage.

14
15 These initiatives will continue to help keep our operating costs low. As the
16 deployment of smart meters and the supporting technologies continues, we
17 expect the process improvements and automation to result in a reduction in
18 O&M expenses.

19 **Q. Will FPL continue to provide updates to the Commission on its**
20 **deployment of smart meters?**

21 A. Yes. As reflected in FPL's 2010 Rate Case Order, the Commission has
22 ordered FPL to provide annual progress reports on implementation of smart
23 meters in the Energy Conservation Cost Recovery docket. Consistent with the

1 Commission's order, FPL filed its first annual report in March 2011 and is
2 filing its second annual report in March 2012.

3

4

VII. ECONOMIC ASSISTANCE FOR CUSTOMERS

5

6 **Q. Please discuss the energy affordability initiatives associated with payment**
7 **assistance.**

8 A. FPL has been working diligently to find ways to increase payment assistance
9 funding to eligible households in need. This has been achieved in great
10 measure through partnerships with various social services agencies in the
11 communities that FPL serves. This process is known as ASSIST and it
12 involves referring customers who are experiencing financial difficulty to an
13 appropriate social services agency. FPL staff members work closely with the
14 agencies to assist customers while resources are allocated and secured for
15 those in need. In 2011, customers received nearly 182,000 assistance
16 payments from numerous agencies, representing approximately \$49 million
17 toward low income customers' electric bills.

18 **Q. What other initiatives has FPL worked on to increase payment assistance**
19 **to customers?**

20 A. FPL has been leading several other initiatives with a focus on growing
21 available energy assistance resources, including identification of new funding
22 sources. FPL was a co-founder of the Coalition for Affordable Energy for
23 All, in partnership with Entergy, TXU Energy, Atmos Energy, Centerpoint

1 Energy, and other utilities. These partners have been working together to
2 influence congressional funding of the federal Low Income Home Energy
3 Assistance Program.

4
5 To ensure that customers in need are aware of the availability of assistance
6 funds, we have identified opportunities to provide customers with the contact
7 information of local social services agencies that partner with FPL's ASSIST
8 program. We provide a specific agency name and phone number to customers
9 in need through the billing process, based on the customer's ZIP code. Our
10 Customer Care representatives also have access to information at the ZIP code
11 level, and offer the same information to callers when appropriate. Customers
12 who attend our neighborhood energy conservation and bill management
13 seminars also receive this information. In addition, FPL has a referral process
14 which helps notify customers who may be eligible for assistance. Through
15 this program, nearly 217,000 customers in 2011 received personal contacts by
16 mail and by phone, providing contact information for the specific agencies
17 that offer assistance services in their area.

18

19

VIII. COMPLAINT RESOLUTION

20

21 **Q. How does FPL handle customer complaints?**

22 A. FPL's goal is to ensure that every customer is satisfied with the handling of
23 their inquiry. While it is not practical to expect 100 percent satisfaction, we

1 have developed a process that is designed to maximize the opportunity to
2 successfully address customers' concerns. Customers who contact the care
3 center and want their inquiry escalated are offered the option of speaking with
4 a care center account supervisor. Account supervisors are a group of
5 employees with more experience and broader authority who are dedicated to
6 resolving customer issues quickly and efficiently. They are able to resolve the
7 majority of calls directly. However, if the call requires follow-up with a
8 department outside of the care center, the customer is provided the department
9 name to which their matter is being referred, as well as a timeframe in which
10 the appropriate representative will contact the customer for resolution.
11 Additionally, the customer is given the care center account supervisor's name
12 and telephone number in the event they need further assistance. A ticket for
13 follow-up is then created, and the matter is monitored for completion in a
14 timely manner.

15
16 In the event that a customer complaint is not resolved, the customer may
17 choose to contact the Florida Public Service Commission ("FPSC"). As part
18 of our complaint handling process, FPL participates in the Transfer-Connect
19 and E-mail processes established by the FPSC to help resolve disputes
20 between regulated companies and their customers as quickly, effectively, and
21 inexpensively as possible. These processes involve transferring the customer
22 call or email directly from the FPSC to a specialized group of FPL customer
23 advocates for expedited handling if the customer agrees.

1 **Q. How has the number of FPL customer contacts to the FPSC changed in**
2 **recent years?**

3 A. FPL has been successful in reducing the number of complaints as a result of
4 the efforts described above, as well as other initiatives aimed at improving
5 customer satisfaction. When looking at the complaints that are recorded as
6 “logged” with the FPSC company-wide, FPL has shown a reduction in
7 complaints per 1,000 customers in 2011 from 2010 of 19 percent. FPL
8 recorded 0.0615 complaints per 1,000 customers in 2011 compared to 0.0765
9 complaints per 1,000 customers in 2010. Attached to my testimony is Exhibit
10 MMS-6, Complaints for Florida Investor-Owned Utilities, which is a
11 summary of logged complaint data per 1,000 customers for the five Florida
12 Investor-Owned Utilities. The data shows that in 2011 FPL had the second
13 lowest level of logged complaints when compared to the other utilities.

14

15 **IX. CUSTOMER SERVICE O&M EXPENSE**

16

17 **Q. Please provide an overview of Customer Service’s O&M expenses.**

18 A. Customer Service O&M is driven by several key activities including meter
19 reading, billing, payment processing, customer care, credit and collections,
20 and various field and support activities to serve our customers. In addition to
21 these activities, uncollectible expense (the sum of bad debt and the provision
22 adjustment for uncollectible accounts), and deployment of smart meters, are
23 cost drivers for Customer Service O&M.

1 **Q. How do the Customer Accounts functional area O&M expenses for the**
2 **Test Year compare to the Commission’s O&M benchmark (MFR C-41,**
3 **O&M Benchmark Variance by Function)?**

4 A. The Customer Accounts functional area Test Year O&M expenses are below
5 the Commission’s O&M benchmark threshold.

6 **Q. How do the Customer Service functional area O&M expenses for the Test**
7 **Year compare to the Commission’s O&M benchmark (MFR C-41, O&M**
8 **Benchmark Variance by Function)?**

9 A. The Customer Service functional area Test Year O&M expenses are below the
10 Commission’s O&M benchmark threshold.

11 **Q. How do the Sales functional area O&M expenses for the Test Year**
12 **compare to the Commission’s O&M benchmark (MFR C-41, O&M**
13 **Benchmark Variance by Function)?**

14 A. The Sales functional area Test Year O&M expenses are below the
15 Commission’s O&M benchmark threshold.

16 **Q. How has Customer Service effectively managed its costs when compared**
17 **against the Commission’s O&M benchmark?**

18 Customer Service has continued to focus on productivity improvements to
19 help keep operating and maintenance expense down. For example, through
20 the continued efforts of our billing department to increase customer adoption
21 of electronic billing, we expect postage and paper expense to be
22 approximately \$7 million lower when compared to our 2010 rate case decision
23 adjusted for inflation and customer growth. Our customer care department

1 expense is expected to be approximately \$4 million lower when compared to
2 our 2010 rate case decision adjusted for inflation and customer growth. This
3 difference is primarily attributable to a reduction in call volume driven by
4 continued efforts to increase usage of self service options offered through the
5 IVR system and FPL.com and ongoing process improvements. In addition,
6 uncollectible accounts expense is expected to be approximately \$15 million
7 lower when compared to our 2010 rate case decision adjusted for inflation and
8 customer growth. This will be accomplished through a focused effort in the
9 credit and collections management group to improve deposit, field collections,
10 telephone collections, and recovery processes.

11 **Q. How does FPL forecast its bad debt expense?**

12 A. FPL uses regression analysis to forecast bad debt expense. Bad debt expense
13 is modeled using historical and projected data such as the price of electricity,
14 kWh sales, and other economic factors. This data has a strong correlation
15 with bad debt expense and provides a means of measuring and accounting for
16 factors that contribute to non-payment.

17 **Q. What is FPL's projected bad debt expense for the 2013 test year?**

18 A. FPL's forecast of bad debt expense is \$16.6 million which results in a bad
19 debt factor of 0.166 percent as shown on MFR C-11.

20 **Q. How does FPL's bad debt expense compare to other utilities?**

21 A. FPL has worked hard to minimize bad debt through the use of standardized
22 processes and fair and consistent policies. In the 2011 PA Consulting
23 benchmarking study using 2010 data, FPL ranked first quartile in lowest

1 percent of bad debt as a percent of revenue with a rate of 0.2 percent
2 compared to the benchmark average of 0.7 percent. Bad debt as a percent of
3 revenue is an industry standard for measuring bad debt performance.

4 **Q. Does this conclude your direct testimony?**

5 **A. Yes.**

FLORIDA POWER & LIGHT COMPANY

MFRs SPONSORED AND CO-SPONSORED BY MARLENE M. SANTOS

MFR	Period	Title
SPONSOR		
C-11	Test	UNCOLLECTIBLE ACCOUNTS
F-9	Test	PUBLIC NOTICE
CO-SPONSOR		
C-15	Historic	INDUSTRY ASSOCIATION DUES
C-15	Test	INDUSTRY ASSOCIATION DUES
D-6	Historic	CUSTOMER DEPOSITS
D-6	Prior	CUSTOMER DEPOSITS
D-6	Test	CUSTOMER DEPOSITS
E-7	Test	DEVELOPMENT OF SERVICE CHARGES
E-13b	Test	REVENUES BY RATE SCHEDULE - SERVICE CHARGES



FPL Customer Service Awards and Recognition

FPL's Customer Service business unit recognized for its industry-leading performance.

ServiceOne Awards

FPL earned the ServiceOne Award in 2011 for outstanding customer service for an unprecedented eighth consecutive year. FPL is the only U.S. utility to accomplish this in the area of customer service.

FPL was also recognized in 2011 with ServiceOne Balanced Scorecard awards for outstanding performance within selected areas of Customer Service.

- » Customer Care (four years in a row)
- » Customer Billing (two years in a row)
- » Meter Reading
- » Field Meters



E Source Recognition

FPL earned the No. 1 ranking in the 2011 E Source Gap and Priority Benchmark Survey of Utility Large Business Customers. This is the third consecutive year FPL placed among the top utilities in the nation in the survey. Large business customers reported FPL does an exceptional job of standing by its commitments, and they were exceptionally satisfied with FPL account representatives.

FPL's Interactive Voice Response (IVR) system was ranked among the best (No. 3), ahead of 92 electric and gas utilities across the U.S. and Canada in the electric power industry by E Source. The comprehensive study considered user-friendliness, usability and functionality.



EI Awards

FPL received the Edison Electric Institute's 2011 National Key Accounts Award for Outstanding Customer Service. More than 700 of the nation's leading chain and multi-site businesses voted in the awards program including national brands such as Best Buy, Staples, Starwood Hotels, The Limited, and Wal-Mart.



Chartwell Inc. Recognition

FPL's Internal Customer Dissatisfaction Management System was recognized in 2011 in Chartwell Inc.'s Best Practices Newsletter as an effective dissatisfaction management tool.

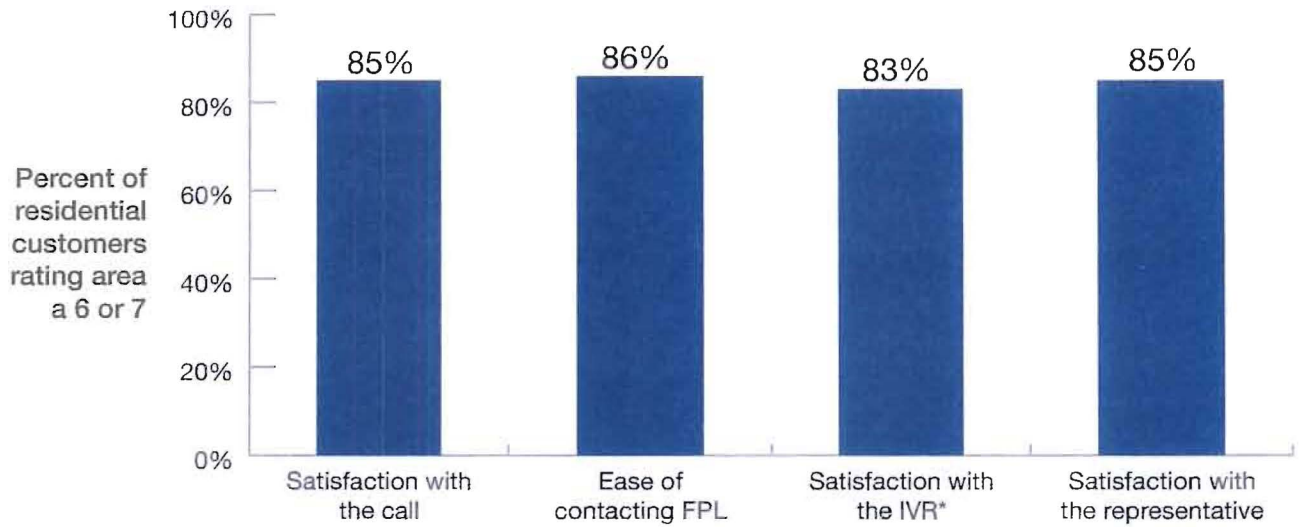




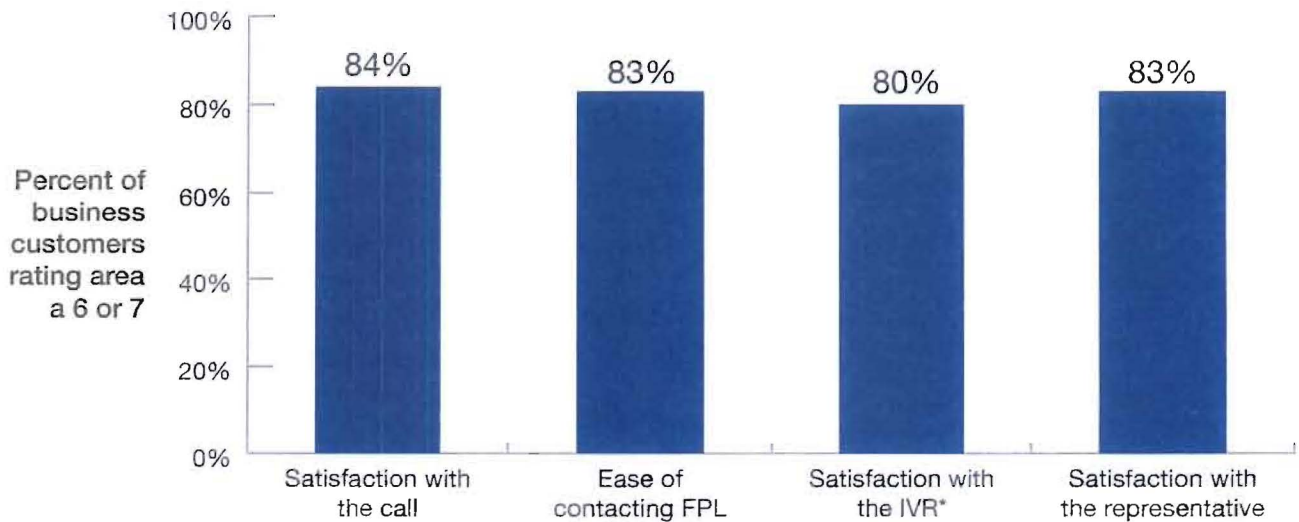
2011 Customer Care Center Satisfaction Research

The satisfaction score is the percent of customers rating the area being measured as a six or seven on a seven point scale. Seven indicates the highest level of satisfaction.

Residential Customers



Business Customers



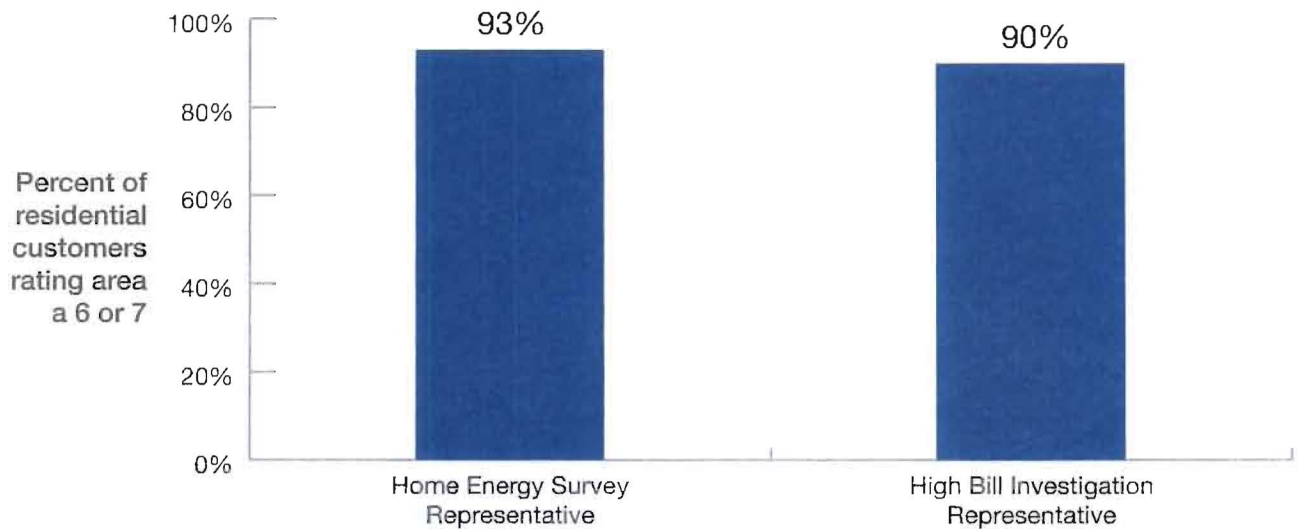
* Interactive Voice Response



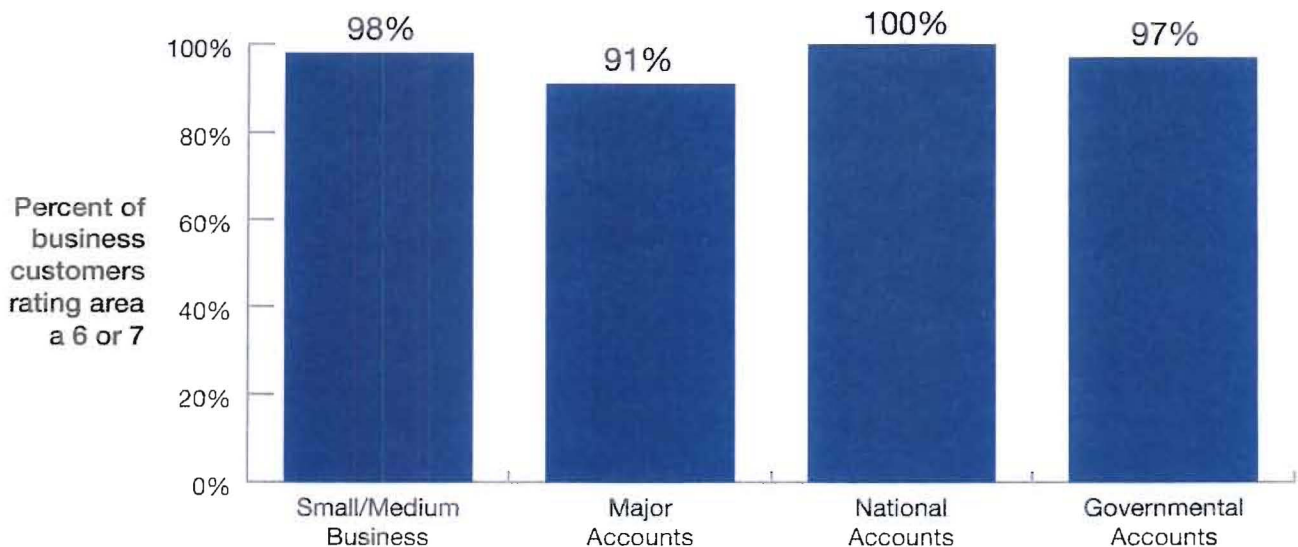
2011 Field Organization Satisfaction Research

The satisfaction score is the percent of customers rating the satisfaction with the employee as a six or seven on a seven point scale, with seven indicating the highest level of satisfaction.

Residential Customers - Satisfaction with the Field Representative



Business Customers - Satisfaction with the Account Manager





Online Energy Dashboard

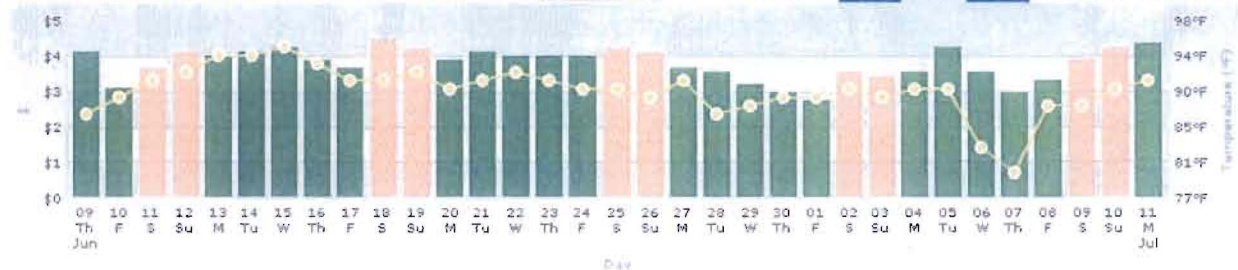


Energy Usage Information

Print & Save | Quick Links | Pay My Bill
 Select Another Account

Usage for Jun. 09, 2011 - Jul. 12, 2011. Average daily usage: **\$3.63** (33 kwh) [View Usage in kwh](#)

Graph by: **Month** | Day | Hour | Choose a Billing Month: [dropdown]



Usage | Temperature | Weekend | H = Conservation Price Days
 + = Incomplete Data | X = Missing Data

Your Account at a Glance

Bill Account: 1234567890
 Service Address: 123 NE 1ST NY2 APT 1
 FORT ABC FL 33311

Billing Type: ACTUAL READING/TESTING
 Billing Period: Jan. 11, 2012 to Feb. 09, 2012
 Bill Reading: 52060
 # of Service Days: 29
 Total Electric Charges: \$77.05

[More Info](#)

Estimate My Next Bill

Next Scheduled Bill Date: Mar. 09, 2012
 Next Month's Estimated Bill: **\$100***

*The bill amount generated in the Estimate My Next Bill tool is only an estimate of what your next electricity bill amount could be, based upon rates used to calculate your last bill. For Budget Billing customers, the estimate reflects actual electric charges - your Budget Bill amount will be different.

Changes in the way you use electricity - as well as changes to billing rates, taxes, or fees - will affect the accuracy of the estimated bill.

Your actual bill amount may be different from the amount in the Estimate My Next Bill tool.

[How we calculate your estimated bill](#)

Usage Comparison

Learn even more about your energy usage by comparing monthly, daily or hourly time periods to each other.

[Compare Now](#)

Frequently Asked Questions

Topic in your question: [input] [Ask](#)

Select a Topic

- Account at a Glance
- Self-Comparison Tool
- Estimate My Next Bill
- General Portal Questions
- Usage Chart

Top Questions

- [How do you calculate my next estimated bill?](#)
- [How do I see my total electricity use in kwh for my last bill?](#)

Online Home Energy Survey

Save Energy with our Online Survey

[Take Survey](#)

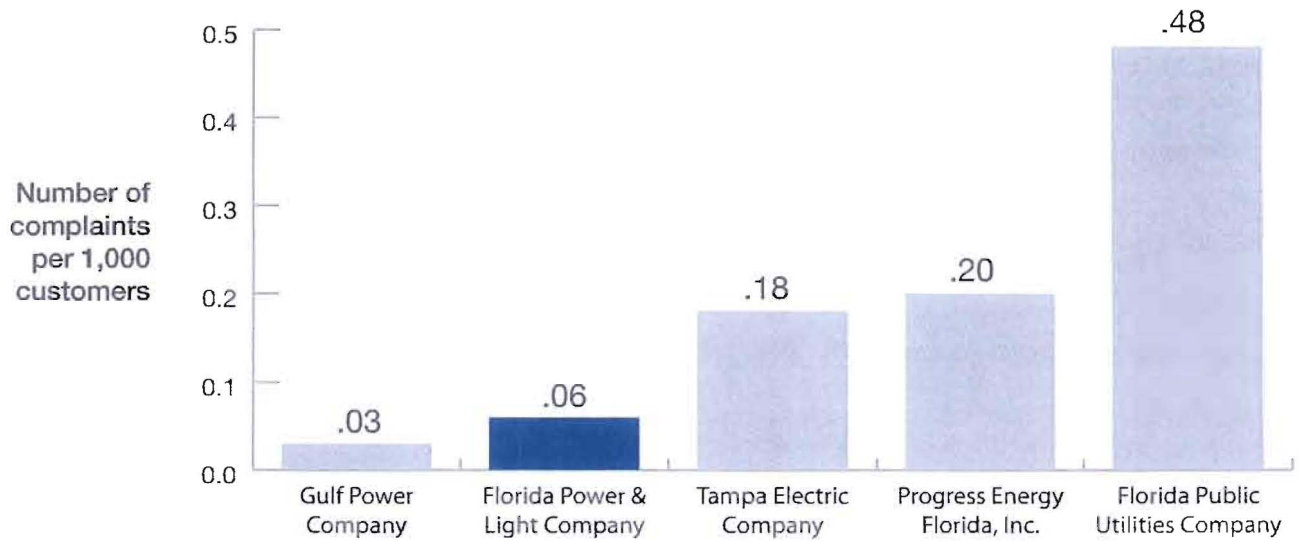
FPL can help you find smart ways to save money on your home's energy bill. It's easy! All you need to complete the survey is a general idea about your home, appliances and energy use habits.

[Learn More](#)



Complaints for Florida Investor-Owned Utilities

January - December 2011



Source: FPSC Monthly Consumer Activity Report 15-Day Logged