

1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                                   **DIRECT TESTIMONY**

3                                   **OF JEFFREY S. SYLVESTER**

4

5   **Q.   PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS**  
6   **ADDRESS.**

7   A.   My name is Jeffrey S. Sylvester. I am the Vice President – Customer Care of  
8       the Florida Public Utilities Company (the "Company"). My business address  
9       is 1015 6<sup>th</sup> Street N.W., Winter Haven, Florida 33882.

10 **Q.   PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**  
11 **PROFESSIONAL EXPERIENCE.**

12 A.   I attended Clemson University and graduated in 1992 with a Bachelor of  
13       Science degree in Financial Management. I went on to complete my Masters  
14       of Business Administration at Clemson University in 1994. I spent the first ten  
15       years of my career in various finance roles at Plantronics, GTE Data  
16       Services, and ThruPoint (a start-up IT consulting company). I have been  
17       employed by Chesapeake Utilities Corporation since 2004, first as the  
18       corporate Director of Business Analysis and then Director of Information  
19       Technology. I joined the Florida Division in 2007 as General Manager of  
20       Peninsula Energy Services Company, Inc., Chesapeake's unregulated gas  
21       marketing affiliate. I was appointed Assistant Florida Regional Manager in  
22       January 2009 and had responsibility for all Customer Service as well as Sales  
23       and Marketing operations in the State of Florida. In 2010, I was named VP

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1 Customer Care for Florida Public Utilities following the merger between  
2 Chesapeake Utilities and Florida Public Utilities in 2009.

3 **Q. PLEASE DESCRIBE YOUR CURRENT RESPONSIBILITIES.**

4 A. As Vice President – Customer Care, I am responsible for establishing  
5 strategy, goals and objectives for our Contact Center, Billing,  
6 Collections/Credit, and Payment Processing teams.

7 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

8 A. The purpose of my testimony is to describe the improvements that the  
9 Company has made in the customer service quality. I will describe the  
10 strategic goals and objectives of the Company in this area and the initiatives  
11 that have been implemented in support of the strategy. I will further describe  
12 specific technology improvements and other initiatives that benefit customers.  
13 Finally, I will compare the level of customer complaints to the Commission  
14 over since 2006 (pre- and post-acquisition).

15 **Q. ARE YOU SPONSORING ANY EXHIBITS TO YOUR TESTIMONY?**

16 A. Yes. Exhibit\_\_(JSS-1) is a synopsis of the service and culture building  
17 process that the Company has implemented. Exhibit\_\_(JSS-2) is a chart  
18 which shows the FPUC natural gas complaint activity since 2006.

19 **INCREASED QUALITY OF SERVICE**

20 **Q. PLEASE DESCRIBE CHESAPEAKE'S COMMITMENT TO CUSTOMER**  
21 **SERVICE.**

22 A. Chesapeake's goal is to establish a process to evaluate and implement  
23 changes that will result in a positive experience for our customers. This

1 experience is defined as one which results in customers not just being  
2 satisfied customers, but results in customers becoming promoters of our  
3 Company. "Promoters" are defined as customers who refer potential  
4 customers to our Company, creating retention and profitable growth. In  
5 order to achieve this positive customer experience, the Company is  
6 committed to consistently exceeding our customer's needs during critical  
7 touch points. These touch points include, phone calls, walk-in contact, web  
8 site visits, billing, energy conservation program, sales & marketing activities,  
9 meter turn-on's, leak investigations at the customer premise and other  
10 opportunities to interact with customers. Chesapeake has identified, and is  
11 implementing, best practices throughout its operational departments that are  
12 aligned with the goal of customers becoming promoters. One of the key  
13 components that are required to achieve and maintain the goal of providing a  
14 positive customer experience is the gathering of critical performance  
15 measurements. Prior to the acquisition, this practice was not occurring.  
16 Some limited information was captured, but it was not utilized in any  
17 beneficial way to improve processes or enhance employee training. This  
18 information was often discarded after limited "point in time" analysis was  
19 performed. Subsequent to the acquisition, the Company has identified many  
20 standard metrics that are critical to determining whether we are moving in the  
21 direction of providing a positive customer experience. Based on these  
22 metrics, Chesapeake is able to improve processes, employee training  
23 programs and better focus collateral material messaging that enables

1 Chesapeake to deliberately provide services that meet and exceed customer  
2 expectations. This process encompasses all aspects of the Company, from  
3 Customer Care to Sales & Marketing to Operations and Engineering.

4 **Q. PLEASE DESCRIBE THE PROCESS UNDERTAKEN BY THE COMPANY**  
5 **TO IMPROVE THE SERVICE QUALITY TO CUSTOMERS.**

6 A. The Company has developed and implemented a Customer Care strategy  
7 with a goal to be recognized as an industry leader in the execution of all  
8 meter-to-cash activities, including Contact Center services, while ensuring all  
9 processes are designed to deliver a positive customer experience. There are  
10 four strategic objectives to the plan: 1) Customer Centric – excellent service  
11 to our customers is our number one priority; 2) Consistent Quality – we will  
12 provide professional, courteous, timely and accurate service to every  
13 customer in a fair, consistent and accessible manner; 3) Efficient and  
14 Effective – we will measure and improve work processes by implementing  
15 innovative ideas, apply appropriate technology and training staff to be helpful  
16 and knowledgeable; and 4) Accountable – we will use feedback from  
17 processes and customers to improve our performance.

18 **Q. WHAT ARE THE SPECIFIC INITIATIVES THAT THE COMPANY IS**  
19 **IMPLEMENTING IN SUPPORT OF THE CUSTOMER CARE STRATEGY?**

20 A. The Company has identified five (5) key initiatives that support the Customer  
21 Care strategy: 1) Consolidate; 2) Performance Management; 3) Development  
22 and Training; 4) Process Improvement; and 5) Technology.

23 **Q. CAN YOU PLEASE DESCRIBE EACH INITIATIVE?**

1 A. Yes. First, the Company needed to consolidate its Customer Care activities  
2 organizationally. Prior to the acquisition, this function was performed at each  
3 physical location, under different managers who utilized different practices,  
4 resulting in an inconsistent customer service experience. The Company has  
5 now consolidated the Customer Care functions in one department which  
6 meets the first objective of having a singular focus on the delivery of meter-to-  
7 cash activities efficiently, is easy for the customer and produces a high-quality  
8 service at a lower cost. Second, the Company has established standards for  
9 each meter-to-cash discipline and the reporting requirements necessary to  
10 provide valuable feedback to those employees performing the activity. By  
11 establishing these clear standards, the Company is able to measure and  
12 manage performance of its employees as we strive to deliver a positive  
13 customer experience. Third, the Company has developed and implemented a  
14 series of employee training modules, and has hired The Profitable Group to  
15 perform the training, which provides employees with the skills and knowledge  
16 necessary to efficiently and effectively perform their assigned activities.  
17 Fourth, many employees throughout the Company have been involved in a  
18 review of existing processes designed to improve the effectiveness and  
19 efficiency of the activities that are performed. As we move forward, feedback  
20 from customers and employees and the metrics results will be utilized in a  
21 continuous improvement process to move us closer to the strategic objectives  
22 of the Customer Care organization. Finally, the Company has made many

1 technology improvements that enhance our ability to provide efficient and  
2 effective services to our customers.

3 **Q. CAN YOU ELABORATE ON SOME OF THE TECHNOLOGY**  
4 **IMPROVEMENTS?**

5 A. The Company, since the acquisition, has implemented the following two  
6 technology improvements which provide the foundation for our ability to  
7 provide world-class services to our customers:

- 8 ● Consolidation of Customer Information Systems (CIS); and
- 9 ● Implementation of New Telephony Technology

10 **Q. CAN YOU DESCRIBE HOW THE CONSOLIDATION OF THE CUSTOMER**  
11 **INFORMATION SYSTEM BENEFITS CUSTOMERS?**

12 A. In June 2010, the Company integrated the Customer Information Systems of  
13 Chesapeake's Florida operations with FPU's system, thus providing a  
14 consistent basis from which to operate. The current CIS platform allows for  
15 the combined company to seamlessly coordinate all Customer Care  
16 (customer call centers, billing and collections and meter reading) and field  
17 services activities (turn-on's and off's, meter changes, etc) that impact  
18 customers. As such, customer inquiries can be handled by virtually any  
19 customer representative. Previously, customers would be required to contact  
20 specific customer service locations that had access to the specific account  
21 information and understood the approved tariff parameters applicable to that  
22 customer. The consolidation has also allowed the company to implement  
23 best practices, consistent training and, as described below, capturing

1 valuable customer service metrics to evaluate our success in providing the  
2 perfect customer experience.

3 **Q. PLEASE DESCRIBE THE BENEFITS CUSTOMERS RECEIVE FROM**  
4 **IMPLEMENTING NEW TELEPHONY TECHNOLOGIES.**

5 A. We have finalized the installation of state-of-the-art telephone systems that  
6 provide for seamless call center activities from agents located throughout the  
7 state, as well as, for the first time, having the ability to collect a wide variety of  
8 valuable customer call metrics. Information such as call waiting times, call  
9 abandonments and recording of actual customer calls provides us with the  
10 measurements needed to continuously improve our ability to provide world  
11 class customer service. Customer service representatives are undergoing  
12 intensive training that is improving their knowledge of all Company-offered  
13 programs, such as Energy Conservation, and system-based processes that  
14 allow for one-call resolution for most contacts.

15 **Q. CAN YOU IDENTIFY AND DESCRIBE OTHER SPECIFIC CUSTOMER**  
16 **BENEFITS BEYOND THE TECHNOLOGY-BASED IMPROVEMENTS?**

17 A. Yes. The Company has enhanced the customer experience through a variety  
18 of initiatives designed to benefit customers through improved services. The  
19 following specific improvements have been implemented:

- 20 ● More thorough and more effective Employee Training
- 21 ● Implementation of Third Party Payment Centers
- 22 ● Utilization of Third Party Providers for Certain Functions

1 **Q. CAN YOU DISCUSS THE EMPLOYEE TRAINING THAT HAS TAKEN**  
2 **PLACE?**

3 A. Yes. The Company has engaged a firm out of Tampa, Florida, The Profitable  
4 Group, to provide employee training throughout the Company specifically  
5 designed to assist in the understanding of the importance of providing quality  
6 customer service, enhancing the skill set of employees so that they have the  
7 capabilities to provide such service and mechanisms to assist the Company  
8 in capturing critical information from customers and others that will provide  
9 the basis for continuous improvement. Exhibit\_\_\_(JSS-1) is a synopsis of the  
10 service and culture building process that has been initiated by the Company  
11 and implemented through The Profitable Group.

12 **Q. PLEASE DISCUSS WHAT THIRD-PARTY PAYMENT OPTIONS THE**  
13 **COMPANY HAS IMPLEMENTED.**

14 A. Prior to the merger, the combined companies primarily accepted payment of  
15 customer bills at their established locations in each territory. The exception to  
16 this was Chesapeake's Winter Haven location, which had discontinued  
17 accepting payments at its offices in 2007. Recently, the Company executed  
18 an agreement with Fiserv, Inc. a global leader in information management  
19 and electronic commerce systems and services, to accept utility payments at  
20 its network of locations, primarily at over 300 WalMart stores in the state.  
21 Additional payment locations are also part of this service arrangement. This  
22 is a free service to our customers as the Company pays for any transaction  
23 fees imposed by the contract. This diverse and extensive access to payment



1 locations is very convenient for customers and provides all customers access  
2 to walk-in payment locations. Previously, walk-in payment options were only  
3 an option for a relatively small percentage of customers that lived close to the  
4 Company's offices. This agreement with Fiserv, Inc. provides for a significant  
5 enhancement for customers that desire to pay at a walk-in facility.

6 **Q. HOW HAS THE COMPANY UTILIZED THIRD PARTY PROVIDERS TO**  
7 **ENHANCE SERVICE TO CUSTOMERS?**

8 A. The Company has initiated a comprehensive Dealer Network program that  
9 actively recruits, trains and provides continuous support for third party  
10 providers, such as plumbing and HVAC companies. These providers are able  
11 to perform certain functions that have traditionally been provided by Company  
12 personnel, such as turn-key operations from service line installation through  
13 meter turn-on. This has resulted in timelier customer connections at a lower  
14 cost to the Company.

15 **Q. CAN THE COMPANY PROVIDE ANY TANGIBLE RESULTS OF ITS**  
16 **EFFORTS TO DATE?**

17 A. Yes. As shown on Exhibit \_\_ (JSS-2), the level of FPUC natural gas customer  
18 complaints filed with the Commission has declined by approximately 50%  
19 since the acquisition date. The Company believes that this is clearly resulting  
20 from the deliberate implementation of the Customer Care strategy, initiative  
21 implementations, employee training and other customer service  
22 improvements make by the Company.

1 **Q. PLEASE SUMMARIZE THE EFFORTS OF THE COMPANY TO IMPROVE**  
2 **CUSTOMER SERVICE.**

3 A. The Company's Customer Care strategy, described above, is to provide a  
4 positive customer experience on a consistent basis. As discussed, the  
5 Company believes that it is not enough to have satisfied customers. Instead,  
6 the Company believes that a key component of long-term success is to  
7 develop the customer relationship to the point where the customer actively  
8 promotes the Company to others. In order to achieve the strategy, the  
9 Company has implemented several best practices designed to put the  
10 Company on a continuous improvement path towards the perfect customer  
11 experience. All of these activities are deliberately designed to identify how to  
12 create promoters from our customers and to predict what will be required to  
13 keep them as promoters in a rapidly changing environment. The Company  
14 has implemented an extensive employee training program designed to  
15 improve the knowledge and skill sets of employees that provide services to  
16 customers. By implementing systems that capture customer information and  
17 feedback, the Company will be able to modify the employee training programs  
18 and work management processes and procedures that will result in exceeding  
19 the needs of our customers. All of these efforts by the Company have clearly  
20 resulted in an improved quality of customer service.

21 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

22 A. Yes.

EXHIBIT\_\_\_(JSS-1)

**Service & Culture Building Process**

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## **Service & Culture Building Process**

The Florida Public Utilities leadership team made a strategic commitment a year ago to dramatically and significantly shift the FPUC culture to one committed to the customers and communities we serve. A key part of those efforts was retaining the services of an Industrial & Organizational Psychologist and Trainer who has invested indepth time and energy at each of our locations around the state.

The process is intensive and is still ongoing. The results are evidenced in comments from both internal and external customers. Employees are actively engaged in improving process flow of customer interactions; and, they report being energized by the tools, support, and commitment the organization has made to improved service levels. Customers at informal touch points (dropping a payment off to a customer care representative or encountering a meter reader in the field) and at formal interactions (Chamber presentations and community meetings) are reporting a marked positive difference in how customers are served.

To briefly highlight the process undertaken to date:

1. Employees at every level of the organization, encompassing all locations, were interviewed one-on-one. The goal was to provide every vested employee with the opportunity to articulate organizational strengths, challenge areas, and obstacles that made serving the customer in an exemplary manner on a consistent basis difficult. Top leadership reviewed results of interviews and made strategic position changes where necessary. New roles were created with the customer in mind. And, a comprehensive culture building process was employed across the organization.
2. The culture building process that has been implemented throughout the organization is an initial six session process (12 hours of training plus action application assignments). The process covers the following topic areas:
  - a. Success Foundations in Service Interactions – Knowledge, Skills, and Attitude.
  - b. Understanding Ourselves and Others – A detailed look at our work style with a directed focus on the need for flexibility when working with and serving others.
  - c. Communication for Service Excellence – Employees reviewed key communication principles and focused heavily on the importance of ‘listening’ when interacting with both internal and external customers.
  - d. Problem Solving & Conflict Management – Problems will occur; quick, complete, professional recovery is imperative. In this session, participants explored problem solving principles for projects and in tough human interactions.
  - e. Stress Management -- A focus on controlling negative stress by focusing on serving others. Key session principles include: Choose Your Attitude; Make the Day for Your Customers; Be Present (Mentally) Each Moment of the Day; Enjoy What You Do (Make a Difference, Take Initiative).
  - f. Managing Multiple Priorities – Ensuring a seamless, focused approach to our day. Covering the bases and ensuring priorities are clear.
3. A “Stamp Out Stupid Rules” exercise which was implemented; and, to date, has identified 83 new ideas to improve customer processes and remove redundant or unworkable policies. Many of the action suggestions have already been acted upon and implemented across the organization.

4. Quarterly Follow-up Sessions are delivered to employees to ensure the culture building process and learning continues to escalate and create positive interactions with our customers. Quarterly follow-ups delivered to date include:
  - a. Value Based Customer Service
  - b. Flow Charting Our Customer Process
5. A regular update e-mail reviewing previously delivered concepts and introducing new concepts is sent to participants between scheduled sessions to reinforce desired behaviors.

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Additional actions taken by the organization to date include:

- Identification of core driving values: Initiative, Customer-Centric, Integrity, Safety, Stewardship.
- A Customer-Centric task force made up of top leaders and frontline employees throughout the organization. Five task force groups have currently been identified.

EXHIBIT \_\_\_\_ (JSS-2)

Summary of Customer  
Complaints with the Commission

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## Summary of Customer Complaints with the Commission

Florida Public Utilities Company - Natural Gas

Beginning Period	Ending Period	Number of Complaints
<b><u>Pre-Acquisition</u></b>		
January 1, 2006	December 31, 2006	55
January 1, 2007	December 31, 2007	31
January 1, 2008	December 31, 2008	35
January 1, 2009	October 31, 2009	42
<b><u>Post-Acquisition</u></b>		
November 1, 2009	December 31, 2009	3
January 1, 2010	December 31, 2010	19
January 1, 2011	March 31, 2011	7
<b><u>Pre-Acquisition</u></b>		
Average Number of Complaints per Month		<b>3.54</b>
<b><u>Post-Acquisition</u></b>		
Average Number of Complaints per Month		<b>1.71</b>

Chesapeake Utilities - Florida Division

Beginning Period	Ending Period	Number of Complaints
<b><u>Pre-Acquisition</u></b>		
January 1, 2006	December 31, 2006	11
January 1, 2007	December 31, 2007	10
January 1, 2008	December 31, 2008	4
January 1, 2009	October 31, 2009	10
<b><u>Post-Acquisition</u></b>		
November 1, 2009	December 31, 2009	0
January 1, 2010	December 31, 2010	9
January 1, 2011	March 31, 2011	1
<b><u>Pre-Acquisition</u></b>		
Average Number of Complaints per Month		<b>0.76</b>
<b><u>Post-Acquisition</u></b>		
Average Number of Complaints per Month		<b>0.59</b>