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January 28, 2002

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- VIA HAND DELIVERY -

Ms. Blanca S. Bayó
Director of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

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COMMISSION
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Re: Docket No. 001148-EI

Dear Mr. Bayó:

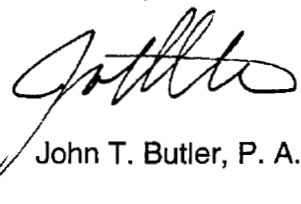
I am enclosing for filing in the above docket the original and fifteen (15) copies of the prefiled testimony and exhibits for the following Florida Power & Light Company ("FPL") witnesses:

- Mark R. Bell 01061-02
- M. Dewhurst 01062-02
- William W. Hamilton 01063
- 01064 Dr. J. Stuart McMenamin
- Armando J. Olivera 01065
- John M. Shearman 01066
- K. Michael Davis 01067-02
- Paul J. Evanson 01068-02
- Steven P. Harris 01069-02
- Rosemary Morley 01070-02
- James K. Peterson 01071-02
- Samuel S. Waters 01072-02

FPL is filing these witnesses' testimonies today in accordance with Order No. PSC-02-0089-PCO-EI, dated January 15, 2002. FPL's witnesses sponsor and explain the MFRs FPL has previously filed in this docket. Together with the MFRs, their testimonies demonstrate that FPL's 2002 test year results do not support any reduction in FPL's base rates.

- AUS _____
- CAF _____
- CMP _____
- COM Stay
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- MMS _____
- SEC _____
- OTH _____

Sincerely,


John T. Butler, P. A.

Enclosures
cc: Counsel of record (w/copy of enclosures)

RECEIVED & FILED

PSC BUREAU OF RECORDS
Miami West Palm Beach Tallahassee

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the prefiled testimony and exhibits of Mark R. Bell, K. Michael Davis, M. Dewhurst, Paul J. Evanson, William W. Hamilton, Steven P. Harris, Dr. J. Stuart McMenamain, Rosemary Morley, Armando J. Olivera, James K. Peterson, John M. Shearman and Samuel S. Waters were served by hand delivery (*) or overnight delivery this 28th day of January, 2002 to the following:

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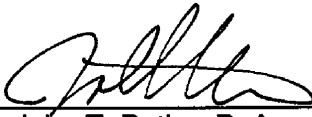
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By: 
John T. Butler, P. A.

**BEFORE THE FLORIDA
PUBLIC SERVICE COMMISSION**

**DOCKET NO. 001148-EI
FLORIDA POWER & LIGHT COMPANY**

JANUARY 28, 2002

**IN RE: REVIEW OF THE RETAIL RATES
OF FLORIDA POWER & LIGHT COMPANY**

TESTIMONY & EXHIBITS OF:

WILLIAM W. HAMILTON

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
FLORIDA POWER & LIGHT COMPANY
TESTIMONY OF WILLIAM W. HAMILTON
DOCKET NO. 001148-EI

January 28, 2002

Q. Please state your name and address.

A. My name is William W. Hamilton. My address is 9250 W. Flagler Street, Miami, FL 33174.

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

A. I am employed by Florida Power & Light Company (FPL) as Vice-president of Customer Service. In that position I am responsible for customer service and marketing for all FPL customers.

Q. Please state your education and business experience.

A. I have a BS degree in civil engineering from the University of Tennessee. I am also a graduate of the Professional Management Development Program of the Harvard Business School. I also served with the U.S. Army Corps of Engineers. Since joining FPL in 1970, I have held numerous positions in several different functional areas. I have been Vice-president of Customer Service since 1991.

Q. Please describe your duties and areas of responsibility as Vice-president of Customer Service for FPL?

A. As Vice-president of Customer Service for FPL, I set the direction and strategy of how we will serve FPL's customers and what type of services will

1 be provided to them. In that regard, I oversee development and execution of
2 all policies, processes and systems related to customer contact, billing and all
3 other services provided to customers. This involves responsibility for the
4 operations of the customer care centers, the meter reading, billing and
5 payment processing functions, the revenue recovery function, residential and
6 commercial/industrial field services and marketing.

7 **Q. Are you sponsoring an exhibit?**

8 A. Yes. It consists of the following documents:

- 9 - Document WWH-1, Customers Appearing at FPL Customer Service
10 Hearings
- 11 - Document WWH-2, W.W. Hamilton Sponsored MFR's
- 12 - Document WWH-3, Residential Customer Care Center Satisfaction
13 Research
- 14 - Document WWH-4, Billing & Payment Options
- 15 - Document WWH-5, Internet Transactions

16 **Q. Did you represent FPL at the recent customer service hearings that were**
17 **held as part of this rate proceeding?**

18 A. Yes. I represented the Company at the customer service hearings, where I
19 addressed the Florida Public Service Commission ("FPSC" or the
20 "Commission"), the Office of Public Counsel, customers and others in
21 attendance. I also ensured that the customer issues raised at the hearings were
22 properly addressed. I have prepared Document WWH-1 which is a list of the
23 customers who made an appearance, the nature of their concern, if any, as
24 well as how the Company responded to the customer's concern or issue. I

1 will present more about the customer service hearings later in this testimony.

2 **Q. Are you sponsoring any MFRs?**

3 A. Yes. I am sponsoring MFRs C-25 – Uncollectible Accounts, and C-26 –
4 Advertising Expenses. I am also jointly sponsoring several other MFRs that
5 are listed in Document WWH-2.

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

7 A. The purpose of my testimony is to present and explain the superior quality of
8 service that FPL's Customer Service business unit provides for FPL customers
9 while maintaining low cost and efficient operations. My testimony also is
10 offered in support of the return on equity (ROE) adder that is proposed in Mr.
11 Dewhurst's testimony.

12 **Q. The Company is proposing an ROE adder in this proceeding based on**
13 **superior performance. How would you categorize FPL's performance in**
14 **the area of Customer Service?**

15 A. From a Customer Service standpoint, and as my testimony will demonstrate, I
16 believe that our performance has been superior for the following reasons:

- 17 - FPL's level of customer satisfaction is perhaps unparalleled as confirmed
18 by the testimony at the customer service hearings.
- 19 - The quality of FPL's Customer Service is superior as demonstrated in my
20 testimony, including the references that I have made to benchmarking
21 studies where FPL has consistently scored at the top or near the top in
22 virtually every category of Customer Service.
- 23 - FPL has clearly been a leader in the electric utility industry in the
24 development of new and innovative ways, including the use of new

1 technologies, to enhance responsiveness to customers and provide a
2 variety of options for reporting problems, paying bills and otherwise doing
3 business with FPL.

4 - FPL's customer complaints with the Commission have significantly
5 decreased over the last five years, despite an increase of some 500,000
6 customers during that same time period.

7 - All of these improvements and achievements have been accomplished on a
8 cost effective basis as demonstrated by the fact that Customer Service,
9 Customer Accounts and Sales O&M expenses for 2002 remain
10 approximately \$126 million, or nearly 50%, below the Commission
11 adjusted benchmark. This large variance from the O&M benchmark is
12 attributable to the concerted efforts of FPL's management and employees
13 to manage costs as effectively as possible.

14 **Q. Please describe FPL's achievements in the area of Customer Service.**

15 A. FPL's achievements in the area of Customer Service have been driven by the
16 mission of the Customer Service business unit to provide world class
17 customer service. FPL employees are committed to demonstrating care and
18 concern toward the customers and to always strive to meet or exceed
19 customers' expectations. I believe our superior performance in the area of
20 Customer Service was evidenced by the overwhelmingly positive testimony
21 presented by customers at the customer service hearings. As reflected on
22 Document WWH-1, eight hearings were held throughout our service territory,
23 and, out of 3,900,000 customers, only 7 customers testified about a problem or
24 concern. The other 22 customers who appeared presented very favorable

1 testimony about the quality of their service and the manner in which FPL
2 employees handle their business.

3

4 As I will explain in more detail later in my testimony, most of FPL's
5 Customer Service functions are recognized as industry leaders in terms of
6 performance. There also has been a significant effort by FPL to develop new
7 and innovative ways to make it easier for our customers to do business with
8 FPL. While Customer Service achievements are pervasive throughout the
9 business unit, at this point I will highlight those relative to the care centers,
10 billing and payment options, and the development of our internet and voice
11 response unit (VRU) applications.

12

13 The customer care centers generally are a customer's first point of contact for
14 almost any inquiry or matter needing attention. FPL care centers have been
15 designed and engineered to provide the highest level of service to customers
16 by answering their contacts promptly and accurately. In a recent META
17 Group benchmarking study that focused on operational effectiveness, FPL's
18 customer care centers were rated #1 out of 20 participating utilities. I will
19 discuss this study in detail later in my testimony.

20

21 FPL's customers are offered an extensive array of billing and payment options
22 that are designed to supply customers with added convenience and flexibility
23 in receiving and paying their bills. We realize that customers expect accurate
24 bills and, in fact, when FPL customers receive their monthly bill, there is a

1 99.99% probability that it will be accurate. FPL's meter readers are known in
2 the industry for their high degree of accuracy, and they are considered among
3 the very best in the nation.

4

5 Finally, a significant effort has been undertaken to develop and expand our
6 internet business applications, as well as our VRU applications. These
7 applications offer customers the ability to do business using interactive self-
8 service functions, while reducing the cost per transaction.

9 **I. Customer Care Centers**

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

11 A. FPL's customer care centers have been designed and engineered using state of
12 the art technology with the objective of ensuring that all customer inquiries
13 are answered promptly and accurately. There are two care centers and
14 numerous remote agents that have been configured to act as one virtual
15 contact center that handles inbound and outbound calls as well as faxes and
16 letters, and all forms of electronic mail, such as e-mail and internet contacts.
17 The two customer care centers allow customers to contact FPL 24 hours a day,
18 7 days a week. One center is located in West Palm Beach with average annual
19 staffing of 220 representatives, while the second is located in Miami with
20 average annual staffing of 340 representatives. These centers handled close to
21 16 million customer contacts in 2001. These contacts included 8.8 million
22 representative handled calls, 5 million VRU calls, 1 million internet
23 transactions, 600,000 outbound contacts, 200,000 faxes, 65,000 e-mails, and
24 13,000 customer letters.

1 **Q. Please describe how the care centers have achieved superior**
2 **performance.**

3 A. The use of leading edge technology along with a strong emphasis on process
4 management has enabled us to achieve superior performance. At the care
5 centers, FPL has consistently sought out innovative systems and applications
6 to ensure that customer contact is easy and that calls are handled promptly,
7 accurately and efficiently. We also have designed processes and the
8 organization to complement our technology in ensuring consistency and
9 accuracy when handling customer issues.

10

11 One of the fundamental operational challenges of a care center, and a priority
12 for FPL, is to ensure that customers do not receive busy signals when calling
13 FPL. Many call centers limit the number of incoming calls at any one time;
14 when this occurs, the customer receives a busy signal. FPL's care center
15 management worked together with systems providers and telecommunications
16 partners to design a telecommunications network solution to ensure that all
17 calls are delivered to FPL with the lowest probability of receiving a busy
18 signal, regardless of where in our territory the call originates. This was
19 accomplished through the use of overflow capabilities between local lines,
20 toll-free (800) lines, and the FPL network. Local lines can only be utilized by
21 a limited number of callers, so it is important to have available the overflow
22 capabilities and expanded capacity of toll-free lines. For example, a customer
23 will call a local line to contact FPL; if all the local lines are being utilized, the
24 call is automatically routed to a 1-800 line and ultimately reaches FPL. We

1 also have a back-up provider that will take our calls in the event that all of the
2 lines into our system are being utilized.

3

4 We also strive to answer customer calls as quickly as possible by a
5 representative with the appropriate skill level. Avaya Automated Call
6 Directory (ACD) technology, which is the “brains” of our care center
7 telecommunications infrastructure, has been combined with Computer
8 Telephony Integration (CTI) to provide optimum call routing and allow the
9 two centers and remote agents to act as one virtual care center. This enables
10 calls to be routed to a representative based on the order in which it was
11 received by the FPL system combined with the priority assigned to the type of
12 call. This means that all customers throughout the state receive the same level
13 of service, with priority given to customers reporting urgent matters, such as a
14 wire down or a power outage. This also ensures that the representative
15 receiving the call has the skills necessary to handle the specific customer
16 inquiry. The interface of the telecommunications network with the customer
17 information systems facilitates retrieval of the customer’s records. Through
18 CTI, screen pops are delivered to the representative with the available
19 customer information as the call is being answered by automatically retrieving
20 the customer’s records based on the phone number from which they are
21 calling. The system also contains Graphical User Interface Software (GUI) on
22 the desktop which provides the representatives with built-in prompting and
23 scripting specific for each inquiry type. Where possible, standardized
24 processes have been embedded within the prompting and scripting to

1 guarantee consistency and accuracy in the handling of customer issues. As
2 such, any customer calling with a similar issue should be handled in the same
3 manner and provided with the same answers.

4
5 Later in my testimony, I will discuss a benchmarking study in which FPL
6 participated that examined six areas of operational effectiveness for care
7 centers. Technology was one of the six areas reviewed by the consultant and
8 compared among the participants. FPL's score for its utilization of advanced
9 technology was at the top of the group.

10 **Q. How do this technology and these features benefit the customer?**

11 A. As previously described, the technology and architecture of the care centers
12 have been designed with the objective of making it easier for our customers to
13 contact us and allowing us to handle customer calls as accurately and
14 efficiently as possible. Having overflow and routing capabilities allows a
15 customer's request to be handled with the shortest possible wait time and by a
16 specialized representative who is trained to proficiently handle the customer's
17 request or area of concern. This maximizes the opportunity to handle calls
18 quickly and efficiently without having to transfer between service
19 representatives. The ability to provide screen pops of customer information
20 while the call is being answered allows the representative to almost
21 simultaneously greet the customer and then begin to respond to the customer's
22 inquiry and saves approximately 20 seconds on each successful account
23 retrieval. Prompting and scripting ensures that the customer will be provided
24 with a consistent and accurate response to his inquiry.

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

3 A. When comparing FPL's care centers to other utility call centers, we generally
4 find that FPL has a higher level of automation due to the combination of the
5 many different systems and applications. Other call centers may have one or
6 more similar applications, but they usually do not have the combination of all
7 applications integrated to the extent of FPL. FPL's care centers typically are
8 at the forefront in the use of new applications. Care center management
9 routinely requests providers for new or expanded capabilities that are utilized
10 by FPL well before they are even considered by other utilities or companies.

11

12 FPL's customer care centers were recognized as the #1 care centers in the
13 META Group benchmarking study of 2000. The META Group is a leading
14 research and consulting firm that focuses on information technology and
15 business transformation strategies. There were 20 participants in the study.
16 The participants represented other comparable call centers in the gas and
17 electric utilities industry within the United States.

18 **Q. Please describe the nature of this study.**

19 A. The focus of the study was on six operational effectiveness areas of the care
20 centers: Strategy, Human Resources, Process, Technology, Performance
21 Measurement, and Communication. Each of these areas is considered
22 essential to the overall effectiveness of a call center. FPL scored well above
23 the other utilities in each of these areas. The total score awarded to FPL for
24 all of the six operational effectiveness areas was 135. The group average for

1 the six areas was 103.6.

2 As part of this study, many individual performance measures that are typical
3 industry indicators were benchmarked, and the following are selected as
4 examples of FPL's performance compared to the other participants:

- 5 - Average speed of answer* – group average: 76 seconds; FPL: 28 seconds
- 6 - Call abandonment rate* – group average: 7.5%; FPL: 1%
- 7 - Cost per call* – group average: \$4.18; FPL: \$2.40

8 * Study was conducted in 2000 using 1999 data.

9 **Q. What is average speed of answer?**

10 A. Average speed of answer (ASA) is an accepted industry measure for
11 determining how quickly a customer's call is answered. As you can see,
12 FPL's ASA is significantly better than the group average. In recent years, we
13 committed to improving this operating indicator, because we strongly believe
14 that we should be as responsive as possible in serving our customers. In 1996
15 our ASA for representative handled calls was 58 seconds. In 2000 we were
16 able to achieve a record low ASA of 20 seconds. In 2001, higher fuel costs
17 increased customers' bills and consequently resulted in considerably more
18 high bill concerns and credit/collection issues. During 2001, care center
19 representatives handled an additional 1 million calls related to these customer
20 issues. While some immediate operational and staffing changes were made to
21 handle the increased volume, we were not able to achieve the same ASA that
22 we had in 2000, and we ended the year with a 34 second ASA, which is still
23 much improved from our 1996 ASA of 58 seconds.

24

1 **Q. What is the “call abandonment rate”?**

2 A. The call abandonment rate is an indicator that measures the percent of
3 customers who hang up while in queue waiting to speak to a representative.
4 Typically, the longer customers have to wait to speak to a representative the
5 higher the abandonment rate will be. FPL’s call abandonment rate of 1% is
6 significantly better than the group average of 7.5%. FPL’s call abandonment
7 rate increased from 1% in 2000 to 2.5% in 2001. This increase was due to the
8 increased call volume that was discussed in my previous answer. The
9 increase in call volume drove up our ASA, and when customers have to wait
10 longer they tend to hang up more frequently.

11 **Q. Why are FPL’s costs per call so much lower than the other companies
12 that participated in the study?**

13 A. FPL has continued to strive to create an efficient and cost effective operation
14 at the care centers. Our strong emphasis on processes results in enhanced
15 accuracy and consistency, which, in turn, improve our costs per transaction.
16 In addition to continuously monitoring these processes, the leveraging of
17 technology to the fullest extent practicable has enabled FPL to keep its costs
18 per transaction low. In 1999 FPL overhauled the VRU and focused on
19 improving and expanding the automated services offered through the VRU.
20 In 2001 39% of FPL’s inbound call volume was handled completely by the
21 VRU. This penetration rate is among the best in class for our industry. In the
22 Edison Electric Institute (EEI) DataSource 2001 Survey, 29 electric and gas
23 utilities with more than 500,000 customers reported their VRU penetration
24 rate. Out of these 29 companies, only 4 utilities had a rate greater than 30%.

1 Additional technological enhancements that have lowered costs per call
2 include the integration between the telecommunications equipment and the
3 customer information systems, and the development of the other applications
4 that improve the overall efficiency of the call handling process. For example,
5 as I previously mentioned, CTI and screen pop functionality save about 20
6 seconds per call.

7

8 Finally, another significant contributor to our low cost is the manner in which
9 we have engineered our telecommunications network using a combination of
10 local lines, toll-free lines and other telecommunications options instead of just
11 toll-free lines.

12 **Q. How many of FPL's customers get their inquiries resolved with one call?**

13 A. "One-call" resolution has been an ongoing priority and has significantly
14 improved over the past few years. At the end of 1999 we implemented a new
15 system, Request Issuance Tracking System (RITS), that enables us to inform
16 the customer of when to expect resolution of their request. The system also
17 allows us to track requests that have been forwarded to other departments
18 outside of the care center. The system has contributed significantly to the
19 reduction of call-backs from customers. The percent of customer calls
20 resolved the first time has increased from 68% for the third quarter 1999 to
21 86% for the third quarter 2001.

22 **Q. What options do FPL customers have if they are not satisfied by the
23 response that the representative provides?**

24 A. Customers are offered the option of speaking with an account supervisor.

1 Account supervisors are a group of employees with more experience and
2 broader authority who are dedicated to resolving elevated customer issues
3 quickly and efficiently. There is also a complaint resolution process that has
4 been established to ensure that customers' concerns or issues are handled
5 appropriately.

6 **Q. Please describe FPL's customer complaint resolution process.**

7 A. FPL implemented a new customer complaint resolution process in 2001 to
8 ensure that customer complaints are handled in an expeditious manner by a
9 network of contacts throughout many business units and departments. This
10 process combined with the RITS process described earlier, provides customers
11 with a specific contact person for the resolution of their matter, a timeframe
12 within which we will address the customer's issue and a final call to the
13 customer to ensure that concerns have been properly resolved. Once a
14 customer states dissatisfaction with a particular situation and asks to speak
15 with a supervisor, the call is forwarded to an account supervisor.

16
17 Once a call is elevated from a care center representative to an account
18 supervisor, the account supervisor determines how to resolve the customer's
19 issue. If the call requires follow-up with a department outside of the care
20 center, the account supervisor provides the customer with a contact name and
21 telephone number for the department that will be handling his complaint. The
22 account supervisor also provides a timeframe in which the appropriate
23 representative will contact the customer. A complaint ticket is created, and
24 the matter is referred to the appropriate department for handling.

1 If the matter can be handled by the care center, the customer is provided the
2 name and telephone number of the account supervisor and a timeframe for
3 resolution. A complaint ticket is created, and the matter is then monitored for
4 completion in a timely manner. Whether the complaint ticket is handled by
5 the care center or by another department, once the complaint ticket is
6 completed, the customer is contacted to ensure that the matter has been fully
7 resolved to the customer's satisfaction. This process appears to be very
8 effective, since we have seen a decline in the number of complaints being
9 filed with the Commission. Commission complaints will be discussed later in
10 my testimony.

11 **Q. Do customers have the option of speaking with a live representative?**

12 A. Yes. In addition, VRU capabilities have been established that provide
13 interactive customer applications for power outage reporting, billing inquiries,
14 bill payment, payment extensions, reconnection of service, requesting
15 duplicate bills and obtaining general information on many other services we
16 offer. VRU technology provides customers with an alternative option to do
17 business using interactive telephone applications. VRU technology also
18 results in a significantly reduced cost per transaction, as there is no manual
19 intervention required to complete a transaction done over the VRU.

20 **Q. Do customers like to use the VRU option?**

21 A. While some customers prefer speaking to a live representative, many
22 customers like to do business through the VRU. VRU is a simple and
23 efficient way for them to do business with us. In fact, as I previously
24 mentioned, 39% of total incoming calls were successfully handled through the

1 VRU during 2001. The percent of calls handled by the VRU has increased
2 rapidly from 16% in 1998 to 22% and 28% in 1999 and 2000, respectively.
3 This demonstrates growing acceptance by our customers of the VRU system
4 and the increase in and improvement of the VRU features. Customer care
5 center satisfaction research indicates that 64% of customers that used the
6 VRU were satisfied with the call. Our research also found that 82% of
7 customers stated that the VRU has directions/instructions that are clear, and
8 74% found the VRU easy to use.

9 **Q. What type of quality assurance program is in place at the care centers?**

10 A. The quality assurance program at the care centers is focused on continually
11 improving the overall quality of the response to a customer call. The program
12 is based on a state of the art voice and data monitoring system that is used to
13 score the overall quality of a representative's call and provide appropriate
14 feedback to the representative. Through quality observations, representatives
15 are monitored for accuracy, compliance to scripts, and demonstrating
16 understanding and empathy to customers. The quality program also includes
17 dedicated process coordinators to focus on continuously identifying
18 improvements within the underlying processes of all call types. We gather
19 data from the quality observations and analyze trends to identify improvement
20 opportunities with policies or processes.

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

23 A. Yes. Quarterly surveys are done to measure satisfaction with the way that
24 residential customers' calls are handled.

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

2 A. FPL's residential customer care satisfaction research results are attached to
3 my testimony as Document WWH-3. The surveys were first performed for
4 the first quarter of 1999. They measure overall satisfaction with FPL, overall
5 satisfaction with the call, overall satisfaction with the representative and
6 overall satisfaction with the VRU. Since the first quarter 1999 through the
7 fourth quarter 2001, the slope of the line that tracks the results reflects a
8 positive trend in each of the four measures. While each of the trend lines
9 shows positive improvement, individual data points reflect decreases in a few
10 quarters. For example, there is a significant drop in the attribute for "Overall
11 Satisfaction with the VRU" for the first quarter 2001. The increase in the fuel
12 charge at the end of 2000 combined with unusually cold weather in January
13 2001 caused higher than expected electric bills in the first quarter 2001. The
14 higher bills caused customers to call FPL. Unfortunately, there was not an
15 option in the VRU to address this particular customer concern. As a result, we
16 believe customer satisfaction with the VRU for this particular period suffered.
17 Subsequently, a responsive message was added to the VRU, and the results of
18 VRU satisfaction were brought back up to previous ratings in the second
19 quarter 2001. Other instances where the data point for the quarter decreased
20 are generally attributable to an increase in bills due to summer weather and
21 fuel increases, and are not indicative of the quality of the call, but rather of
22 customers' dissatisfaction with the increased bills. However, there was
23 significant improvement in each of the four key satisfaction measures between
24 the scores for first quarter 1999 when the surveys were first performed, and

1 the most recent scores for the fourth quarter 2001.

2 **II. Billing and Payment Options**

3 **Q. Can you discuss FPL's meter reading operations?**

4 A. Yes. The mission of FPL's meter reading function is to provide the customer
5 with an accurate bill every month. FPL's meter reading operations are known
6 in the industry for a high degree of accuracy and efficiency. In fact, two of
7 FPL's meter readers received national recognition recently. One received the
8 "Meter Reader of the Year Award" and the other was third runner up in the
9 national competition sponsored by Itron, makers of the hand-held meter
10 reading devices. The meter reader selected as "Meter Reader of the Year" has
11 gone four years without a meter reading error and was selected as the nation's
12 best meter reader among 81 nominees from 50 utilities throughout the United
13 States.

14
15 FPL's meter reading error rate is 1.2 per 10,000 meters read. This means that
16 a customer has a 99.99% probability of receiving an accurate bill. In the EEI
17 DataSource 2001 Survey, 20 electric and gas utilities with over 500,000
18 customers provided information on their meter reading error rate; FPL was
19 among the top of this group.

20 **Q. Is this error rate the same for demand meters?**

21 A. Demand meters represent only 3.7% of our total meters. The error rate for
22 demand meters is .786 per 10,000 meters. This is slightly better than our
23 overall rate.

24

1 **Q. Please describe the process for reading and resetting demand meters?**

2 A. Our meter reading policies and processes require that all demand meters be
3 reset and resealed at the time the meter is read. Every month a different color
4 seal is used to reseal the meters to ensure compliance with this process.

5

6 On the infrequent occasions that a demand meter is not read and the bill has to
7 be estimated, there is a possibility of either over-recovery or under-recovery.

8 The formula for estimating demand consumption uses an average, based on
9 the customer's prior consumption history, to derive the estimated kW and
10 kWh. This means that the estimated kW for the month could be higher or
11 lower than the actual kW for the month, but in all cases should be very close.

12 Due to the small number of demand meters that are estimated and the formula
13 used in the estimation process, there should be minimal levels of over/under
14 recovery from estimated demand.

15 **Q. How many customer bills are estimated each month?**

16 A. Approximately 4 million customer bills are rendered every month, of which
17 only 1.5%, or an average of 64,000 bills per month, were estimated for 2001.

18 **Q. How does this rate of estimated bills compare to other utilities?**

19 A. In the EEI DataSource 2001 Survey, participating utilities were asked about
20 their total annual volume of bills and the number of bills estimated for the
21 year 2000. Using this information, we calculated the percent of bills
22 estimated for all of the companies that provided this data. There were 22
23 electric and gas utilities with greater than 500,000 customers that provided
24 this data. Of this group, 8 utilities had less than 2% of their bills estimated.

1 FPL's percent for 2000 was 1.6%, which is considered very good compared to
2 the other utilities in the group.

3 **Q. What types of billing and payment options does FPL provide its**
4 **customers?**

5 A. FPL strives to enhance its service to customers by offering them a variety of
6 different billing and payment options that are designed to make it easier for
7 customers to do business with the Company. Customers may choose to pay
8 their bills through the internet, through the phone, through automatic bank
9 withdrawals, at our pay agents, or, of course, through regular mail with a
10 check or money order. Customers choosing to pay their bills through the
11 internet may do so directly from our website or through other websites where
12 they can pay multiple bills. The list of payment options, including a
13 description of the options, the date each option began and the number of
14 participants in each option as of December 2001, is attached to my testimony
15 as Document WWH-4.

16 **Q. Can you please elaborate on FPL's billing options?**

17 A. In recent years, FPL has developed several programs to better serve
18 customers' needs relative to billing. Customers may now enroll in our e-mail
19 billing program. Customers in this program receive an e-mail that lets them
20 know their new bill is ready for them to view. They may then go to our
21 internet website and view their bill on-line. They may also pay the bill on-line
22 if they wish.

23

24 The Summary Billing program allows a customer with ten or more FPL

1 accounts to request a single statement for the billing and payment of those
2 accounts. This program alleviates the task of handling and paying multiple
3 bills throughout the month.

4

5 FPL also provides a program called "Budget Billing" as an option for
6 customers who want to avoid the peaks and valleys of seasonal or monthly
7 electric bills. The monthly electric usage is levelized over a 12-month period,
8 allowing the participating customer to more easily budget their payments for
9 electric service.

10

11 Another billing option is the "62 Plus Payment Plan." This is an optional
12 payment plan available to all customers who depend on fixed incomes such as
13 social security, disability or other similar type benefits. The program extends
14 the due date of the bill by ten days, thus allowing one full month to pay after
15 the bill is issued. This means that, regardless of when the customer's monthly
16 benefit check is received, the customer will have sufficient time to pay his/her
17 electric bill. This helps participating customers manage their monthly budget,
18 especially if their electric bill is due at some time other than when the monthly
19 benefit check arrives.

20 **Q. Does FPL encourage participation in the Budget Billing program and**
21 **other billing options?**

22 A. Yes. During 2001, FPL promoted the Budget Billing program to customers as
23 a way to help minimize the impact of the higher bills arising from the fuel
24 clause increase. Automatic sign-up for the program was facilitated through

1 monthly bill messages and bill inserts. An additional 50,000 customers
2 enrolled in Budget Billing as a result of the special promotion. As of
3 December 2001, there are 261,000 customers on the program. Other billing
4 options such as 62 Plus are presented in bill inserts as well as on a case by
5 case basis to customers that express a need or appear to benefit from such a
6 program.

7 **Q. Please discuss FPL's Revenue Recovery operations.**

8 A. Revenue Recovery's primary role is to set policies and processes for credit
9 and collections. The objective of this function is to ensure that policies are
10 fair and reasonable and that they are applied consistently. The policies are
11 established to be more lenient with customers who normally are good-paying
12 customers and unexpectedly need additional time to pay, while being strict
13 with habitually delinquent customers. In 2001 approximately 900,000
14 payment extensions were granted. Of those, 80% complied with the terms of
15 the extension. We recognize that the inability to pay timely is a sensitive
16 issue for many customers; therefore, we recently have added the capability of
17 requesting a payment extension through the VRU or over the internet. A
18 decision about whether to grant the extension is automatically made by the
19 system, based on a complex analysis of data and criteria, and a response is
20 provided to the customer immediately.

21
22 The critical measure of success for FPL's Revenue Recovery operations is
23 reflected by the amount of write-offs as a percent of revenues. Through
24 changes in policies and processes we have been able to achieve a 45%

1 improvement in the percent of write-offs to revenues, from .27% in 1996 to
2 .13% in 2001. This operating indicator is considered the best in its class. In
3 the EEI DataSource 2001 Survey, 25 electric and gas utilities with greater
4 than 500,000 customers provided their write-off rate for 2000. FPL ranked at
5 the very top of this group with a write-off rate of .11% for 2000. The increase
6 between 2000 and 2001 is attributable to the increase in fuel revenues for
7 2001 combined with the general decline in the economy during 2001. The
8 increase in fuel revenues increased the write-off rate in 2001 primarily
9 because, all other things being equal, higher bills produce an increased
10 difficulty in payment which increases the number (incidents) and dollar
11 amount of write-offs. A related factor is that the deposits on hand for 2001
12 cover a smaller percentage of the total amount owed than they did in 2000.

13

14 While the events of September 11 further deteriorated Florida's economy, the
15 write-offs for 2001 do not reflect the impact of this deterioration because of
16 the time lag between revenues and write-offs. However, the financial impact
17 of the expected losses from revenues of October, November and December,
18 2001, is reflected to some degree in the reserve for uncollectibles. Our
19 reserve methodology applies a 24-month rolling average write-off rate to
20 monthly revenues. While this methodology may not accurately reflect a
21 current economic situation, it provides a level of reserve for the expected
22 losses. We are confident that, as reflected in the November 9, 2001 updated
23 MFRs, the write-offs for 2002 will be significantly higher as a result of the
24 general economic deterioration, worsened by the events of September 11.

1 **III. Other Customer Services**

2 **Q. Can you elaborate on the customer services that FPL provides to its**
3 **customers over the internet?**

4 A. Yes. FPL recognizes that many customers appreciate the ability to use
5 interactive self-service to do business. In recent years, FPL has been
6 developing and expanding its internet applications so that its customers can do
7 business with FPL over the internet. Customers may perform transactions
8 such as payment extensions, power outage reporting, order a duplicate bill,
9 and verify a service order over the internet. As previously discussed, they
10 may also view and pay their monthly bill on-line. In addition, they may use
11 the internet to enroll in the e-mail bill and pay option discussed earlier.
12 Almost all of the information that may be obtained by calling the care center
13 is available on-line. A list of all of the transactions that may be performed by
14 customers over the internet is attached as Document WWH-5. During 2001,
15 approximately 1 million transactions were performed by customers who used
16 internet self-service applications.

17 **Q. What types of programs does FPL offer its low-income customers?**

18 A. "62Plus," a program that I previously discussed, is especially designed for
19 customers with fixed incomes from social security, disability and other
20 benefits. Another program that was designed to help prevent disconnection of
21 electric service is the "Double Notice Protection Plan." The plan allows the
22 customer to designate someone to receive a Final Notice prior to service
23 disconnection. A designated person, such as a caregiver, family member or
24 neighbor, will receive notification of any final notice issued by FPL,

1 protecting the customer from service disconnection because of an
2 inadvertently unpaid bill.

3 **Q. What type of community outreach programs does FPL offer?**

4 A. FPL and its employees go “above and beyond” in caring for FPL’s customers.
5 This has been achieved primarily by working with the various social services
6 agencies in the communities that FPL serves. A process has been established
7 whereby customers experiencing financial difficulty are referred to an
8 appropriate social services agency. FPL personnel work with the agencies to
9 ensure continuity of service while resources are allocated and secured for the
10 customer. In 2001 over 85,000 assistance payments were received from
11 numerous agencies, representing approximately \$10.7 million toward
12 customers’ electric bills.

13
14 In 2001 FPL also established “AWARE” (Always Watching for At-Risk
15 Elders). This is a pilot program established in conjunction with the Center for
16 Information and Crisis Services of Palm Beach County, where customers
17 needing special assistance due to abuse, exploitation, or medical neglect, are
18 referred to the appropriate social services agency. FPL field employees, such
19 as meter readers and collectors, are trained by this agency to recognize
20 possible cases of abuse or neglect with senior citizens. The Director of
21 Community Services for this agency testified at the customer service hearing
22 held in Palm Beach County on December 13, 2001 regarding the importance
23 of this program, and how over 100 individuals who were potentially at risk
24 were identified and referred to agencies. This program, while in its infancy, is

1 highly valued by the community social services agencies, as it is filling a need
2 in our communities that is difficult to meet.

3 **Q. What other type of assistance does FPL provide customers?**

4 A. FPL has established "Care to Share." This is a special fund that receives
5 donations from customers and FPL corporate contributions. Funds donated to
6 Care to Share are administered by local social service agencies that partner
7 with FPL. FPL refers customers needing financial assistance to one of the
8 agencies that administers Care to Share funds.

9 **Q. Are there any other special programs that FPL provides to customers?**

10 A. Yes. FPL is one of a few utilities in the United States that is piloting a prepay
11 meter program. The pilot program was approved by the Commission in 2000
12 and implemented in June 2001. The program allows customers to purchase
13 electricity in amounts they can afford when they have the money to purchase
14 power. Some of the more important benefits of the program are that
15 customers avoid disconnect and reconnect charges, field collection charges
16 and late payment fees. There is also no need for a traditional deposit as the
17 customer will not fall into arrears.

18 **Q. Have participating customers reacted favorably to the prepay program?**

19 A. Yes. The overwhelming majority of prepay customers who participated in
20 recent qualitative research were thrilled with the program. Those customers
21 stated that they especially liked the fact that they could now purchase
22 electricity in small increments that they can afford and that they no longer
23 have to worry about disconnection by a collector. These customers appear to
24 have become more aware of their consumption patterns due to the information

1 that is available to them on the user display terminal. They have also stated
2 that they are saving a lot of money since they have been on the prepay
3 program.

4 **Q. Are there any other functions of Customer Service that you would like to**
5 **discuss?**

6 A. Yes. An additional service that FPL provides to customers is its field force of
7 residential and commercial/industrial representatives. This group of
8 employees is dedicated to serving the individual customer at his/her home or
9 place of business. Residential representatives conduct high bill investigations
10 and address any other concern that a customer may have about his/her
11 electrical service. Commercial/industrial representatives provide a
12 personalized level of service to most of our larger commercial/industrial
13 customers. They proactively work with the customer on specific electric
14 service requirements and related issues as well as on any other customer
15 service matter. They also coordinate and work with our Power Systems
16 representatives on quality of service issues.

17 **IV. Costs**

18 **Q. Has FPL's high level of service resulted in commensurate increases in**
19 **costs?**

20 A. No. The Company has been able to successfully balance the delivery of high
21 quality services while maintaining cost-efficient operations. This has been
22 accomplished by the commitment of Customer Service management and
23 employees to identify and implement process improvements throughout the
24 business unit. We have focused on enhancing the processes that support the

1 interface with the customer. We have also streamlined and automated many
2 of the back-end processes, such as billing and accounting. The use of
3 technology to enhance customers' ability to conduct self-service transactions
4 through the internet or the VRU also has contributed to cost savings.

5 **Q. Do you have another example of a Customer Service process that has**
6 **been streamlined and improved?**

7 A. Yes. FPL has achieved streamlined, accurate and efficient operations in the
8 billing and payment processing functions. Many of the process and system
9 enhancements that have been implemented during recent years have mitigated
10 the increases in postage that have occurred over these years. FPL's printing
11 and mailing function was selected and featured by Pitney Bowes as a world
12 class operation in a special November 2001 edition of "Document Processing
13 Technology," a publication sponsored by Pitney Bowes.

14
15 Encouraging customers to participate in the option of viewing their bills
16 through the internet is another measure that allows the Company to continue
17 to manage billing and mailing costs in spite of continuing postage increases.

18 **V. Customer Complaints**

19 **Q. How have FPL's overall customer complaints changed in recent years?**

20 A. The Customer Service business unit, on an overall basis, has seen a decrease
21 in the number of Commission infractions and complaints in recent years.
22 Customer Service infractions per 1000 customers decreased from .0423 in
23 1996 to .0008 in 2001. Total customer contacts, including warm transfers,
24 courtesy calls, and logged complaints, decreased 14% from 3,936 in 1996 to

1 3,369 in 2001. The reduction in total customer contacts occurred despite FPL
2 serving almost 500,000 more customers in 2001 than we did in 1996.

3 **Q. Please summarize your testimony.**

4 A. Since 1985, FPL's Customer Service operations have been significantly
5 enhanced in terms of additional functionality and technical capabilities to
6 allow customers to be served as accurately and efficiently as possible. FPL
7 also has expanded the types and number of options and services provided to
8 its customers in order to better meet their growing expectations and changing
9 needs. As demonstrated at the customer service hearings, FPL generally
10 exceeds customer expectations in all aspects of utility service. The Company
11 also exceeds expectations by reaching out into the communities with special
12 programs for the different customer segments we serve. I believe that my
13 testimony, together with the overwhelmingly positive customer testimony at
14 the customer service hearings, demonstrates and confirms FPL's superior
15 performance in the area of Customer Service and extremely high level of
16 customer satisfaction.

17 **Q. Does this conclude your testimony?**

18 A. Yes it does.

CUSTOMERS APPEARING AT FPL CUSTOMER SERVICE HEARINGS

Date of Hearing	Customer Name	Customer Concern/Comment	Resolution
11/29/01	Rick Pfluger - Vice-President, Engineering - Hudson Tool & Die <u>Address:</u> 1327 North U.S. Highway 1, #EXP Ormond Beach, FL 32174	Appreciated how FPL worked with them to improve the reliability and quality of their power especially during their recent expansion; also mentioned how FPL were out there with the fires in 1998 and we were replacing poles while the ground was still burning so that power could be restored as quickly as possible.	Resolution - None Required
11/29/01	Dilys Harris of Ormond Beach - A residential customer and business owner <u>Address:</u> 7 Appaloosa Trail Ormond Beach, FL 32174	She explained how FPL did an audit on her house a couple of years ago and we recommended ways to save money and took the time to explain consumption relative to air conditioning usage; she also received a rebate on an air-conditioner. Relative to her business, she stated that during storm-related outages she liked being told when the power would be restored. During the last storm, she was very impressed with the restoration effort by FPL. She ended with a story of how an elderly lady that she knows was without power during a storm. She called FPL to find out how long the power would be off because she could not open her electric garage door. The company estimated it would be several hours, and soon the elderly lady saw an employee from FPL who opened her garage door so that she could leave. Ms. Harris said she thought this act of concern was very admirable.	Resolution - None Required
11/29/01	Cindy Hurly of Ormond Beach - works with the elderly in an assisted living facility <u>Address:</u> 39 Oakmont Circle Ormond Beach, FL 32174	She stated that FPL worked to improve the quality of the service in her neighborhood. During the last hurricane, the residents of the facility were evacuated. When allowed back in, the building only had partial power restored. They called FPL and saw an immediate response and they were very happy that the elderly residents could return to their rooms. She also stated that they had received a \$5,000 refund.	Resolution - None Required

CUSTOMERS APPEARING AT FPL CUSTOMER SERVICE HEARINGS

Date of Hearing	Customer Name	Customer Concern/Comment	Resolution
11/29/01	Paul Skinner, Fire Chief for the City of Daytona <u>Address:</u> 250 Seaview Avenue Daytona Beach, FL 32118	He commented on how FPL is like part of the City family; personally lost power for 72 hours during Floyd and is very supportive of the way FPL prioritizes restoration after storms. Excellent quality of service - almost never has to reset electronic devices. Very appreciative of how we responded and assisted during the '98 wildfires and that FPL restored power very promptly in spite of the massive loss of infrastructure and equipment. He also applauded FPL for responding to the fire department when electric lines are on the ground which endangers everyone around. He stated that FPL is an excellent corporate citizen and that he is very satisfied with our rates.	Resolution - None Required
11/29/01	Rocky Randels of Cape Canaveral - Mayor of the City of Cape Canaveral - small beach-side community <u>Address:</u> 308 E Central Blvd Cape Canaveral, FL 32920	Wanted to talk about three key things: 1) How FPL had worked with the City on a master plan to install street lights 2) FPL developed an excellent process to handle their streetlight outages, it allows him to respond to city residents and let them know exactly when the lights will be repaired; 3) tree limbs used to cause outages - FPL replaced the wooden poles with much larger concrete poles so that the transmission lines go over the trees and this has helped to reduce the outages, and FPL made sure that the red-headed woodpeckers that were living in the wooden poles still had a place to live....FPL cut a section of the wood pole and attached it to the concrete structures.	Resolution - None Required
11/29/01	Larry Rodriguez, Director of Plant Operations for Health First, the largest health care provider in Brevard County. <u>Address:</u> 1575 North Highway A1A Indianatlantic, FL 32903	He spoke about how FPL automatically communicate with them about outages; we have developed excellent relationships with their staffs; we have great reliability; we have helped them with energy conservation programs, such as chiller incentives and lighting retrofit programs. FPL has allowed them to consolidate their bills and this has been a great benefit since they have over 40 facilities. Finally, FPL helped them install equipment for back-up power which has also helped reduce their rates.	Resolution - None Required

CUSTOMERS APPEARING AT FPL CUSTOMER SERVICE HEARINGS

Date of Hearing	Customer Name	Customer Concern/Comment	Resolution
12/11/01	Reverend Don Roberts of Sarasota <u>Address:</u> 1600 Wewa Drive Sarasota, FL 34239	A reverend who happens to be the Chairman of Goodwill Industries in Sarasota also testified that even though he personally was without power for 3 days during Gabrielle, he appreciated the hard work of the company's employees to try to restore customers as quickly as possible after the storm. He stated that FPL is always very responsive in emergency situations; he also stated that he has seen that FPL always puts the interest of the poor and the disadvantaged in the community first.	Resolution - None Required
12/11/01	Bill Halasee, Director of City of Sarasota Public works <u>Address:</u> 1750 12 Street Sarasota, FL	Very satisfied with the overall quality of power, particularly with energy conservation programs. Appreciated the reduced rate for curtailable load. He did mention street light repairs took a very long time 60 to 90 days and that we need to improve that process.	Resolution - FPL has scheduled a meeting with the customer to discuss future opportunities for improvement.
12/11/01	John Clark of Bradenton, executive for Lakewood Ranch developers - one of the largest developers in Central Florida <u>Address:</u> 6215 Lorraine Road Bradenton, FL 34240	He stated that he was delighted with the level of service he gets from FPL. He said that FPL was usually the last one in and the fastest to get done in the new construction area. He stated that 1/2 of the 28,000 acre ranch is served by Peace River Co-op and the level of service that they get from FPL is clearly superior. They are adding to the ranch and they are intentionally building on the part that is served by FPL. They are also building a new town that is both residential and has commercial/industrial section. They stated that FPL has been great in working with them to provide service to the new homes and buildings in this area.	Resolution - None Required
12/11/01	Kerry Kursner, Argos Foundations, community activist <u>Address:</u> 1590 Gulfview Drive Sarasota, FL 34236	Was without power for 3 days, personally drove around and was amazed at the number of employees that FPL bought in; they were working 24 hours a day he stated that it is obvious that FPL has planned well for emergencies.	Resolution - None Required

CUSTOMERS APPEARING AT FPL CUSTOMER SERVICE HEARINGS

Date of Hearing	Customer Name	Customer Concern/Comment	Resolution
12/11/01	Rita Dralus of Manatee County, Citizens Action Center <u>Address:</u> 5536 37th Street E Bradenton, FL 34203	Was very complimentary of FPL's efforts in helping her constituency and said that FPL gives help to citizens in need. She cited a specific example of when Mel Klein called her at home following Tropical Storm Gabrielle to update her on the status of FPL's efforts to restore power to the home of a woman who has a disabled son.	Resolution - None Required
12/11/01	Michael Simala of Naples, is the operations manager for International College <u>Address:</u> 2655 Northbrook Drive Naples, FL	Made an inquiry to FPL after receiving some bills that he felt were too high. FPL conducted a free energy survey and made recommendations on window tinting among other things. He was very positive about the relationship he has with FPL but did also state that power outages "drive him crazy," but also admitted that most were due to weather.	Ms. Tracy Bagans, FPL Power Systems Area Manager spoke with Mr. Simala after the hearing and informed the customer that FPL would follow up with an investigation and would contact him within 24 hours. The customer has been contacted and advised that an FPL Account Manager has been assigned to handle his account as the primary point of contact. FPL is conducting an investigation of the electrical facilities that serve his building. The feeder that serves this facility has performed well (19 relays during the most recent 12 month period). The pain for Mr. Simala was caused by 11 feeder relays that occurred during the months of June and July of 2001. On July 13, 2001, the breaker protection scheme for this feeder was modified to reduce the sensitivity. This adjustment produced significant improvements during the subsequent months. Mr. Simala understands these actions and will continue to work with FPL representatives to identify improvement opportunities with all aspects related to FPL products and services.

CUSTOMERS APPEARING AT FPL CUSTOMER SERVICE HEARINGS

Date of Hearing	Customer Name	Customer Concern/Comment	Resolution
12/11/01	Treva Gilligan, Director of Lee County Housing Development which assists low income families with purchasing homes <u>Address:</u> P.O. Box 10293 Clearwater, FL 33757	She stated that FPL has gone "above and beyond" her expectations in helping her clients. She stated that FPL meets with them on Saturdays to educate customers and have helped establish credit references.	Resolution - None Required
12/11/01	Lilliam Newman of Ft. Lauderdale - a homeowner who received a flyer in the mail claiming the "FPL can save you money." <u>Address:</u> 1216 La Faunce Way Fort Myers, FL 33919	She said she laughed at first but called FPL. She was amazed at the level of time and attention given her during an energy audit that she says has saved her 25% every month.	Resolution - None Required
12/12/01	Liz Ferrer, City of Coral Gables, Public Works Department <u>Address:</u> 285 Aragon Avenue Coral Gables, FL 33134	Was complimentary of FPL Premium Lighting Program which she described as "fulfilling a dream" so that the city could have decorative lighting poles. She thanked FPL for responding to the City's request and providing this program.	Resolution - None Required
12/12/01	Fred Beckman, City of Miami Beach, Director of Public Works <u>Address:</u> 1700 Convention Center Drive Miami Beach, FL 33139	Told of a success story in which in 1997, the average for customers to be out of power was 212 minutes. They called FPL and asked for help. FPL responded immediately, replacing some of the aging infrastructure and are still making improvements. Today, the average for customers to be out of power is 57 minutes.	Resolution - None Required

CUSTOMERS APPEARING AT FPL CUSTOMER SERVICE HEARINGS

Date of Hearing	Customer Name	Customer Concern/Comment	Resolution
12/12/01	Roy Van Wyk, Miami Dade County-Chief Electrical Official <u>Address:</u> 111 NW 1st Street Miami, FL	"Quality of service received from our local rep was amazing" He said he was very pleased with the level of service and concern they receive from FPL.	Resolution - None Required
12/12/01	Joan Borenstein, President and CEO of Miami/Dade Easter Seals <u>Address:</u> 1475 Northwest 14 Avenue # Addition Miami, FL 33125	She told of how last year the air conditioner system went out and when FPL was called, it was recommended that they purchase a chilled water system. She said how happy they are with the system and that they received a \$48,500 rebate to install the new unit.	Resolution - None Required
12/12/01	Jose Valdez of Hallendale <u>Address:</u> P.O. Box 1076 Hallandale, FL 33008	He received an additional deposit (for the third time). He also stated that his mother lives in Miami, is 70 years old and that FPL is also requiring her to pay an additional deposit. She is on a fixed income and cannot afford to pay.	Resolution - FPL customer service reps met with the customer and resolved his concerns before he left. The additional deposit was waived and a high bill investigation and Energy Survey was ordered. For his mother, the additional deposit was waived, she was put on 62 Plus and given an application for AFT.

CUSTOMERS APPEARING AT FPL CUSTOMER SERVICE HEARINGS

Date of Hearing	Customer Name	Customer Concern/Comment	Resolution
12/12/01	Lorenzo Jones President of the Treasure Heights Homeowners Association <u>Address:</u> 4745 Northwest 23rd Court Miami, FL 33142	His interest in coming to the hearing was to tell the Commission what a good relationship he has with FPL and that the Company has worked with him on repairing street lights in his community that are maintained by the the county. He had up to 50 street lights that were out and were causing serious problems in the community. FPL has installed new lights with bullet proof shields.	Resolution - None Required
12/13/01	Diane Huff, Director of Community Services West Palm <u>Address:</u> P.O. Box 3588 Lantana, FL 33465	Ms. Huff explained how her group helps refer and advise the elderly where to find assistance. Her group has entered into a partnership with FPL in the AWARE program. FPL meter readers have been trained on what to look for when an elderly person may be at risk of needing immediate medical attention and said that the FPL meter readers have referred many of the elderly to them and is convinced that FPL's efforts have saved lives.	Resolution - None Required
12/13/01	Laurie Franiski <u>Address:</u> 600 Via Lugano Cir, Apt #307 Boynton Beach, FL 33436	Thanked FPL for finding emergency cash, through Care to Share, to pay her utility bill after her divorce. A very emotional testimony of how hard it was with five children, and no financial support from her former husband, to pay the bills. Her power was cut off by FPL for non-payment. She called FPL because she was desperate and asked for help. She gave a heart-felt thank you to FPL employee Linda Larsen (who accompanied her at the hearing) for her compassion and help during the difficult time.	Resolution - None Required
12/13/01	Vince Lowe <u>Address:</u> 14200 US Highway 1 Juno Beach, FL 33408	Grateful for the long, positive relationship that FPL has with them and the support that FPL gives them. Stated that FPL gives stranded and sick sea turtle to the center as well as untold amounts of support in printing booklets and brochures that are distributed to the thousands people who visit the center. He was most impressed with the generous contribution of time and thanked Winifred Perkins, FPL's Manager of Environmental Relations who serves as Vice-Chair of the Board of Directors of the Marine Life Center. He also thanked Rod Macon who is a very active member as well.	Resolution - None Required

CUSTOMERS APPEARING AT FPL CUSTOMER SERVICE HEARINGS

Date of Hearing	Customer Name	Customer Concern/Comment	Resolution
12/14	The Yacht & Racquet Club of Boca Raton Inc. represented by Lana Belfray, General Manager Address: 2711 North Ocean Blvd. - Boca Raton, FL, 33431	The customer was concerned with frequent power outages of short and long duration since 1998 and she noted that they were due to FPL's faulty equipment. Ms Belfray said that after she complained to the FPSC, FPL made repairs and the service is much improved.	<p>Ms Belfray had previously filed a complaint with the FPSC on 11/15/2001 (418664E) This complaint was resolved within 72 hours Mr Kenny Rodrigue, FPL Power Systems Area Manager spoke with Ms Belfray during the hearing During this conversation, the customer said that she had been working with FPL field personnel and that they had fixed most of the problems She also requested an estimate of the cost to convert the facilities from OH to UG A meeting was arranged for Monday, December 17th, 2001 at 9 30 A M Ms Belfray has been advised that FPL will patrol the feeder again The cost of conversion from OH to UG will be discussed during Monday's meeting On January 7th, 2002, Cassandra Jackson and 2 FPL crews met with Ms Belfray A Thermovision inspection was completed on 3 vaults and 2 pad mounted transformers No irregularities were found On January 8th, 2002, FPL received additional information from PSC Engineer, Frank Paez in regards to his inspection on the Feeder that serves Ms Belfray FPL needs to address several variances that were observed when feeder was inspected</p> <p>Variances are</p> <p>1) 2 POLES S/O SWEETWATER LN ON WEST SIDE OF OCEAN AVE</p> <p>A) 64" STEEL ARM APPEARS TO BE CORRODED</p> <p>2) 3 POLES S/O SWEETWATER LN ON WEST SIDE OF OCEAN AVE</p> <p>A) STREET LIGHT BRACKET APPEARS TO BE NOT GROUNDED</p> <p>3) 8 POLES N/O COQUINA WAY ON WEST SIDE OF OCEAN AVE</p> <p>A) FPL NEEDS TO TRIM TREE LIMBS IN NEUTRAL AND SECONDARY</p> <p>In regards to the variances received by the FPSC, both the Crew Supervisor and Vegetation Management have been contacted The departments have prepared a plan to rectify the variances as follows</p> <ul style="list-style-type: none"> - Replace the corroded 64" steel crossarm - Ground the street light bracket - Trim trees along Ocean Blvd , from Spanish River Blvd south to Palmetto Park Road
12/13/01	Jerry Marshall Address: 13737 Via Aurora # A Delray Beach, FL 33484	Disliked FPL and stated that the PSC should not allow us to shift costs from the shareholders into the clauses. He stated that they should not have allowed approval to recover certain costs such as the Okeelanta/Oceola settlement, executive compensation, increased security, etc.	FPL records do not indicate a inquiry was received from the FPSC regarding this customer. A letter was sent December 21st addressing the customer concerns regarding all of his issues.

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Customers Appearing at FPL Customer Service Hearings

CUSTOMERS APPEARING AT FPL CUSTOMER SERVICE HEARINGS

Date of Hearing	Customer Name	Customer Concern/Comment	Resolution
12/13/01	John Sydoriak owner of Tankless Water Heating <u>Address:</u> 1140 Coral Way, Singer Island, FL 33404	Interested in getting his product approved for FPL to recommend using it for their Energy Surveys and offering a rebate.	Mr. Brandt met with the customer on January 10th, and went over the procedure that needs to be followed prior to FPL considering the product. The customer is going to complete the information required and than get back with Mr. Brandt.
12/13/01	Larry Earl Armstrong <u>Address:</u> 19174 SE Arnold Drive Jupiter, FL 33469 <u>Mailing Address:</u> P.O.Box 434 Jupiter, FL 33468	The customer had a high bill concern. He was also concerned with a deposit for \$155 that was billed to his account.	A review of his consumption for the past two years indicated comparable usage. The customer understood that his 2001 bill amount was more than the previous year due to the increase in the fuel adjustment. The kWh difference was minimal. A High Bill Investigation was performed on December 18th and no irregular conditions were found. The customer was enrolled in the 62 Plus Plan and the deposit was waived.
12/13/01	Douglas Everette Pompano Beach Chamber of Commerce <u>Address:</u> 2200 E Atlantic Boulevard Pompano Beach, FL 33062	President and CEO of the Greater Pompano Chamber of Commerce which represents over 1,000 businesses stated that he has had a great relationship with FPL for eight years. He opened with a letter that he had written to the local media in early November in which he praised FPL's support of local charities and community activities and that the company has responded quickly to requests to move power lines. He mentioned a state of the art sub-station that FPL built and landscaped around it to make it attractive. He also stated that they are in the early stages of building an industrial park and that FPL will build a sub-station there to support the park. In addition, the company is adding botanical garden landscaping around the sub-station, making it attractive visually and environmentally.	Resolution - None Required
12/13/01	Lori Vuc Kannon Broward County Emergency Management <u>Address:</u> 201 NW 84 AVE Plantation, FL 33324	Expressed her appreciation for the active role that FPL has in developing emergency and contingency planning with the county and municipalities involved in the emergency operations. She stated that FPL is "always there" and after September 11th, it was no different - FPL was there and ready to help.	Resolution - None Required

W.W. Hamilton Sponsored MFR's

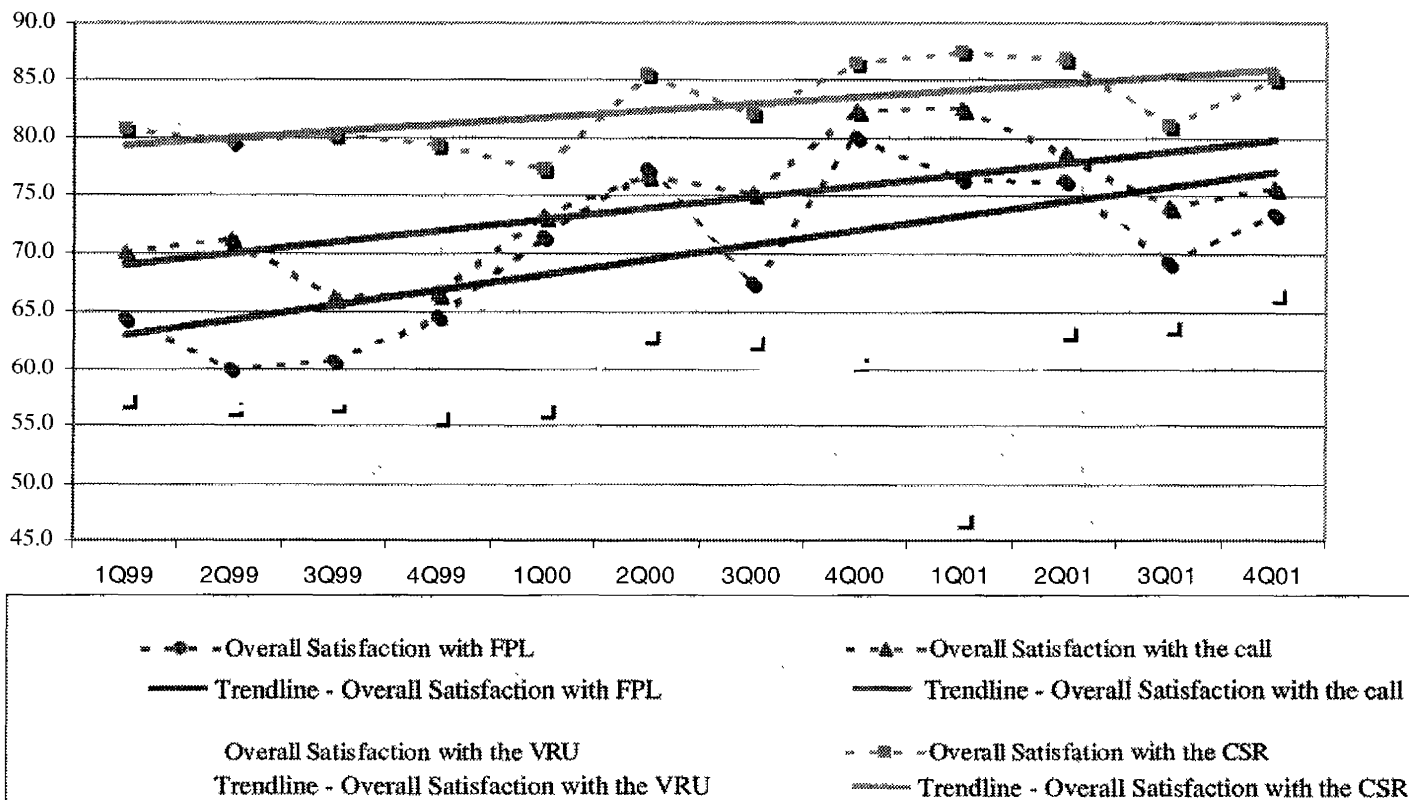
Sole Sponsorship:

- **C-25** – Uncollectible Accounts
- **C-26** – Advertising Expenses

Joint Partnership:

- **A-8** – Five Year Analysis – Change in Cost
- **C-8** – Report of Operation vs Forecast
- **C-12** – Budget vs Actual – Rev/Exp
- **C-19** – O&M Expenses – Test Year
- **C-20** – O&M Expenses – Prior Year
- **C-27** – Industry Association Dues
- **C-31** - Administrative Expenses
- **C-57** – O&M Benchmark Variance by Function
- **C-65** – Outside Professional Services
- **E-10** – Development of Service Charges

Residential Customer Care Center Satisfaction Research
Key Satisfaction Measures



NOTE: A Linear Trendline is a graphical representation of the trend, or direction, of data in a series. Trendlines are used for the study of problems of prediction, also called regression analysis. The formula calculates the least squares fit for a line represented by the following equation: $y = mx + b$, where m is the slope and b is the intercept.

Residential Customer Care Center Satisfaction Research
Key Satisfaction Measures

	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Overall Satisfaction with FPL	64.4	60.0	60.6	64.6	71.4	77.3	67.4	79.9	76.4	76.3	69.1	73.3
Overall Satisfaction with the call	69.9	71.2	66.2	66.5	73.2	76.8	75.3	82.3	82.5	78.6	74.0	75.7
Overall Satisfaction with the VRU	57.4	56.7	57.0	55.8	56.6	63.2	62.7	60.8	47.1	63.5	64.1	66.7
Overall Satisfaction with the CSR	80.7	79.7	80.2	79.3	77.3	85.4	82.0	86.5	87.4	86.7	81.0	85.0

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Residential Customer Care Center Satisfaction Research

BILLING & PAYMENT OPTIONS

Billing Options	Year Program Implemented	Description	Number of Participating Customers December 2001
E-Mail Bill	2001	Customer receives an e-mail that their bill is available to be viewed at fpl.com	2,544
E-Bill	1997	Customer signs up with a third party to view bills from multiple companies through the internet. These bills may be viewed at a variety of internet web sites, including those of financial institutions, brokerage firms, United States Postal Service, etc.	20,805
EDI	1995	FPL Electronic Data Interchange allows a business customer to receive their energy bill electronically.	13,733
Summary Billing	1993	Customers with multiple service locations may receive one summarized bill instead of receiving individual bills throughout the month.	36,577
Budget Billing	1983	Customer receives a bill based upon a historical rolling average of their energy costs so the amount due is approximately the same each month.	261,403

BILLING & PAYMENT OPTIONS

Payment Options	Year Program Implemented	Description	Number of Participating Customers December 2001
Pay by Internet	2001	Customers make payments on line at fpl.com. Payments may be made anytime, 24 hours a day, 7 days a week.	37,764
Pay by Phone	2001	Customers make payments using a touch-tone telephone. Payments may be made anytime, 24 hours a day, 7 days a week.	97,575
Automatic Funds Transfer	1993	Customers pre-authorize automatic transfer of payment from their checking accounts. Customers may choose between 10 to 20 days after the billing date to have their funds withdrawn.	264,465
Pay Station	1993	Customers pay in person at an authorized pay station.	565,822
Pay by Mail	1925	Customers remit payment through the U.S. Postal Service	2,533,684

INTERNET TRANSACTIONS

The following is a list of transactions that customers can perform over the internet:

- Automatic Funds Transfer (AFT) Payment Option
 - Enrollment
 - Discontinue participation
 - Re-activate participation
 - Update information
 - Notification of pending conditions - payment extension, deposit outstanding
- E-Mail Bill Program
 - Enrollment request
 - Enrollment pending
 - Discontinue participation
- Inquiry on Bill Statement
 - View current month bill or 12 months billing history
 - View current month payment or 12 months payment history
 - View kwh 12 month history
 - View 12 month usage history (data and graphical presentation)
- Internet Pay Option
 - Enrollment
 - Internet Pay
 - Discontinue participation
 - Update information
- Budget Billing Enrollment
- Update Customer Account Information
 - E-mail Address
 - Mailing Address
 - Telephone Numbers
- Connect and/or Transfer Service Request
- Disconnect Service Order Request
- Payment Extension Request
- Power Outage Reporting
- Streetlight Outage Reporting
- Perform Energy Audit On-line
- Request for Services
 - Survey and/or Duct Test Request
 - TV Interference Investigation Request
 - Meter Check Request
 - Tree Trimming Request
 - Power Quality or Voltage Investigation Request