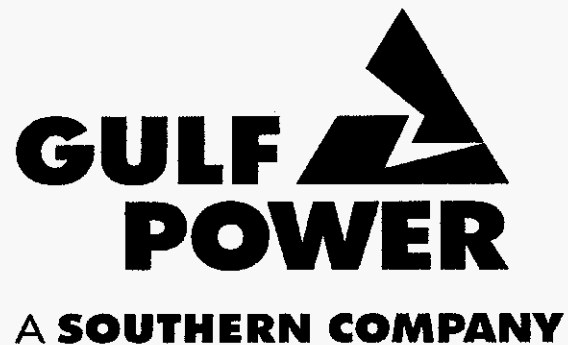


**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. 110138-EI

**REBUTTAL TESTIMONY
OF
MARGARET D. NEYMAN**



DOCUMENT NUMBER-DATE

08159 NOV-4 =

FPSC-COMMISSION CI FRK

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

GULF POWER COMPANY

Before the Florida Public Service Commission
Rebuttal Testimony of
Margaret D. Neyman
Docket No. 110138-EI
In Support of Rate Relief
Date of Filing: November 4, 2011

Q. Please state your name, address, and occupation.

A. My name is Margaret Neyman and my business address is One Energy Place, Pensacola, Florida 32520. I am the Director of Energy Sales Service and Efficiency.

Q. Have you previously filed testimony in this proceeding?

A. Yes.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to address statements made in the testimony of Office of Public Counsel (OPC) witness Dismukes specifically as it relates to Gulf's non-regulated products and services. Additionally, I will address statements made in the direct testimony of OPC witness Ramas and Federal Executive Agencies (FEA) witness Meyer as it relates to Gulf's need for the requested employees in the FERC functional groupings of Customer Accounts and Customer Service and Information.

DOCUMENT NUMBER-DATE
08159 NOV-4 =
FPSC-COMMISSION CLERK

1 **I. NON-REGULATED PRODUCTS AND SERVICES**

2

3 Q. What are Gulf's non-regulated products and services?

4 A. Gulf offers two non-regulated products, one to residential customers and
5 one to commercial customers, called Premium Surge and Commercial
6 Surge, respectively. Customers are charged a fee for equipment installed
7 at their home or business to help protect against electric surges. Gulf also
8 offers one non-regulated service called AllConnect to our customers.
9 AllConnect gives customers requesting new electric service an option to
10 be transferred to a third-party to assist in connecting other services (i.e.,
11 cable, telephone, home security, etc.) in their home.

12

13 Q. Why does Gulf offer non-regulated products and services to its
14 customers?

15 A. Gulf offers these products and services to our customers for one simple
16 reason, to serve them better. Customers who experience electric surges
17 in their home or business seek solutions to help them prevent future
18 issues. Gulf provides the Premium Surge and Commercial Surge
19 products in direct response to our customers' needs.

20

21 Gulf's customers are offered the AllConnect service at no cost to them.
22 Due to the large military presence in our service area, our customer
23 service representatives often receive questions from new customers about
24 how to get in touch with other service providers for their homes. Again, as

25

1 a service to Gulf's customers, we offer to transfer the customer to
2 AllConnect to assist with their other connection needs.

3

4 Q. How do you respond to the claim by Ms. Dismukes that the non-regulated
5 operations obtain substantial benefits by being associated with Gulf's
6 regulated operations?

7 A. I disagree with her claim. Gulf's non-regulated operations must compete
8 for customers with other similar products and services. Customers are
9 looking for the product or service that offers them the best value
10 regardless of the provider.

11

12 Q. Ms. Dismukes states that there are no overhead costs allocated or
13 assigned to the Premium Surge and Commercial Surge protection
14 products. Do you agree with her assertion?

15 A. No. She is simply mistaken in that regard. As the source for this
16 statement, Ms. Dismukes refers to Gulf's response to an interrogatory in
17 which we stated that there were no Southern Company Services (SCS)
18 *labor* expenses charged to non-regulated products. Gulf's response to
19 this interrogatory did not address overheads. Overheads are charged to
20 Gulf's non-regulated products and services in a variety of ways. For
21 example, overheads associated with services (i.e., facilities) utilized by the
22 non-regulated operations are charged via journal entries. These journal
23 entries were provided to OPC in Gulf's response to Citizens' Sixth
24 Request to Produce Documents No. 136 (Request No. 136).

25

1 Q. How about AllConnect? Are there overheads charged to AllConnect?

2 A. Yes. Again, Ms. Dismukes' assertion is incorrect. She quotes Gulf's
3 response to an interrogatory about how direct labor was charged, but does
4 not reflect that Gulf also supplied specific calculations in response to
5 Citizens' Sixth Request to Produce Documents No. 137 (Request No. 137)
6 illustrating how customer service center employees' labor was calculated
7 and charged to AllConnect. The calculations provided to Ms. Dismukes in
8 response to Request No. 137 specifically demonstrate that overheads
9 were charged to the AllConnect service and how those calculations were
10 made.

11

12 **II. WORKFORCE IN CUSTOMER ACCOUNTS AND**
13 **CUSTOMER SERVICE AND INFORMATION**

14

15 Q. OPC witness Ramas and FEA witness Meyer both recommend that Gulf's
16 requested employee levels in the 2012 test year be reduced. Do you
17 agree with their recommendations?

18 A. No. I do not agree with their recommendations. I addressed the need for
19 the additional employees included in the 2012 test year in my direct
20 testimony. These employees are critical to Gulf's success in serving our
21 customers.

22

23 Q. Do any vacancies currently exist in the Customer Accounts function?

24 A. Yes, Gulf currently has vacancies in the Customer Accounts function. As I
25 noted in my direct testimony, the increases in positions in the Customer

1 Accounts function are in Gulf's Customer Service Center (CSC). These
2 additional positions are necessary to respond to a continued increase in
3 customer calls as discussed on pages 37 through 39 of my direct
4 testimony. Gulf began filling these 19 positions at the beginning of 2011
5 and continues to do so. Currently, four of these positions remain vacant.
6 Gulf needs these customer service representatives on board to ensure
7 service levels are met and customers remain satisfied. We employ a
8 phased approach to hiring in the CSC. In addition to classroom training,
9 new employees in the CSC are paired with more senior CSC
10 representatives for several weeks before they begin taking calls. This
11 model has proven to be very successful. Our new hire classes are limited
12 to ensure we have our best senior representatives available to mentor the
13 new employees. Another contributing factor requiring the phased
14 approach is physical space limitations in our facilities. Gulf is currently
15 modifying the third floor of our corporate office to accommodate these
16 additional employees. Gulf fully expects to have all of these positions
17 filled by the end of 2011.

18

19 Q. Do any vacancies currently exist in the Customer Service and Information
20 function?

21 A. No. Gulf has filled all positions in the Customer Service and Information
22 function for which we are seeking recovery in this proceeding.

23

24 Q. Ms. Neyman, does this conclude your testimony?

25 A. Yes.

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No.: 110138-EI

Before me the undersigned authority, personally appeared Margaret D. Neyman, who being first duly sworn, deposes, and says that she is the Director of Energy Sales Service and Efficiency, of Gulf Power Company, a Florida corporation, that the foregoing is true and correct to the best of her knowledge, information, and belief. She is personally known to me.

The signed original affidavit is attached to the original testimony on file with the FPSC.

s/ _____

Margaret D. Neyman
Director, Energy Sales Service and Efficiency

Sworn to and subscribed before me this _____ day of _____, 2011.

Notary Public, State of Florida at Large
Commission No. _____
My Commission Expires _____