

State of Florida



Public Service Commission
CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: November 5, 2013
TO: Ann Cole, Commission Clerk, Office of Commission Clerk
FROM: Elisabeth J. Draper, Economic Supervisor, Division of Economics
RE: Docket No. 130223-EI

Please place that attached Responses from Florida Power & Light Company to Staff's First Data Request in the Docket file.

RECEIVED-FPSC
13 NOV -5 AM 10:38
COMMISSION
CLERK

QUESTION

Please refer to Page 1 of the petition and also to Page 10, Paragraph 31 of the petition which indicate a proposed effective date for the optional non-standard meter rider (NSMR) tariff of April 1, 2014.

- a. It is understood that the pilot project to inspect approximately 400 smart meter enclosures that is referred to in Order No. PSC-13-0387-DS-EI is expected to be completed "in the first quarter of 2014." Please indicate if the referenced pilot project will be completed prior to the April 1, 2014 effective date proposed for the NSMR tariff. Please state if staff will have a copy of the report before the NSMR tariff goes into effect.
- b. Please indicate if the results of the referenced pilot project will have an impact on the costs submitted in support of the proposed NSMR tariff including specific examples of whether the pilot project findings could be used to adjust any of the cost estimates that have been provided for the proposed Enrollment Fee and the proposed Monthly Surcharge.

RESPONSE

- a. The field testing for the meter enclosure project is scheduled to be completed during the first quarter of 2014. If the project milestones that FPL established in Docket No. 130160-EI hold, FPL's written report of the results and the plan for the future use of the model should be available for staff before the NSMR goes into effect. FPL's ability to achieve the milestones it set for itself in Docket No. 130160-EI is primarily dependent upon the willingness of FPL's customers to participate in the project.
- b. The purpose of the meter enclosure project is to further validate and refine a predictive tool that FPL is developing to identify probable future smart meter communications failures likely to be caused by conditions within customer-owned meter enclosures. That project will have no impact on the costs submitted in support of the proposed NSMR tariff. There are no examples of pilot project findings that could be used to adjust any of the tariff costs.

QUESTION

Please refer to Page 7, Paragraph 23 of the petition, which refers to customers on the postpone list.

- a. Please define smart meter eligible customers.
- b. Are any customers exempt from being smart meter eligible?
- c. Have any commercial customers asked to be on the postpone list?

RESPONSE

- a. FPL expects to install smart meters for all customers, and therefore all customers will be smart meter eligible customers. The NSMR tariff will be available to all of these customers as long as they have not tampered with or used service in a fraudulent manner. FPL's current smart meter eligible customers are those customers whose premises currently are intended to receive a smart meter. This includes over 4.5 million customers to date.
- b. There are customers whose premises are not yet included in the "eligible" group because their smart meter installations and activations have not yet been completed. This group of customers is primarily made up of Commercial/Industrial customers outside of Miami-Dade County. The remaining customers are scheduled to have smart meter installations completed by 2015.
- c. Yes, 743 Commercial/Industrial customers have asked to be placed on the postpone list.

QUESTION

Please refer to Page 7, Paragraph 24 of the petition. Please provide the work papers that comprise "the analysis performed by FPL in July 2013 [which] reflects that utilities throughout the United States that have provided an optional rate for non-standard service have experienced opt-out enrollment rates of between 17% and 72% of the populations that had been postponed during smart meter implementations." For spreadsheets provided, please ensure that all formulas are intact and unlocked.

- a. Please explain if the analysis included all utilities that provide a postpone option.
- b. Please identify the utilities included in the analysis.
- c. Please provide the complete set of data, including but not limited to, the number of opt-out customers identified per utility.
- d. Please identify the number of smart meter eligible customers per utility.
- e. Please identify the recurring and non-recurring fees assessed to opt-out for each of the utilities in the analysis.

RESPONSE

FPL obtained this information through publicly available sources and conversations with representatives from other utilities. The analysis of this information is attached. It should be noted that most of the established utility opt out programs we found are not intended to recover all opt-out costs from opt-out customers and therefore spread at least a portion of the opt-out costs to customers receiving smart meters. FPL's proposal attempts to avoid such a result, instead imposing the costs of the opt-out on those who elect to maintain a non-standard service.

- a. FPL has no way of knowing all utilities that may have a postpone option, but did attempt to identify all the large electric utilities that have provided a postpone option. The results of this analysis yielded the rates of 17% to 72% referenced in staff's question.
- b. c. d. and e. See Attachment No. 1 for analysis.

Most Commission approved opt-outs not cost based and participation rates vary

Based on data July 15, 2013

Utility	Up-front fee (Requested)	Monthly Fee (Requested)	Total customers	Current participants (% of total customers)	Original Postponed (Accepted opt-out)
PG&E (CA)	\$75 (\$275)	\$10 (\$15)	5.45M	0.5%	174k (17% Accepted)
So Cal Ed (CA)	\$75 (\$91)	\$10 (\$25)	4.4M	0.4%	29k (72% Accepted)
NV Energy (NV)	\$53 (\$99/\$108)	\$9 (\$8/\$11)	2.4M	0.3%	Not provided
FPL			4.6M	Proposing 0.27%	24k postponed 14k UTC
SDG&E (CA)	\$75 (\$219)	\$10 (\$15)	1.25M	0.2%	Not provided
DTE (IL)	\$67.20 (\$87)	\$9.80 (\$15)	2.1M	0.7% (Plan approved)	3.2k (Not available)
CMP (ME)	\$40	\$12	560k	1.4%	Estimated 16k (50% Accepted)
Consumers (MI)	\$69/\$124 (\$70/\$124)	\$9.72 (\$11)	1.8M		
CVPS (VT)	Free	Free		Not provided	Not provided
Portland GE (OR)	\$254	\$51	800k	0.0004%	
Sumter (FL) Lakeland(FL)	\$0 \$65	\$40 \$16.25	175k 120k	0.066% 0.02%	

QUESTION

Please refer to Page 7, Paragraph 25 of the petition which refers to limited data available as of July 2013 that reflects ".02% to 0.5% of all smart meter eligible customers in the majority of programs around the country have agreed to pay a fee to opt-out." For spreadsheets provided, please ensure that all formulas are intact and unlocked.

- a. Please provide the "data available as of July 2013" that led FPL to assert that "0.02% to 0.5% of all smart meter eligible customers in the majority of programs around the country have agreed to pay a fee to opt out.
- b. Please identify the utilities included in the data.
- c. Please provide the complete set of data, including but not limited to, the number of opt-out customers identified per utility who were willing to pay an opt-out fee.
- d. Please identify the number of smart meter eligible customers per utility.
- e. Please identify the recurring and non-recurring fees assessed to opt-out for each of the utilities.

RESPONSE

- a. See FPL's response to Staff's First Data Request No. 3. There were two participation rate data points (CMP and Portland) that were excluded from our expected range due to being extremely high and low outliers. Many of the currently established utility opt out programs are not cost based (i.e., those programs are not designed or intended to recover all opt-out costs from opt-out customers) and therefore spread at least a portion of the opt-out costs to customers receiving smart meters. FPL's proposal attempts to avoid such a result, instead imposing the costs of the opt-out on those who elect to maintain a non-standard service.
- b. c. d. & e. Please see FPL's response to Staff's First Data Request No. 3.

QUESTION

Please refer to Page 7. Paragraph 26 of the petition. Regarding the "14,000 additional eligible premises" on which FPL has been unable to install smart meters:

- a. Please provide the number of customers that have failed to allow FPL representatives access to their premises to install smart meters.
- b. Please provide the number of customers that have refused to allow FPL representatives access to their premises to install smart meters.
- c. Please describe in detail the analysis performed by FPL to arrive at the conclusion that a small number of these customers may ultimately take service under the NSMR.
- d. Please indicate the number of customers who have altered their structure in order to prevent a meter change out.
- e. Please describe the ways customers have altered their structures in order to prevent a meter change out.
- f. Has FPL conducted any research regarding acceptance of the opt-out tariff by the 14,000 customers?
- g. If the response to Question No. 5f is yes, please provide the results of such research, including the data results and description of the methodology used.
- h. How does FPL currently read the meter of the 14,000 customers?

RESPONSE

- a. Approximately 12,000 customers have failed to allow FPL representatives access to their premises to install smart meters. This number is lower than the 14,000 identified in the petition due to FPL's continued efforts to contact these customers and complete installations.
- b. The petition's reference to customer refusal to allow FPL representatives access to their premise to install a smart meter should not have been associated with the group of 14,000 (now 12,000). All customers who refused to allow FPL representatives access to their premises on the basis of an objection to the installation of the smart meters have been included on the postpone list and were not part of the 14,000 (now 12,000).

- c. These customers have not indicated any objection to the smart meter. They have simply been unresponsive to FPL's requests to access their premises. Although FPL has the legal right to install the smart meter or to take other appropriate action, the Company has elected to continue to try to contact these customers pending Commission approval of the NSMR. Once that option is available for the cost based fee, FPL believes the ratio of enrollment for these customers will be the same as our general population. $(12,000 / 4,500,000) \times 12,000 =$ approximately 32 customers.
- d. As of September 15, 2013, approximately 830 customers remain who have altered their structure or have other property obstructions such as trees and fences which have prevented a smart meter change out.
- e. Examples of the ways customers have altered their structures or allowed other obstructions that prevent a meter change out include stuccoing over meter enclosures, constructing framing over meter enclosures, allowing trees to block meter enclosures, and constructing fences blocking access to meter enclosures.
- f. FPL has not conducted any formal research regarding acceptance of the opt-out tariff by the 14,000 (now 12,000) customers. However, FPL and its installation contractor have made repeated efforts to contact these customers at their premises, by phone and by mail. Those customers who remain in the group of 14,000 (now 12,000) have been unresponsive.
- g. Not Applicable.
- h. FPL manually reads meters with access issues by reading meters from a distance with the use of visual aids such as binoculars. When necessary and pursuant to Rule 25-6.100, F.A.C., FPL may estimate bills up to a maximum of 6 consecutive billing cycles.

QUESTION

Please provide the number of customers that are not currently on the postpone or the 14,000 list the company expects to take service under the NSMR tariff.

RESPONSE

The Company expects very few customers who are not currently on the postpone list or the list of 14,000 (now 12,000) to take service under the NSMR tariff. FPL voluntarily created the postpone list during the early phase of the smart meter deployment and assumes that the great majority of customers who did not want the smart meter were placed on that list. For customers whose smart meters had already been installed when the postpone list was created and/or who had not been aware that a postpone list existed, FPL temporarily removed the smart meter when asked to do so by the customer and placed them on the postpone list. None of the customers on the postpone list or on the list of 12,000 have been charged any fees in conjunction with their retention of the non-standard meter. As a result, FPL believes that the great majority of customers who may choose to take service pursuant to the NSMR tariff will come from the postpone list.

QUESTION

Please refer to Exhibit A of the petition, page 4 of 4 containing the terms of the proposed NSMR tariff. Pursuant to the second paragraph under the "Special Provisions" section, "A replacement for a non-standard meter may not be readily available should one require maintenance. Service. . . may require the temporary installation of a standard communicating meter in order to maintain electric service to the premise. All charges for NSMR shall continue to apply in this case."

- a. Please provide an estimate of the typical length of time necessary to repair or replace a non-standard meter for customers at whose premises temporary standard meters have been installed to maintain service.
- b. In the event that a non-standard meter customer had to use a temporary standard meter for an interval in excess of one or more full billing cycles, please explain why the Monthly Surcharge should not be suspended during those billing cycles.

RESPONSE

- a. The typical length of time for non-emergency meter change outs is 5 to 10 weekdays. This assumes normal operations and may not apply during storm restoration periods. In the interim the customer will be served with a standard meter.
- b. Under normal operating conditions the use of a temporary standard meter in this situation should not exceed one full billing period. If the customer who is taking service pursuant to the NSMR tariff is required to have the standard meter for more than one full billing cycle, FPL will suspend the Monthly Surcharge until a non-standard meter is installed.

QUESTION

Describe the metering technology provided to net metering customers. Are net metering customers also considered to be customers who elect non-standard non-communicating meter service in lieu of the standard communicating smart meter service?

- a. If yes, please explain why it is necessary for the net metering customers to pay the proposed opt-out fees.
- b. If no, please advise where in the NSMR or other tariff sheets the net metering customers are exempt from the proposed NSMR?

RESPONSE

Electronic net meters are designed to measure energy flow in both directions through the meter. The meter measures the energy consumed and produced by a customer in two separate registers. A Smart Net Meter has the communications module allowing the usage data from the two registers to be read remotely. Smart Net Meters are currently being installed at all of FPL's net metering customers' locations as the standard net meter.

No, net metering customers will have the option of taking service pursuant to the NSMR tariff.

- a. Not Applicable.
- b. Net metering customers are not exempt from the NSMR tariff.

QUESTION

Explain whether a "standard communicating meter" referenced in the Special Provisions Section is the same as a "standard communicating smart meter" that is referred to in the Application Section.

RESPONSE

The "standard communicating meter" referenced in the Special Provisions Section is the same as a "standard communicating smart meter" that is referred to in the Application Section.

QUESTION

Please refer to the Application provision of the proposed NSMR tariff and define "non-communicating meter of the Company's choice." Will customers under the NSMR tariff keep their current meter, or be given a new non-communicating meter?

RESPONSE

Customers under the NSMR tariff will keep their current meters. If the customer already has a smart meter and elects service under the NSMR, a non-communicating meter will be installed.

QUESTION

Please refer to Exhibit A, page 4 of 4 containing the terms of the proposed NSMR tariff. Explain "This Rider is available to customers who have not tampered with the electric meter service or used service in a fraudulent or unauthorized manner." Does this provision preclude customers who have built around or made the meter box inaccessible from taking service under the rider?

RESPONSE

Company processes provide that meter tampering or fraudulent use claims are thoroughly investigated before accounts are designated as such. Smart meters help deter meter tampering and fraudulent use, and should be required for those found to have committed such actions.

No, the fact that a customer has built around or made the meter box inaccessible does not by itself preclude that customer from taking service under the rider.

QUESTION

Please provide electronic copies of the files and work papers used to produce pages 1-15 of Exhibit B. For spreadsheets provided, please ensure that all formulas are intact and unlocked.

RESPONSE

Please see Attachment No. 1.

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Staff's First Data Request
Request No. 12
Attachment No. 1
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FPL 000015
NSMR

**FLORIDA POWER AND LIGHT COMPANY
SUMMARY OF NON-STANDARD METER FEES**

Line No.	Amount
1 <u>Non-Standard Meter Program Costs</u>	
2 Cumulative Net Present Value of Up-Front System and Communication Costs	\$ 3,078,882
3 Projected Non-Standard Meter Customers	12,000
4 Total Up-Front System and Communication Costs Per Customer (Line 2 / Line 3)	\$ 256.57
5	
6 One Time Non-Standard Meter Cost Per Customer	\$ 105.35
7	
8 Total Up-Front and One Time Non-Standard Meter Cost Per Customer (Line 4 + Line 6)	\$ 361.92
9	
10 Enrollment Fee Per Customer Limited to \$105	\$ 105.00
11 Remaining Up-Front and One Time Cost Per Customer (Line 8 - Line 10)	256.92
12 Remaining Up-Front and One Time Cost to be paid in Monthly Surcharge over 36 months (Line 11 / 36)	\$ 7.14
13 <u>On-going Operations & Maintenance (O&M) Costs to be recovered in the Monthly Surcharge:</u>	
14 Monthly Non-Standard O&M Meter Costs Per Customer	\$ 8.76
15	
16 <u>Summary of Charges:</u>	
17 Enrollment Fee limited to \$105	\$ 105.00
18 Monthly Surcharge for time customer takes service pursuant NMSR (Line 14+12, rounded to nearest \$)	\$ 16.00
19 <u>Note:</u>	
20 Totals may not add due to rounding	

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FLORIDA POWER AND LIGHT COMPANY
NET PRESENT VALUE CALCULATION
UP-FRONT NON-STANDARD METER PROGRAM COSTS

Line No.	Year	Rate Base Beg Bal ^(A)	Accum Depr	Rate Base End Bal	Average Rate Base	Pre-Tax COC ^(B)	Return on Rate Base	Depr Expense ^(C)	O&M ^(D)	Total Revenue Requirement	Net Present Value of Rev Req ^(E)	Annual Levelized 3 Year Rev Req	
		(1)	(2)	(3) = (1)+(2)	(4) = ((1)+(3))/2	(5)	(6) = (4)*(5)	(7)	(8)	(9) = (6)+(7)+(8)	(10)	(12)	
1	1	\$ 2,093,054	\$ (418,611)	\$ 1,674,443	\$ 1,883,748	9.48%	\$ 178,505	\$ 418,611	\$ 368,000	\$ 965,116	\$ 965,116	\$ 1,026,294	
2	2	1,674,443	(837,222)	1,255,832	1,465,138	9.48%	138,837	418,611		557,448	509,196	1,026,294	
3	3	1,255,832	(1,255,832)	837,222	1,046,527	9.48%	99,169	418,611		517,780	432,023	1,026,294	
4	4	837,222	(1,674,443)	418,611	627,916	9.48%	59,502	418,611		478,112	364,395		
5	5	418,611	(2,093,054)	0	209,305	9.48%	19,834	418,611		438,445	305,238		
6													
7							Totals	\$ 495,847	\$ 2,093,054	\$ 368,000	\$ 2,956,901	\$ 2,575,968	\$ 3,078,882
8													
9													
10													
11													
12													
13													

14 **Notes:**

- 15 (A) Support for upfront non-standard meter program capital costs is reflected on Page 3 and 4.
 16 (B) Represents FPL's pre-tax weighted average cost of capital approved by the FPSC in Order PSC-13-0023-S-EI, Docket No. 120015-EI.
 17 (C) One time capital costs for systems, infrastructure and communication equipment are estimated to be depreciated over five years.
 18 (D) Support for upfront non-standard meter program operation and maintenance costs is reflected on Page 3 and 5.
 20 (E) Net present value calculation utilizes a discount rate equal to FPL's pre-tax weighted average cost of capital reflected in column (5).

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FPL 000017
NSMR

FLORIDA POWER AND LIGHT COMPANY
SUMMARY OF NON-STANDARD METER PROGRAM COSTS

Line No.	Reference	Up-Front System and Communication Costs			One Time Cost Per Meter	Monthly Cost Per Meter
		CAPITAL	O&M	TOTAL	O&M	O&M
1						
2						
3	Page 4	\$ 1,952,000		\$ 1,952,000		
4	Page 6				\$11.30	
5	Page 5		\$ 368,000	\$368,000		
6						
7	Page 8				\$11.98	
8	Page 4	\$42,054		\$42,054		
9	Page 9					\$6.81
10	Page 10					\$0.05
11	Page 11					\$0.40
12						
13						
14	Page 4	\$99,000		\$99,000		
15	Page 12					\$0.45
16						
17						
18	Page 13					\$0.10
19						
20						
21	Page 7				\$77.06	
22						
23						
24	Page 7				\$ 5.00	
25						
26						
27	Page 14					\$0.95
28						
29		\$ 2,093,054	\$ 368,000	\$ 2,461,054	\$ 105.35	\$ 8.76
30						

31 Notes:

32 (1) It is assumed that there will be at least one site visit for each opt out over three years for meter test sampling, installing non-standard meters for customers with smart meters already installed, installing non-standard meters for opt out customers relocating to another premise, along with additional visits due to restoration/theft monitoring activities

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**FLORIDA POWER AND LIGHT COMPANY
ONE TIME UP-FRONT NON-STANDARD METER PROGRAM CAPITAL COSTS**

Line No.	Task	Task Description	Amount
1	Customer Information System Changes with Web Enrollment and Billing		
2	Data Conversion - Care Center and Customer System Initial configuration	* Conversion of manual postponement list from Excel to customer billing system, development of interfaces to FPL's other operational field systems (i.e. trouble call and distribution work management systems) and additional system functionality for tracking postponed customers. Foundational work for enrollment and billing changes.	\$ 477,000
3	Customer Information System - Billing and Financial components	* Create new service charge to bill initial charges * Create new service charge to bill monthly charges * Ability to adjust, backdate, cancel/replace above fees as needed. * Bill, track and report on charges from enrollment through final accounting.	\$ 808,500
4	Customer Information System - Core functionality	* System functionality to link customers, premises and their opt out requests throughout customer care processes. * Execute opt out functionality with new meter change orders for opt out and smart meters. * Create new workflows for meter reading routing (Reroute to non-smart meter route and issue meter change if applicable) * System functionality for Care Center to forward opt out communication requirements to back office	\$ 251,500
5	Web Enrollment - Enable customer web self-service enroll functionality	* Build new web application for customers to sign up for smart meter opt out on FPL.com	\$ 124,000
6	Customer system automation to enroll in opt out program	* Workflow logic to support system checks for smart meter enrollment status. * Counters for all decision points * Various decision points around previously submitted request, confirmation letter received	\$ 169,000
7	Care Center - Enrollment	* Develop business logic to define customer eligibility * Create care center scripting and functionality for the care center to request letters and other correspondence to be sent to opt out customers. * Generate letter to communicate opt out status to customer, display code status & dates	\$ 122,000
8	Total Customer Information System Changes with Web Enrollment and Billing		\$ 1,952,000
9			
10	Systems to Identify and Handle Opt Out Collection Issues		
11	Revenue Recovery - Online changes to support Remote Connect Switch	* Data Integrity - Changes to customer information system general maintenance screen for remote connect switch restrictions to ensure opt out accounts are not included	\$ 99,000
12	Total System Changes to Identify and Handle Opt Out Collection Issues		\$ 99,000
13			
14	Meter Reading Handhelds		
15	One time cost of Meter Reading Handhelds		
16	Cost per handheld		3,823
17	Cost of handhelds for 11 opt out FTE's	Line 16 X 11	42,054
18	Total Meter Reading Handheld Costs		\$ 42,054
19			
20	Total Estimated Capital Costs		\$ 2,093,054

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**FLORIDA POWER AND LIGHT COMPANY
ONE TIME UP-FRONT NON-STANDARD METER PROGRAM O&M COSTS
Communications**

Line No.	Task	Amount
1	<u>Customer Brochures, Research and Mailings</u>	
2		
3	Notification - Design and first mailing to both postponed and unable to complete (UTC) customers (letter + brochure)	\$ 60,000
4	Notification - Follow-up mailing to both postponed and UTC customers (letter + brochure)	\$ 37,500
5	Final notification to customers who have not responded - to be sent certified mail, return receipt requested	\$ 70,000
6	Postage - self-addressed stamped envelopes	\$ 3,000
7	Notification - Opt out fact sheet/brochure	\$ 7,500
8	Email communication to reinforce first and second mailing to postponed plus UTC customers	\$ 16,000
9	Notification - Door hangers (2 sets @ 10,000 quantity)	\$ 20,000
10	Opt out confirmation - Mailing to confirm request for opt out	\$ 84,000
11	Research: Get customer feedback on effectiveness of communication materials	\$ 30,000
12	Design Support - Communication planning, implementation and copy writing	\$ 35,000
13	Foreign language translation (Spanish)	\$ 5,000
14		
15	Customer Brochures, Research and Mailings Costs	<u>\$ 368,000</u>

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FPL 000020
NSMR

**FLORIDA POWER AND LIGHT COMPANY
ONE-TIME COSTS PER METER
Care Center Enrollment, Customer Inquiries and Follow Up Costs**

Line No.	Description	Assumptions	Amount
1	<u>Inbound Call Volume</u>		
2	Projected number of opt out customers		12,000
3	Estimated number of customer calls	Based on estimated call backs and information only calls	20,880
4	Cost per call ⁽¹⁾	Based on 2013 Estimate	\$ 6.21
5	Call Volume Cost (Line 3 * Line 4)		<u>\$ 129,665</u>
6			
7	Less: Estimated % of customers using self service web	Assumption is that 50% would use web to opt out	50%
8	Self Service Web Usage (Line 5 * Line 7)		<u>\$ 64,832</u>
9			
10	Back Office Cost	1 full time employee (FTE) at \$45k plus payroll loaders ⁽²⁾	\$ 70,821
11			
12	Total Cost Less Self Service Costs (Line 5 - Line 8 + Line 10)	Customer Care cost less self service enrollments	\$ 135,653
13			
14	Care Center Enrollment, Customer Inquiries and Follow Up Costs Per Customer (Line 12 / Line 2)		<u>\$ 11.30</u>
15			
16	<u>Notes:</u>		
17	(1) Includes the following payroll loaders from page 15: exempt and non-exempt pension & welfare taxes and insurance		
18	(PWTI), exempt performance incentives, and corporate administrative and general.		
19	(2) Includes the following payroll loaders from page 15: non-exempt pension & welfare taxes and insurance (PWTI), and		
20	corporate administrative and general.		

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FPL 000021
NSMR

**FLORIDA POWER AND LIGHT COMPANY
ONE-TIME COSTS PER METER
Field Meter Costs to Visit Premises
Ongoing Testing, Maintenance and Support Costs for Old Meters**

Line No.	Description	Assumptions	Amount
1	Field Meter Costs		
2			
3	Hourly wage	2012 Average hourly rate based on skill set from Memorandum of Agreement (MOA)	\$ 28.28
4	Total hourly wage + loaders	Loaders added for: Overtime Rate for skill set, Bargaining Unit Pension & Welfare Taxes and Insurance (PWTI) and Corporate Administrative and General	\$ 48.73
5	Time to replace meter	Standard site time for a typical meter installation	0:12:00
6	Time to travel to premise	Average drive time X 2 for return trip	0:35:35
7	Total time to replace (Lines 5+6)		0:47:35
8	Total time + loaders	Loaders added for: Wasted trips, vacation/holiday/illness, and downtime	1:16:22
9	Vehicle costs (Line 8 X the average hourly vehicle rate)	Hourly average per vehicle = \$6.10	\$ 7.75
10	Material costs	Total 2012 Material and Supplies (M&S) expenses times 20% ⁽¹⁾ to account for proportion of work related to meter changes divided by the total amount of meter changes performed in that timeframe	\$ 1.36
11	Cost per meter Replacement (Line 4 X Line 8 (in hours) + Lines 9 + 10)		\$ 71.01
12	Admin and Supervision	Admin + Supervision + Safety Meetings + Training expenses in 2012 divided by the total amount of meter changes performed in that timeframe	\$ 5.04
13	Field Meters Safety Cost per Visit		\$ 1.01
14	Fully Loaded Cost for Field Meters Visit to Premise (Lines 11+12+13)		\$ 77.06
15			
16	Ongoing Testing, Maintenance and Support for old meters		
17	Meter Test Center (MTC) cost of labor to do one meter test	2012 MTC Costs/Meters Tested, assume 1/3 tested (\$15/3=\$5)	\$ 5.00

18 **Notes:**

19 (1) 20% - Is the weighted proportion of work related to meter replacements. We apply this rate to general buckets such as
20 tools, materials, administrative, and supervisory costs.

Florida Power & Light Company
Docket No. 130223-E1
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Request No. 12
Attachment No. 1
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FPL 000022
NSMR

**FLORIDA POWER AND LIGHT COMPANY
ONE-TIME COSTS PER METER
Meter Reading Workflow to Establish and Remove Route**

Line No.	Description	Amount
1	<u>Meter Reading Workflow to Establish and Remove Route</u>	
2		
3		
4	Transactions per hour	6
5	Meter Reader Lead average salary	\$ 47,518
6	Hours	2,080
7	Average hourly salary	\$ 22.85
8	Average hourly salary + loaders ⁽¹⁾	\$ 35.95
9		
10	Projected Cost per Transaction (Line 8 / Line 4)	\$ 5.99
11	Required Number of Pending Work Requests (establish and remove route)	2
12		
13	Cost per Opt Out Customer (Line 10 X Line 11)	<u>\$ 11.98</u>
14		
15	<u>Notes:</u>	
16	(1) Includes the following payroll loaders from page 15: non-exempt pension & welfare taxes	
17	and insurance (PWTI) and corporate administrative and general.	

**FLORIDA POWER AND LIGHT COMPANY
MONTHLY COSTS PER METER
Monthly Manual Meter Reading**

Line No.	Description	Amount
1	<u>Meter Reading Opt Out Cost per Read</u>	
2	Projected number of opt out customers	12,000
3	Annual cost per meter reading FTE	
4	Payroll cost per meter reading FTE (includes supervision)	\$ 47,354
5	Overhead cost per meter reading FTE	\$ 27,450
6	Non-payroll cost per meter reading FTE	\$ 11,738
7	Total annual cost per meter reading FTE	\$ 86,542
8		
9	Annual number of meter reads per year per meter reading FTE	12,708
10	Annual number of opt out reads (Line 2 X 12)	144,000
11	Opt out FTE's required (Line 10 / Line 9)	11
12	Total opt out cost (Line 7 X Line 11)	\$ 980,645
13		
14	Cost per Opt Out Read (Line 12 / Line 10)	<u>\$ 6.81</u>

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FPL 000024
NSMR

**FLORIDA POWER AND LIGHT COMPANY
MONTHLY COSTS PER METER
Monthly Meter OSHA and Vehicle Accident costs**

Line No.	Description	Amount
1	<u>Meter Reading OSHA and Vehicle Accident Cost</u>	
2	Projected number of opt out customers	12,000
3		
4	2011 OSHA & vehicle costs	\$ 266,832
5	2011 Meter Reader FTEs	405
6	Average cost per Meter Reader (Line 4/Line 5)	\$ 659
7	Opt out FTEs required	11
8	Annual cost for 11 FTEs (Line 6 X Line 7)	\$ 7,466
9		
10	Cost per Meter per Month (Line 8 / Line 2 / 12 months)	<u>\$ 0.05</u>

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FPL 000025
NSMR

**FLORIDA POWER AND LIGHT COMPANY
MONTHLY COSTS PER METER
Billing and Project Support Operational Costs**

Line No.	Description	Amount
1	<u>Customer Billing - Billing, Projects & Support (BPS) Cost</u>	
2	Projected number of opt out customers	12,000
3	First year: 1.2 FTE's at \$46K/year	\$ 55,200
4	Ongoing: .60 FTE's at \$46K/year X 2 years	\$ 55,200
5	Total Payroll Cost for Three Years	<u>\$ 110,400</u>
6		
7	Total Projected Three Year Incremental BPS Cost for Opt Out Customers ⁽¹⁾	\$ 173,750
8		
9	Monthly Cost per Opt Out customer (Line 7 /Line 2 / 3 years / 12 months)	<u><u>\$ 0.40</u></u>
10		
11		
12		
13	<u>FTE Responsibilities</u>	
14	* Support for initial opt out request processing to ensure completeness and accuracy, auditable quality,	
15	tracking and follow-thru	
16	* Initiate meter change order (MCO) for field services for the meter to be changed when needed	
17	* Once MCO is completed, initiate task for meter reading to re-route premise to a non-smart meter route	
18	* Bill initial charge to the customer and set up the customer to be billed for a monthly opt out charge	
19	* Support for Service Order process when non-smart meter customer leaves, customer billing system	
20	automatically issues MCO	
21	* Miscellaneous ongoing support of automated processes and billing processes	
22		
23	<u>Notes:</u>	
24	(1) Includes the following payroll loaders from page 15: non-exempt pension & welfare taxes	
25	and insurance (PWTI), and corporate administrative and general.	

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FPL 000026
NSMR

**FLORIDA POWER AND LIGHT COMPANY
MONTHLY COSTS PER METER
Costs for Field Visits for Collections and Disconnects**

Line No.	Description	Amount
1	<u>Field visits for Collections</u>	
2	Projected number of opt out customers	12,000
3	Average % of customers that receive a field visit and pay in the field	4.84%
4	Projected annual number of opt out field visits (Line 3 X Line 2)	581
5	Full cost for manual field collection charge	\$ 25.80
6	Current Approved Service charge in Order No. PSC-13-0023-S-EI, Docket No. 120015-EI	\$ 5.11
7	Incremental cost above current approved service charge (Line 5-Line 6)	\$ 20.69
8	Projected annual incremental cost for field collections (Line 7 X Line 4)	\$ 12,021
9	Projected Monthly incremental cost for field collections (Line 8 / Line 2 / 12 months)	\$ 0.08
10		
11	<u>Disconnect/Reconnect</u>	
12	Average % of customers disconnected for non-pay	10.60%
13	Projected annual number of opt out that will be disconnected/reconnected (Line 12 X Line 2)	1,272
14	Full cost for manual reconnect for non-payment charge	\$ 59.27
15	Current Approved Service charge in Order No. PSC-13-0023-S-EI, Docket No. 120015-EI	\$ 17.66
16	Incremental cost above current approved service charge (Line 14 - Line 15)	\$ 41.61
17	Projected annual incremental cost for connect/disconnect (Line 16 X Line 13)	\$ 52,928
18	Projected Monthly incremental cost for disconnect/reconnect (Line 17 / Line 2 / 12 months)	\$ 0.37
19		
20		
21	Total Projected Incremental Collections per Month (Lines 9 + 18)	<u>\$ 0.45</u>

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FPL 000027
NSMR

**FLORIDA POWER AND LIGHT COMPANY
MONTHLY COSTS PER METER
Costs for Truck Rolls from Inability to Ping Meter to Verify Power**

Line No.	Description	Amount
1	<u>Truck rolls from inability to ping meter to verify power</u>	
2		
3	Projected number of opt out customers	12,000
4	Estimated annual customers with an outage AND we can avoid the truck roll by pinging the smart meter	28,500
5	Number of FPL Residential Customers	4,500,000
6	Cost Per Customer (Line 4 / Line 5)	0.6%
7	Number of opt out customers with an outage AND we would have avoided the truck roll, had they had a smart meter (Line 3 X Line 6)	76
8	Average Cost per ticket ⁽¹⁾	\$ 182
9	Estimated Annual Cost (Line 7 X Line 8)	\$ 13,832
10	Cost per opt out customer per month (Line 9 / Line 3 / 12 months)	<u>\$ 0.10</u>
11		
12	<u>Notes:</u>	
13	(1) Based on bottoms-up calculation of hourly Restoration Specialist cost, including vehicle cost.	
14	Assumes average of 2 hours to investigate.	

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FPL 000028
NSMR

**FLORIDA POWER AND LIGHT COMPANY
MONTHLY COSTS PER METER
Costs to Administer Program Design, Implementation and True-ups**

Line No.	Description	Amount
1	<u>Project Management Office</u>	
2	Projected number of opt out customers	12,000
3	Project Management ⁽¹⁾	
4	Annual Salary With Loaders ⁽²⁾	Mid Point \$ 136,981
5		
6	Cost per Meter per Month (Line 4 / Line 2 / 12 months)	<u>\$ 0.95</u>
7		
8		
9		

10 **Notes:**

- 11 (1) One equivalent FTE to account for opt out program oversight across multiple business units and processes.
- 12 Additionally cost accounting will require oversight for the integrity of cost data which is critical to project's success.
- 13 (2) Includes the following payroll loaders from page 15: exempt pension & welfare taxes and insurance (PWTI),
- 14 exempt performance incentives, and corporate administrative and general.

QUESTION

Please identify how many new full-time and part-time employees FPL will be hiring to implement its non-standard meter program. For each new hire, identify the position title and describe the duties.

RESPONSE

With the exception of customer care activities, FPL does not plan on hiring new employees, but plans on using employees whose positions would have been eliminated as part of planned smart meter reductions. For customer care, FPL will utilize its outsourcing partner to offset the incremental work. Below are the incremental staffing requirements, positions titles, and description of duties.

	Full Time Equivalent
Activity	2014
Customer Care	4
Meter Reading Routing	1
Meter Reading	1.1
Customer Accounting	1
Field Collections	0.5
Field Meters	1
Meter Testing	0.25
Project Management	1

Position and Description of Duties

Customer Service Representative: Responsible for handling customer enrollment mailings and calls related to enrollment in the non-standard meter rider, general program inquiries and follow-up calls.

Meter Reading Lead: Responsible for creating manual meter reading routes for customers who enroll in the non-standard meter rider and maintenance of routes as additional customers are added and removed to ensure efficient routing.

Meter Reader: Responsible for monthly manual meter reading and visual inspection of meters for customers who enroll in the non-standard meter rider.

Customer Account Representative: Responsible for the processing of the customer enrollment in the non-standard meter rider, overseeing the initial billing for the enrollment fee and the monthly surcharge, resolving any processing exceptions throughout the initial enrollment/billing period, submission of meter change orders and rerouting requests and miscellaneous billing support.

Field Collector: Responsible for manual field collections of past due receivables and/or disconnections of service for non-payment.

Meter Electrician B: Responsible for maintenance and support of non-standard meters including removal and replacement of meters for testing and maintenance and reconnection of service that was disconnected for non-payment.

Electronic Technician: Responsible for performing meter testing.

Project Manager: Responsible for management of non-standard meter rider program including oversight of processes across multiple business units, system integration, cost accounting, reporting and regulatory requirements.

QUESTION

Please refer to Exhibit B, page 1 (Line 2) and page 2 of 15 (Line 7, Column (12)). Please explain why the revenue requirements [\$3,078,882] are calculated to be recovered during a three-year period rather than the five-year period over which the rate base is being depreciated.

RESPONSE

As the NSMR is an optional service, FPL has little data to estimate how long customers may choose to stay in the program. FPL believes the three year recovery period is reasonable to ensure that costs are recovered from those customers who choose to participate in the NSMR tariff.

QUESTION

Please refer to Exhibit B, page 1, and explain why the Enrollment fee was capped at \$105 and why up-front costs are to be recovered through a monthly surcharge.

RESPONSE

The Enrollment Fee of \$105 is intended to reimburse the Company for NSMR one time costs per meter incurred in connection with customers enrolling for service under the optional tariff, while spreading the additional infrastructure up-front costs over a 3 year time frame. Those one time costs (\$105) are identified in the Company's One Time Costs Per Meter on Exhibit B, page 3. This approach is consistent with opt out programs in a number of other jurisdictions and provides the customer with an opportunity to spread out payment of the up front costs for this optional service over a longer period of time.

QUESTION

Please refer to Exhibit B, page 1 (Line 12). If the "Remaining Up-Front and One Time Cost to be paid in Monthly Surcharge" were to be recovered in 36 months, please explain why the Monthly Surcharge should not be reduced by \$7.14 beginning in month 37.

RESPONSE

The Company will monitor the accuracy of its NSMR tariff assumptions, and agrees that the Monthly Surcharge and the Enrollment Fee should be reviewed after three years. Additionally, FPL plans to include updates concerning the tariff in the annual smart meter progress report, which FPL files each year pursuant to Order No. PSC-10-0153-FOF-EI.

As noted in our petition, the Commission has continuing jurisdiction to monitor and evaluate the number of participants in the program, the costs associated with the program, and the resulting charges to customers within the opt-out class in order to assure that the program remains cost based.

QUESTION

Please refer to Exhibit B, page 4 (lines 15-18) and explain the need for additional handhelds.

RESPONSE

FPL's installation of smart meters did not account for an estimated opt-out population which requires an estimated 11 meter readers previously scheduled for reduction. FPL's current handheld and meter reading system is in the process of a full system and handheld replacement (project slated for completion year-end 2013). Handheld purchases were increased to account for the additional 11 handhelds needed specifically for these opt-out customers, which otherwise FPL would not have purchased. These costs were not included in base rates.

QUESTION

Please refer to Exhibit B, page 5 and provide a complete listing of all languages the materials will be available in and state whether the foreign language translation shown on line 13 will be done by an FPL employee or outsourced.

RESPONSE

The materials will be provided in English and Spanish. The translations will be outsourced to an agency, with FPL employees conducting quality control reviews to ensure accuracy. The cost shown in Exhibit B is to cover the cost of outsourced translation services for the letters, brochures, fact sheets, and door hangers to be used for the Non-standard Meter Option communication.

QUESTION

Please refer to Exhibit B, page 5. Please indicate the cost per letter, and identify any special postal services needed and the number of letters to be sent out for the following:

- a. Notification-Design and first mailing to both postponed and unable to complete (UTC) customers (letter + brochure)
- b. Final notification to customers who have not responded - to be sent certified mail , return receipt requested
- c. Opt out confirmation - Mailing to confirm request to opt out

RESPONSE

The NSMR tariff is based on the following assumptions:

- a. Notification: Design, printing and fulfillment services estimated at \$0.85/unit. Postage (pre-sorted first class) was estimated at \$0.65/unit. Those estimates are based on mailing to 40,000 customers (representing customers on the postponed list and customers who have not responded to FPL's requests to gain access to the meter).
- b. Final Notification: Design, printing and fulfillment services estimated at \$0.89/unit. Postage (pre-sorted first class) was estimated at \$6.11/unit for certified mail with traditional return receipt. Those estimates are based on mailing to 10,000 customers (representing customers on the postpone list and customers who have not responded to FPL's requests to gain access to the meter).
- c. Opt out confirmation: Design, printing and fulfillment services estimated at \$0.89/unit. Postage (pre-sorted first class) was estimated at \$6.11/unit for certified mail with traditional return receipt. Those estimates are based on mailing to 12,000 customers (representing customers on the postpone list and customers who have not responded to FPL's requests to gain access to the meter).

We will refine our plan based on customer feedback obtained in our research. Also see FPL's response to Staff's First Data Request No. 20.

QUESTION

Please refer to Exhibit B, page 5, line 11. How will customer feedback be obtained (phone call survey, e-mail inquiry, etc.)? Why does FPL believe it needs such feedback and how will the feedback be used as it relates to the non-standard meter program?

RESPONSE

FPL plans to obtain customer feedback on the communication package via its online "Power Panel" (essentially an online focus group) and through in-person customer focus groups. In discussions with other utilities that have implemented opt-out programs, we were cautioned that there is potential for confusion over the choice of meter. Given that the choice will have an impact on customers' budgets and level of service, FPL believes it's important to make sure the choices and their implications are clear. The feedback will be used to ensure that the materials are clear and easy to understand, and customers are fully informed about their options and the implications. In an effort to maximize the number of customer responses to the mailings, we will also seek feedback on the mailing plan and may refine it based on the input we receive.

QUESTION

Please refer to Exhibit B, page 6 (Line 10) and page 11 of 15 (Lines 1-7 and 13-21). Please describe how the work duties listed for the support staff for which associated costs are presented on page 11 differ from the work duties performed by the "back office" support staff for which associated costs are presented on page 6.

RESPONSE

The back office costs are unique to each of these functional groups, Care Center and Customer Billing, and are incremental to costs included in base rates. The Care Center back office work costs on Exhibit B, page 6, relate to the handling of customer enrollment mailings received and manually initiating the NSMR enrollment process in the customer information system. This back office work specifically consists of using the customer enrollment requests received from scanned mailers, opening the newly designed opt out application and completing the request based on the customer's selection. They will basically be doing the same work a phone representative will be doing except they are receiving the information via a letter vs. a phone call.

The Customer Billing back office work costs on Exhibit B, page 11, relate to the initiation of customers' NSMR billing. It is specifically for overseeing the billing for the Enrollment Fee and the Monthly Surcharge to the customer as well as resolving any processing exceptions. They will also be initiating meter change orders if required, and initiating scheduling for meter reading to re-route premises to a non-standard meter route.

QUESTION

Please refer to Exhibit B, page 7 (line 8). Please explain how wasted trips are an incremental cost associated with the NSMR tariff and what is meant by "downtime."

RESPONSE

The workforce costs to perform any function have associated non-productive time that is included in the cost of that service. Non-productive time includes such things as wasted trips associated with attempts to install meters where access to the premise or a safe installation was not possible, and other downtime associated with training, safety and administration duties.

QUESTION

Please refer to Exhibit B, page 8 and explain what is meant by "transaction" and how the number of transactions per hour were determined.

RESPONSE

The "transaction" involves identifying the appropriate manual reading route for a NSMR customer, and rerouting the customer to that route. Using the average time for the Meter Reading Support group to complete a transaction (10 min), FPL assumed 6 transactions per hour for typical rerouting tasks.

QUESTION

Please refer to Exhibit B, page 9. Please provide additional documentation to illustrate and support the derivation of the amounts shown on Lines 4, 5, 6, and 9.

RESPONSE

See Attachment No. 1.

Meter Reading Opt Out Option Cost

2013 Staffing and Field Service Orders (FSO)	
Exempts	18
Non-exempt	197
FSO's	149,780
FSOs/year/FTE	12,708
FSO FTE's	12
% of Staffing	6.0%

Note:	
2013 Manpower Average	
2013 Manpower Average	
2013 Estimate	
1059 (2007 FSO Monthly Read-Rate) *12	
149,780 / 12,708	
12 / 197	

Summary Cost per FSO FTE	
Payroll	\$ 47,354
Overheads	\$ 27,450
Non-Payroll	\$ 11,738
	\$ 86,542

Expense	Amount	Source	Budget as a % of FSO's	Cost per FSO FTE
Exempt Straight Time Payroll	\$ 1,305,603	2013 MR budget	\$ 78,113	\$ 6,627
Non-exempt Straight Time Payroll	\$ 7,702,148	2013 MR budget	\$ 460,810	\$ 39,097
Non-exempt Overtime	\$ 164,393	2013 MR budget	\$ 9,835	\$ 834
Other Earnings	\$ 156,600	2013 MR budget	\$ 9,369	\$ 795
Overheads				
Exempt PWTI 23.72%	\$ 309,686	Calculation	\$ 18,528	\$ 1,572
Exempt PERP 13.39%	\$ 174,831	Calculation	\$ 10,460	\$ 887
TI on PERP 7.57%	\$ 13,227	Calculation	\$ 791	\$ 67
Non Exempt PWTI 34.35%	\$ 2,756,269	Calculation	\$ 164,904	\$ 13,991
Corporate A&G 23.03%	\$ 2,153,691	Calculation	\$ 128,853	\$ 10,932
Employee Related Expenses	\$ 1,322,530	2013 MR budget	\$ 79,125	\$ 6,713
Contractors & Professional Svcs	\$ 23,490	2013 MR budget	\$ 1,405	\$ 119
M&S, Transportation & Equipment	\$ 672,364	2013 MR budget	\$ 40,227	\$ 3,413
Workers Comp Expenses	\$ 164,090	2013 MR budget	\$ 9,817	\$ 833
Office Facilities, Rent & Administration	\$ 47,653	2013 MR budget	\$ 2,851	\$ 242
Technology Expenses	\$ 82,192	2013 MR budget	\$ 4,917	\$ 417
Total INCLUDING Overheads	\$ 17,048,767		\$ 1,020,007	\$ 86,542
% of workload for FSO meter reads	6.0%	12 / 197		
Budget as a % of FSO workload	\$ 1,020,007	\$17,048,767 * 6.0%		
2013 number of FSO's	149,780	2013 estimate		
Cost per FSO read	\$ 6.81	\$1,038,504 / 149,780		

Meter Reading Opt Out Option Cost

2013 Budget Details

Account	Description	2013 Budget
5250000	PAYROLL EXPENSE: Other Earnings	\$ 156,600
5310000	EMPLOYEE WELFARE	\$ 17,162
5340000	EDUCATION AND TRAINING	\$ 3,628
5400100	MATERIALS & SUPPLIES: General	\$ 9,250
5400101	MATERIALS & SUPPLIES: General - FPL Sto	\$ 108,984
5400600	SAFETY EQUIPMENT	\$ 79,653
5400700	FREIGHT: Excluding Fuel	\$ 5,532
5401700	VEHICLE: Utilization Charges	\$ 453,600
5401720	VEHICLE: Maintenance	\$ 3,912
5410100	TELECOMMUNICATIONS: Equipment & Maint.	\$ 1,080
5500500	CELLULAR TELEPHONE AND PAGERS	\$ 24,712
5600000	BUSINESS TRAVEL: Lodging	\$ 30,996
5600100	Meals & Entertainment - 50%	\$ 28,203
5600200	BUSINESS TRAVEL: Air	\$ 5,000
5600500	BUSINESS TRAVEL: Misc Expenses	\$ 14,259
5600700	BUSINESS TRAVEL: Occasional Use Mileage	\$ 1,192,006
5750700	OUTSIDE SERVICES: Other	\$ 23,490
5760120	COMPUTER EQUIPMENT MAINTENANCE	\$ 81,112
5760300	OFFICE SUPPLIES	\$ 12,577
5760350	FORMS & DUPLICATING	\$ 5,184
5760400	POSTAGE	\$ 7,680
5760500	OFFICE FURNITURE AND EQUIPMENT	\$ 22,212
5800000	OTHER EXPENSE	\$ 6,564
5992200	POWER PLANT: FPL - Exempt ST	\$ 1,305,603
5992201	POWER PLANT: FPL - Non-Exempt ST	\$ 7,702,148
5992205	POWER PLANT: FPL - Non-Exempt Overtime	\$ 164,393
5992213	POWER PLANT: Stores - Overhead	\$ 11,432
5992220	POWER PLANT: BU - Workers Compensation	\$ 164,090
Overall Result		\$ 11,641,062

Non-payroll Summary

Employee Related Expenses	\$ 1,322,530
M&S, Transportation & Equipment	\$ 672,364
Workers Compensation	\$ 164,090
Office Facilities, Rent & Administration	\$ 47,653
Technology Expenses	\$ 82,192
Contractors & Professional Services	\$ 23,490

COMBINED Required Bodies		2007 Data										
MR	FSO	Leads (Inside Study)	Sub Total	Vacation / Floating Hol	Sick	Train/Team	Turnover	Meeting	Total Required	Military Leave / FMLA	Meter Growth	
400.87	38.11	30.0	468.98	32.49	4.52	3.82	42.72	6.47	558.99	5	3.04	

Loaders split: 0.08 7.31

0.92 82.70

Net Total **567.03**

2007 Staffing Model Formula Summary		Leads (Inside Study)	Sub Total	Vacation Bodies	Sick Bodies	Train/Team Bodies (16 hours)	Turnover Bodies (area avg)	Meeting Bodies (22 hours)	Total Required Bodies	Military / FMLA Historical Sys Est	Meter Growth
Field Staff											
MR Bodies	AFSO / FSO	Mgmt decision	Field Staff	Field Staff	Field Staff	Field Staff	Field Staff	Field Staff	Field Staff	Est #	Est meter growth
Average hours per Dist cycle day / 6.5 hrs per day	12 MOE FSO X FSO Time Factor		+	X	X	X	X	X	+	based on previous year	from PS /12
	+		AFSO / FSO	Dist Avg Hrs	Dist Avg Hrs Taken	16 hrs p/emp. / 2016	Benchmark %	22 Hrs. / 1638	Vacation Bodies		
	12 MOE AFSO X AFSO Time Factor		+	+ 16 hrs floating			X		+		Cumulative Monthly growth
	/ 60		Leads	X	/ 2016		296 Hrs NH Trng / 2016		Sick bodies		
	/ 1638						+		+		
							Turnover x NH Adder Factor		Train/Team Bodies		/ (Sys Mtrs / MR fld staff)
							Benchmark %	Uses 1638	+	System Staff adder	
Meter Growth is separate calculation	Eliminates % Orders			Based on Avg Dist hours taken	Based on Avg Dist hours taken		Dist Field Staff	hours instead of 2016	Meeting Bodies	This is an unknown	
Avg time by Dist & CyD 6.5 hr day	Uses 6.5 vs 8.0 hr day	No Change		x # Field Staff	x # Field Staff	No Change	Includes learning curve factor		+	as to where it will occur during year	
	Utilizes time factors								Military / FMLA		

FSO cost study / 2007 Staffing model	FSOs
Authorized FTEs Loaded	45
Number of reads (in M units)	571,947
Reads per FSO FTE	12,592
Reads per month	1,050
Reads per cycle day	50

QUESTION

Please refer to Exhibit B, page 10. Please provide additional documentation to illustrate and support the derivation of the amount shown on Line 4 and explain what Meter Reading OSHA and Vehicle Accident Cost are designed to recover. Are those costs exclusive to meter reading?

RESPONSE

Yes. The 2011 OSHA and Vehicle Accident costs on Exhibit B, page 10, line 4 are the actual costs experienced by the Company for meter reading injuries and vehicle accidents in 2011. See Attachment No. 1.

OSHA and Vehicle Claims Meter Readers

Functional Group	Total	% of Accidents	Adjusted Claims Total
50019304 BILLING	33	36.67%	\$ 105,300.10
50019340 FIELD OPERATIONS	4	4.44%	
50019431 REVENUE RECOVERY	12	13.33%	
50520816 FIELD OPERATIONS - METERS	41	45.56%	
(blank)		100.00%	

Contact Total Incurred 2011 (X 37%) + Fleet Vehicle
 (181,710.70 x 37%) + 38,672.84 = 105,300.10

TOTAL VEHICLE CLAIMS (FLEET AND CONTRACT)

2011 Contact	\$ 181,710.70
Fleet	\$ 38,672.84
TOTAL	\$ 220,383.54

See Meter Reading Fleet Vehicle below

Contract
 Sum of TOTAL INCURRED
 Year Paid

Total	
2011 \$	181,710.70

TOTAL OSHA CLAIMS	
2011 OSHA \$\$	\$ 161,532.00

TOTAL OSHA & VEHICLE	\$ 266,832.10
---------------------------------	----------------------

Fleet Vehicle Claims - Meter Reading 2011

Loss Date	Group	Veh. #	Bodily Injur	Paid Date	Amount Paid	Expenses	Amount Paid	Paid Date	Total	Month	Year
	40736 MR	2355		0	\$ -		\$ 13.00	40805	\$ 13.00	7	2011
	40737 MR	1401		0	\$ 115.00	40752	\$ -		\$ 115.00	7	2011
	40751 MR	2317		0	\$ 125.00	40763	\$ -		\$ 125.00	7	2011
	40675 MR	4413		0	\$ 290.00	40732	\$ -		\$ 290.00	5	2011
	40577 MR	2693		0	\$ 956.87	40604	\$ 85.00	40644	\$ 1,041.87	2	2011
	40668 MR	4327		0	\$ 1,483.60	40716	\$ -		\$ 1,483.60	5	2011
	40749 MR	4645		0	\$ 1,591.87	40764	\$ 75.00	40771	\$ 1,666.87	7	2011
	40668 MR	4645		0	\$ 6,279.32	40793	\$ -		\$ 6,279.32	5	2011
	40854 MR	2441		0	\$ 2,555.73	40918	\$ 1,971.80	40961	\$ 4,527.53	11	2011
	40884 MR	4807		0	\$ 8,468.98	40926	\$ 3,021.30	41193	\$ 11,490.28	12	2011
	40676 MR	4634		5500	\$ 1,846.77	40732	\$ 4,293.60	41213	\$ 11,640.37	5	2011
					<u>\$ 23,713.14</u>		<u>\$ 9,459.70</u>		<u>\$ 38,672.84</u>		

QUESTION

Please refer to Exhibit B, page 12. Please provide additional documentation to illustrate and support the derivation of the amounts shown on Lines 3, 5, 12 and 14.

RESPONSE

See Confidential Attachment No. 1.

QUESTION

Please refer to Exhibit B, page 14. Please provide additional supporting information describing the specific work responsibilities that would explain the need for a new senior level management position.

RESPONSE

This cost represents the aggregate estimated work days, equating to one FTE, for the project management support required for a program of this magnitude. This project involves coordination amongst eight different business units and over 16 different departments. A project leader is essential for the continuing management of the process design, the complex implementation of systems, and the administration of the on-going operation of this program.

QUESTION

Please refer to Exhibit B, page 14 (Line 4) and page 15 (Line 4, Column 2). According to the documentation provided, the average annual salary (not loaded) for an exempt employee is \$71,189. Please explain why this amount was not used as the starting point to calculate the "Annual Salary With Loaders" amount shown on page 14, Line 4.

RESPONSE

The \$71,189 was based on the average of all exempt positions across Customer Service. The base salary of \$85,000 plus loaders that was used in page 14 of Exhibit B was within the salary band specific to a project manager position.

QUESTION

Please explain how long the average FPL residential customer takes service at a single location.

RESPONSE

The average period FPL's residential customers take service at a single location is 9.4 years.

QUESTION

Please provide any customer acceptance studies, with results, the company has conducted with FPL customers on smart meter opt-out tariff terms and costs.

RESPONSE

The Company has not performed any customer acceptance studies with FPL customers on smart meter opt-out tariff terms and costs.

QUESTION

Please indicate the number of customers that were on the postpone list each month since the postpone list started.

- a. Please indicate the number of smart meters installed each month since the postpone list started.

RESPONSE

See Attachment No. 1.

Postponed by Month and Cumulative

**Smart Meter
Deployment by
Month**

Year-Month Postponed	Month Total	Cumulative
thur 2010 -08	1	1
2010-09	1	2
2010-10	1	3
2010-11	1	4
2010-12	9	13
2011-01	10	23
2011-02	3	26
2011-03	7	33
2011-04	6	39
2011-05	7	46
2011-06	12	58
2011-07	17	75
2011-08	37	112
2011-09	39	151
2011-10	202	353
2011-11	514	867
2011-12	489	1,356
2012-01	597	1,953
2012-02	1,216	3,169
2012-03	1,133	4,302
2012-04	1,623	5,925
2012-05	1,299	7,224
2012-06	1,521	8,745
2012-07	1,776	10,521
2012-08	1,712	12,233
2012-09	2,633	14,866
2012-10	3,851	18,717
2012-11	1,632	20,349
2012-12	905	21,254
2013-01	694	21,948
2013-02	416	22,364
2013-03	156	22,520
2013-04	253	22,773
2013-05	260	23,033
2013-06	278	23,311
2013-07	244	23,555
2013-08	328	23,883
Total Postponed	23,883	

Total
957,235
104,177
131,298
144,882
130,536
120,695
127,184
129,390
103,427
104,840
105,920
80,114
90,044
96,961
115,205
127,470
140,440
121,398
117,985
105,770
97,658
114,421
136,225
153,454
152,870
149,633
162,566
102,716
109,559
103,953
50,431
3,071
3,573
6,782
10,165
8,862
9,477
4,530,387

QUESTION

Does FPL plan to examine the accuracy of its assumption regarding the numbers of opt out customers at any point in the future? If so, when? If not, why not?

RESPONSE

Yes. FPL will monitor the number of opt out customers and plans to include updates concerning the tariff in the annual smart meter progress report.