

I. Meeting Packet



State of Florida
Public Service Commission
INTERNAL AFFAIRS AGENDA
Wednesday, September 21, 2011
9:30 a.m.
Room 140 - Betty Easley Conference Center

1. Approve September 8, 2011, Internal Affairs Meeting Minutes. (Attachment 1)
2. Presentation by Richard Wolfe about Comcast Broadband. (Attachment 2)
3. Briefing of FPSC Activities to Monitor Electric Service, Summary of JD Power Electric Service Survey, and Presentations by Progress Energy, Florida, Inc. and Tampa Electric Company. (Attachment 3)
4. Administrative Approval of Sales or Transfers of Water or Wastewater Facilities to Government Authorities. (Attachment 4)
5. Executive Director's Report.
6. Other Matters.

CH/sc

OUTSIDE PERSONS WISHING TO ADDRESS THE COMMISSION ON
ANY OF THE AGENDAED ITEMS SHOULD CONTACT THE
OFFICE OF THE EXECUTIVE DIRECTOR AT (850) 413-6055.



State of Florida
Public Service Commission
INTERNAL AFFAIRS AGENDA

Thursday, September 8, 2011

10:48 am - 12:29 pm

Room 140 - Betty Easley Conference Center

COMMISSIONERS PRESENT: Chairman Graham
Commissioner Edgar
Commissioner Brisé
Commissioner Balbis
Commissioner Brown

STAFF PARTICIPATING: Hill, Kiser, Maddox, Futrell, Miller, B. Crawford

OTHERS PARTICIPATING: Andy Tunnell - Gulf Power
Ken Hoffman - Florida Power & Light Company
Lisa Stright - Progress Energy

1. Approve August 23, 2011, Internal Affairs Meeting Minutes.

The Minutes were approved.

Commissioners participating: Graham, Edgar, Brisé, Balbis, Brown

2. Executive Director Search Update.

After a full discussion between the Commissioners concerning the three applicants interviewed for the Executive Director position, Commissioner Brisé made a motion to extend an employment offer to former Commissioner Braulio Baez. Commissioner Brown seconded the motion, which was approved by a 3 to 2 vote. Chairman Graham and Commissioner Balbis dissented.

HR will work with the Chairman's office to finalize this action.

Commissioners participating: Graham, Edgar, Brisé, Balbis, Brown

3. Delegation of Federal Backstop Electric Transmission Siting Authority by the U.S. Department of Energy to the Federal Energy Regulatory Commission.

After some discussion, the Commissioners approved forwarding the draft letter to DOE and FERC, as clarified at the Internal Affairs Meeting. Commissioner Edgar will review the letter before sending.

Commissioners participating: Graham, Edgar, Brisé, Balbis, Brown

4. Approval of Commission's Legislative Budget Request for FY 2012-13.

The Commissioners approved the Legislative Budget Request for FY 2012-13.

Commissioners participating: Graham, Edgar, Brisé, Balbis, Brown

5. Executive Director's Report.

There were no updates to be reported.

Commissioners participating: Graham, Edgar, Brisé, Balbis, Brown

6. Other matters.

- a. Commissioner Brisé updated the Commissioners on the status of the SOP concerning legislative matters. It was found that the following plan was acceptable, which will be put into writing at a later date: There will be more involvement on the part of all Commissioners. Each Commissioner will be the point person in different areas, such as electric, energy, telephone, etc. Broader issues will continue to be handled by the Chairman. The General Counsel's office will handle substantive matters, while the Executive Director will be in charge of fiscal matters. Kathryn Pennington will continue to handle various policy issues.
- b. Commissioner Edgar advised that she had spoken at the Workforce Office concerning Lifeline issues.

If your child receives free school lunches, you may qualify for Internet EssentialsSM from Comcast.

Bring the Internet home for just \$9.95 a month.



The world has gone digital.

Internet service has become essential for success. That's why we created Internet Essentials. It's available to households with children who receive free school lunches under the National School Lunch Program.

While participating in Internet Essentials, customers will receive:

Get fast Internet service so the whole family can enjoy:

- Email
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- Sharing photos
- Job searches
- Paying bills online
- Watching videos
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- And so much more!

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\$9.95
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- price increases
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- equipment rental fees

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Sign up today!

Call toll-free: **1-855-8-INTERNET**
(1-855-846-8376)

For more information visit:
InternetEssentials.com

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Introduction to Internet Essentials

Helping low income families get connected to the Internet

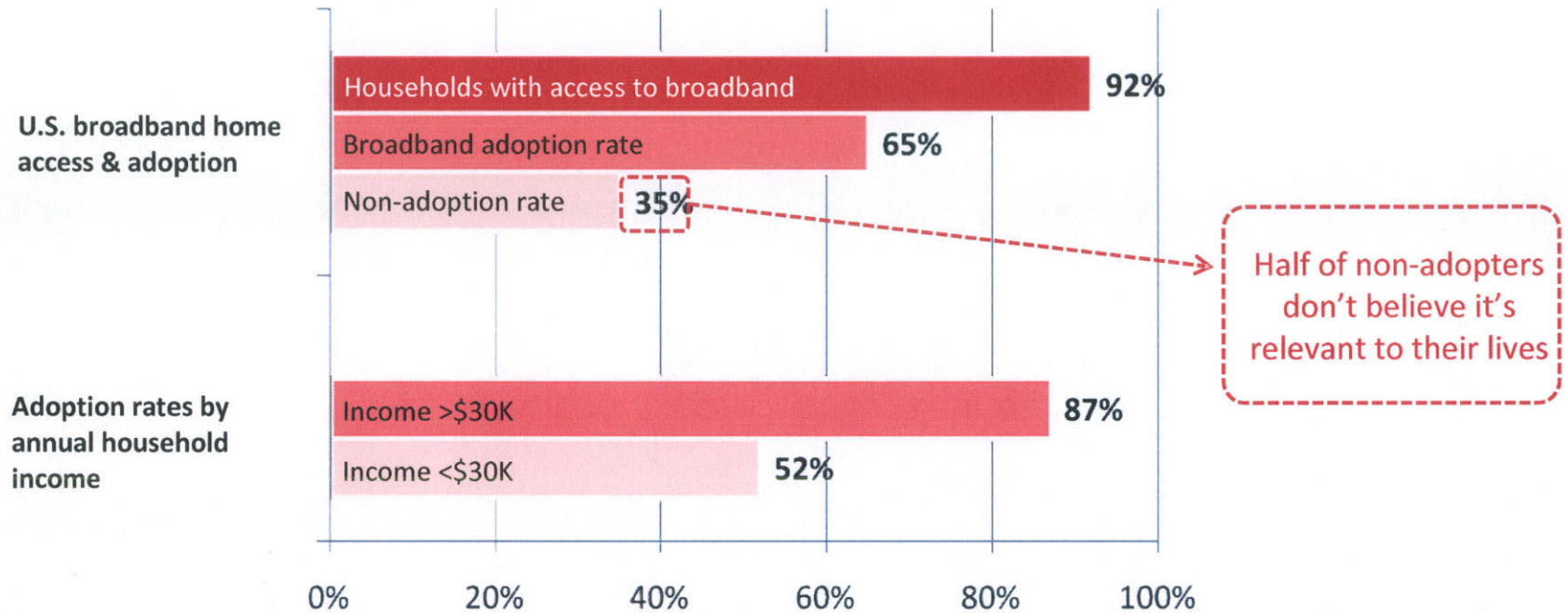
Florida Public Service Commission
September 21, 2011

Agenda

1. Closing the Digital Divide
2. Overview of Internet Essentials
3. A Community Effort
4. How You Can Help

Conquering the digital divide

The Broadband adoption challenge is more than 3x greater than the broadband access challenge



To close the digital divide we must focus on broadband adoption, especially among low income families

Source: John B. Horrigan, *Broadband Adoption and Use in America*, OBI Working Paper Series No. 1, Federal Communications Commission (Feb. 2010), available at www.broadband.gov

Barriers to adoption

FCC survey identified three major barriers that keep non-adopters from getting broadband

Cost

36%

- Some 24% are related to the cost of service.
- 15% point to the monthly service cost.
- 9% say they do not want the financial commitment.
- For 10% of non-adopters, the cost of a computer is the primary barrier.

Digital Literacy

22%

- They are uncomfortable using computers and those who do are “worried about all the bad things that can happen if [they] use the Internet.”

Relevance

19%

- Don't think digital content delivered is compelling enough to justify getting broadband service.
- Many do not view broadband as a means to access content they find important or necessary.
- Others seem satisfied with offline alternatives. These non-adopters say, the Internet is a “waste of time.”



Internet Essentials was designed by Comcast with the FCC to address all three

Source: John B. Horrigan, *Broadband Adoption and Use in America*, OBI Working Paper Series No. 1, Federal Communications Commission (Feb. 2010), available at www.broadband.gov

Introducing Comcast Internet Essentials

One of the first programs of its type to directly confront the digital divide by providing affordable access to quality home Internet service, a discount-priced computer and training to low income families

Our Commitment

For \$9.95 per month*, participating families receive:

- XFINITY Internet Economy Service (currently 1.5 Mbps download)
- Option to purchase a computer for under \$150*
- Access to online, in print and classroom digital literacy training

Benefits to Participants

- There are no additional fees: no modem rental charges, no deposit or activation fees
- Credit check is not required
- As XFINITY Internet customers, participants gain other benefits at no extra charge, including Norton™ Security Suite, a \$160 value

Internet Essentials will be available starting in the 2011 "Back to School" season

NOTE: Internet Essentials is the commercial name for Comcast Broadband Opportunity Program

* Plus applicable taxes

Eligibility and availability: Potential long-term benefits

Comcast will accept new participants for at least three years, through the end of the 2013-14 school year

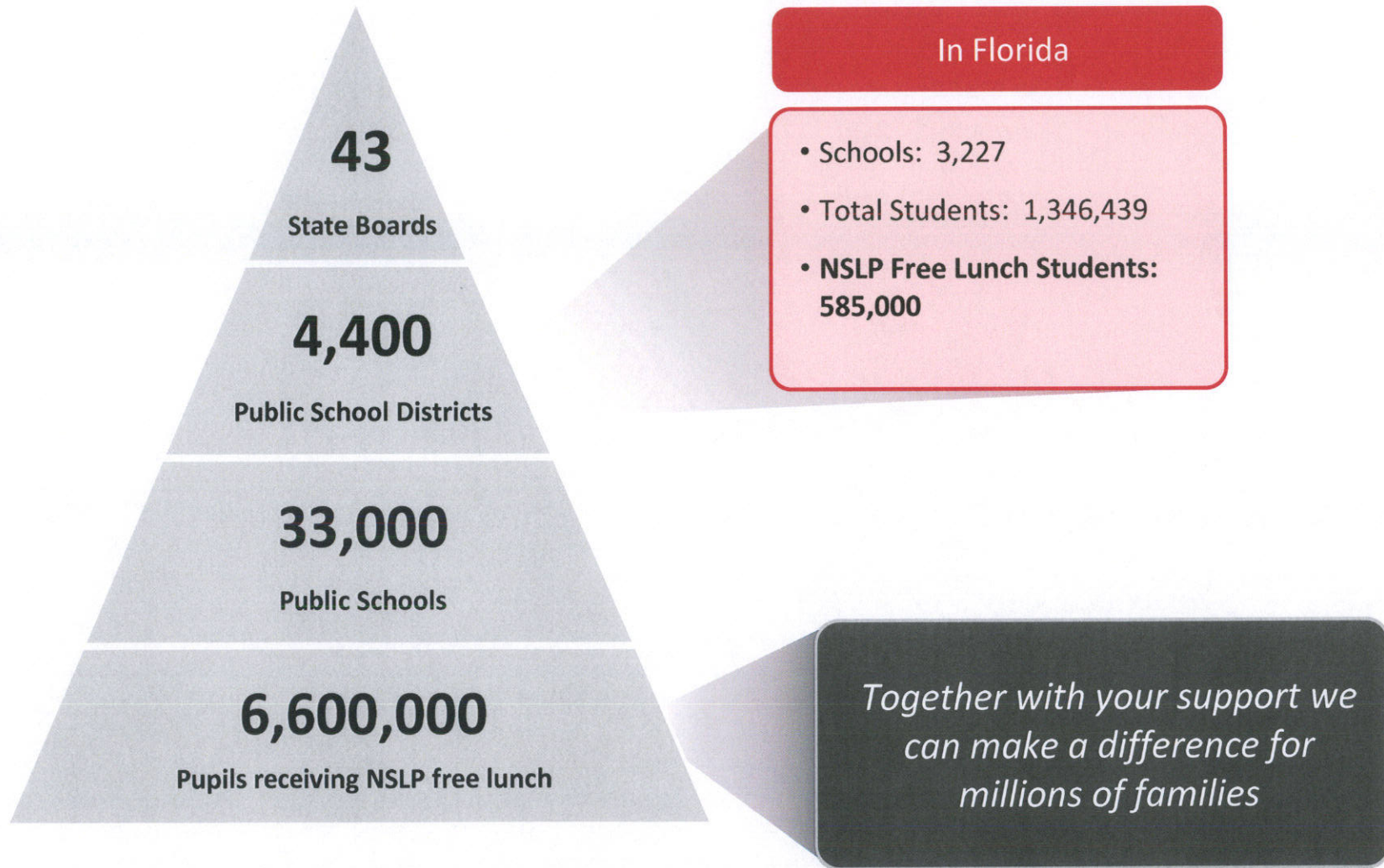
A household is eligible to participate in Internet Essentials if it:

- Is located where Comcast offers Internet service;
- Has at least one child receiving free school lunches through the National School Lunch Program (NSLP);
- Has not subscribed to Comcast Internet service within the last 90 days; and
- Does not have an overdue Comcast bill or unreturned equipment

Participating families will be able to benefit from Internet Essentials for the entire life of their child's K-12 education, as long as they remain eligible

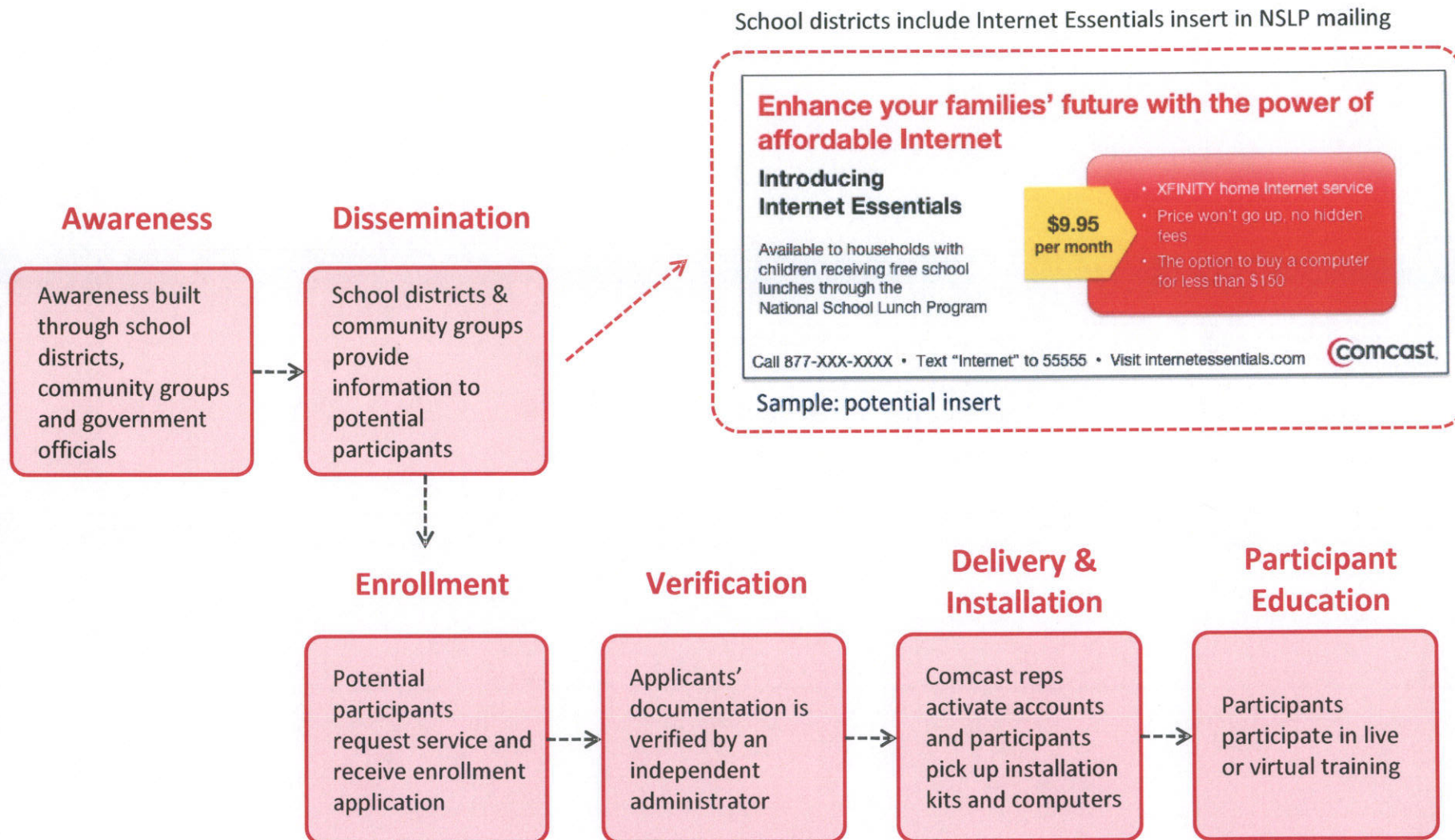
Scope of opportunity: Potential reach of Internet Essentials

Within Comcast's footprint some 6.6 million students are receiving NSLP free lunches



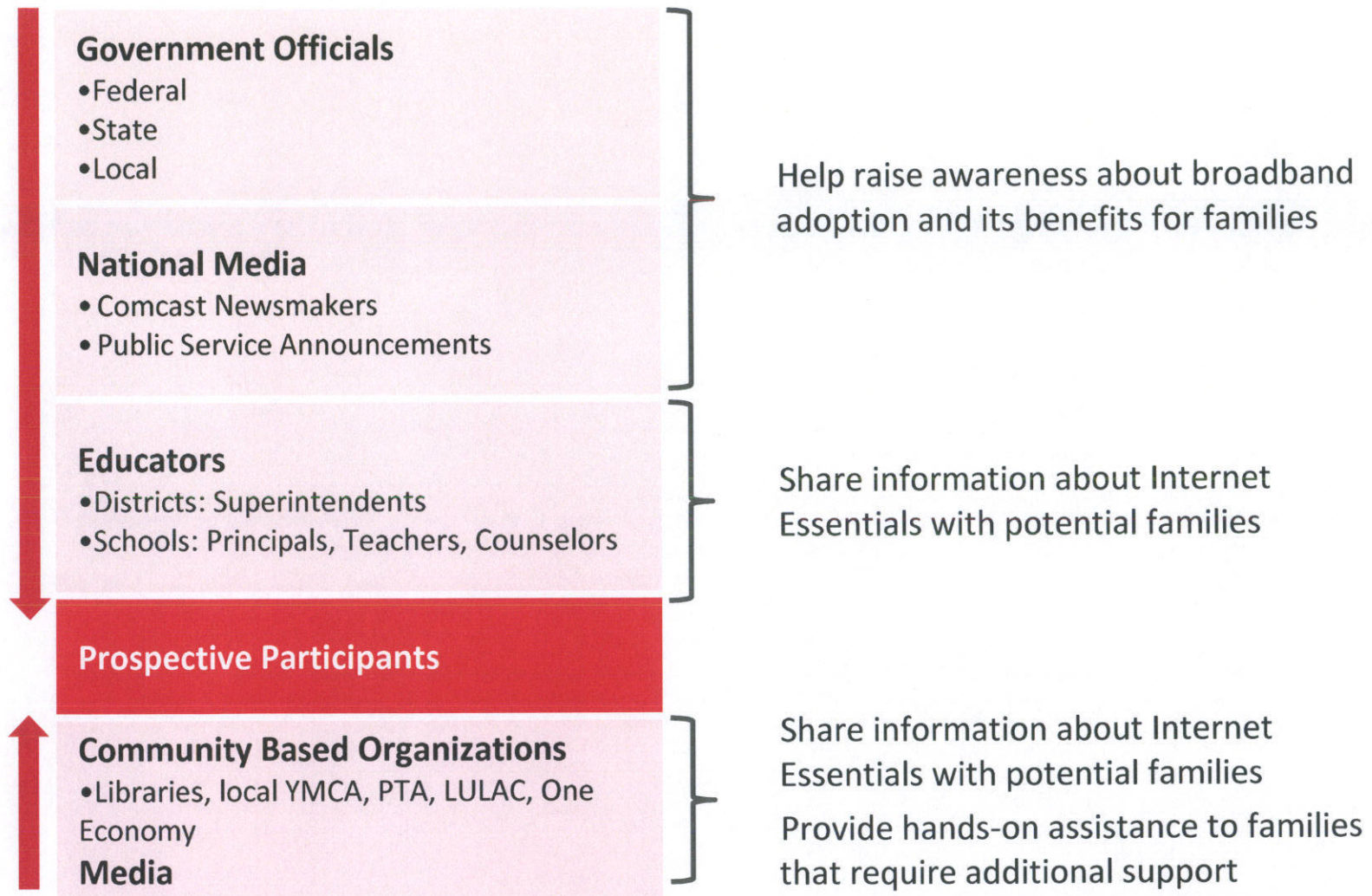
Source: Based on data from National Center for Education Statistics, 2008-09 School Year

Internet Essentials: How it works



A community effort

Comcast is working with various partners to close the digital divide



Benefits to communities

Internet Essentials can help in several ways

Districts / Schools



- Provide low-income students opportunity to access the Internet at home
 - Enable teachers to use online resources and tools to expand the flow of information and personalize learning opportunities for students
 - Serve as an added incentive for parents to enroll children in NSLP
-

Students



- Reduce barriers to improved school performance through access to online tools and resources such as books, encyclopedias, tutorials and much more
-

Families



- Allow parents to become more engaged with their children's education
- Bridge digital divide in lower-income and diverse communities.*
 - More likely to say that a lack of home broadband access is a "major disadvantage"

*Source: Pew Center, Home Broadband, August 2010

How we can partner to drive broadband adoption

- 1. Convey the importance of broadband adoption**
- 2. Raise awareness of Internet Essentials**
- 3. Facilitate communication with the Department of Education; Superintendents of school districts; Principals; and community organizations**
- 4. Provide a call to action (for Superintendents of school districts)**
- 5. Let us know what we're missing?**

Thank you!

Questions?

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State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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

DATE: September 13, 2011

TO: Art Graham, Chairman
Lisa Polak Edgar, Commissioner
Ronald A. Brisé, Commissioner
Eduardo E. Balbis, Commissioner
Julie I. Brown, Commissioner

FROM: Judy G. Harlow, Senior Analyst, Division of Regulatory Analysis *JGH*
Mark Futrell, Public Utilities Supervisor, Division of Regulatory Analysis *RT*
Charles W. Murphy, Senior Attorney, Office of the General Counsel *AT* *RT* *JGH*

RE: Briefing of FPSC Activities to Monitor Electric Service, Summary of J.D. Power and Associates Annual Electric Service Survey, and Presentations by Progress Energy, Florida, Inc. and Tampa Electric Company

Critical Dates: Please place on the September 21, 2011 Internal Affairs. Information purposes only. No Commission action requested.

At the August 9, 2011 Internal Affairs meeting, Commissioner Edgar noted several recent media reports asserting that two Florida investor-owned electric utilities (IOUs) ranked lower in customer satisfaction, based on a national survey. The survey referred to in these reports is the annual electric utility customer satisfaction survey performed by J.D. Power and Associates (JD Power), a marketing information service company. Commissioner Edgar requested that these two IOUs, Progress Energy, Florida, Inc. (PEF) and Tampa Electric Company (TECO), address the Florida Public Service Commission (FPSC) at a future Internal Affairs meeting on the survey's results and the IOUs' efforts to meet any related customer concerns. In response, staff invited PEF and TECO to make presentations on the survey's results and their customer satisfaction efforts.

Staff has also prepared the attached background information on the FPSC's ongoing efforts to assess electric service quality and customer satisfaction levels for the Florida IOUs. These efforts include: (1) data collection from the IOUs for the FPSC's annual distribution service quality and reliability reports, (2) detailed management audits of distribution service quality and reliability, and (3) customer complaint tracking. Also included is a discussion of the publicly-available information on JD Power's electric utility customer satisfaction surveys. The background information on the FPSC's efforts to monitor electric service quality and customer

FPSC Activities to Monitor Electric Service and JD Power Survey
Internal Affairs
September 13, 2011

satisfaction and the JD Power survey are included as Attachment A. This document is provided for information purposes only, FPSC staff is not seeking any Commission action.

Much of the pertinent information about the methodology and results of the JD Power customer satisfaction surveys is proprietary to non-subscribers. PEF and TECO subscribe to the JD Power survey and will provide more detailed presentations on the survey's results. PEF's presentation is included as Attachment B. TECO's presentation is included as Attachment C.

Electric Utility Customer Satisfaction Measures

The following provides a description of the Florida Public Service Commission's (FPSC) efforts to monitor electric service quality and customer satisfaction. The annual J.D. Power and Associates electric utility customer satisfaction studies are also discussed.

FPSC's Efforts to Monitor Electric Reliability and Customer Satisfaction

Annual Reviews of Florida IOUs' Distribution Service Quality and Reliability

The FPSC has established methodologies to assess power quality and reliability for the customers of Florida's investor-owned electric utilities (IOUs). The FPSC annually reviews the IOUs' service reliability and prepares a report using annual data filed by the IOUs pursuant to Rule 25-6.0455, Florida Administrative Code (F.A.C.). Data is to be submitted to the FPSC on an actual and adjusted basis, including: (1) total number of outage events, (2) average duration of outage events, and (3) average service restoration time. Each IOU provides both actual outage data and outage data that has been adjusted by removing specified exempt outages, such as those caused by named storms or planned outages. Each IOU must also provide the cause of each outage and calculate five reliability indices for its system and for each district or region into which the system can be divided. The five reliability indices provide information on the total number and duration of outages from a system, regional, and customer perspective, and include:

- System Average Interruption Duration Index (SAIDI) – a composite indicator of outage frequency and duration.
- Customer Average Interruption Duration Index (CAIDI) – an indicator of average interruption duration, or the time to restore service to interrupted customers.
- System Average Interruption Frequency Index (SAIFA) – an indicator of average service interruption frequency experienced by customers on a system.
- Momentary Average Interruption Event Frequency Index (MAIFIE) – an indicator of average frequency of momentary interruptions or the number of times there is a loss of service for less than one minute.
- Customers Experiencing More Than Five Interruptions (CEMI5) – measures the percent of customers that have experienced more than five service interruptions within the year.

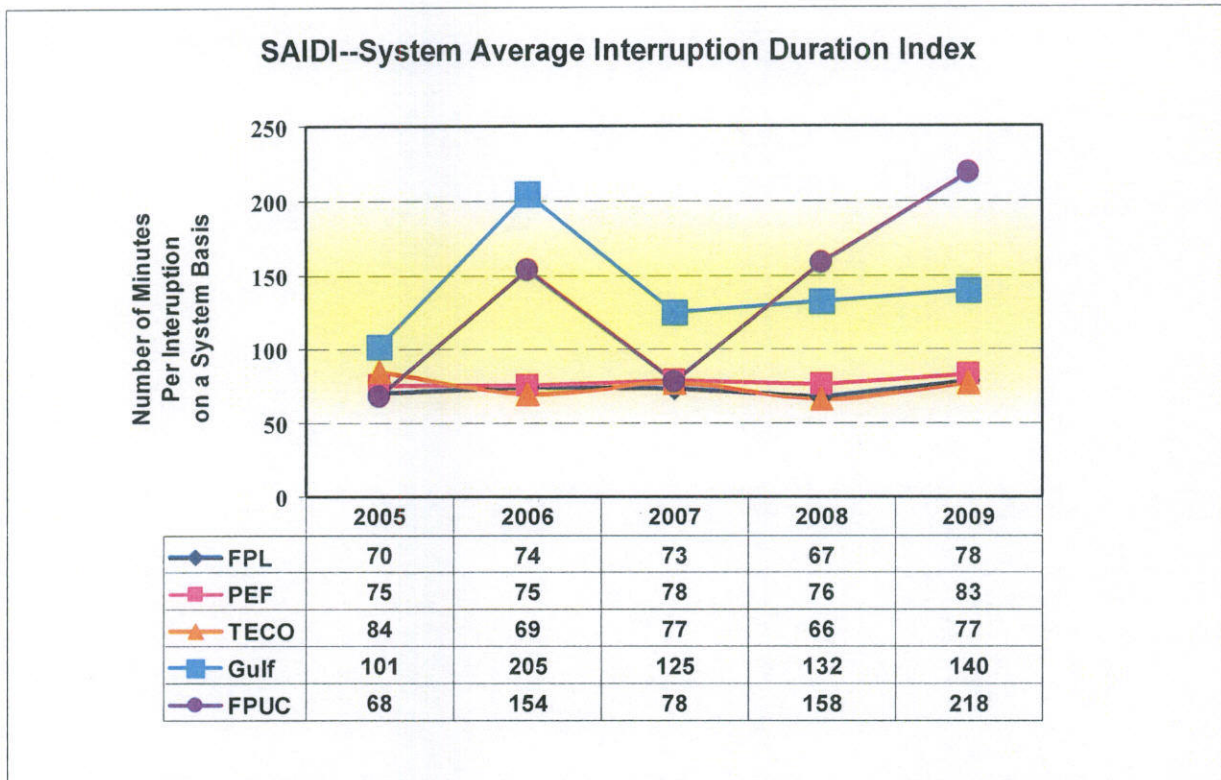
The FPSC's annual assessment of each IOU's electric service reliability is made primarily through a detailed review of these established service metrics pursuant to Rule 25-6.0455, F.A.C. The FPSC's staff also calculates several other reliability indices from the data provided by the

IOUs. The FPSC's report also: (1) examines each IOU's storm hardening activities,¹ (2) compares inter-utility reliability data, and (3) reviews outage-related complaints received by the FPSC. The FPSC has also performed audits when additional scrutiny was required based on the observed patterns in outage data and to ensure the reported data are reliable.

The FPSC's most recent annual assessment of distribution service reliability was released on December 21, 2010. Section IV of the 2010 report compares trends in service quality by combining all of the IOUs' distribution reliability indices for the years 2005 through 2009. The service quality indices in this section of the report are adjusted to remove disturbances attributed to qualified exempted events, such as named storms, so that the IOUs' service quality under typical conditions can be compared.

The system average duration index, or SAIDI, is the most relevant and best overall reliability indicator because it encompasses two other reliability measures, the system average interruption frequency index (SAIFI) and the customer average interruption duration index (CAIDI). Thus, SAIDI is a measure of both the average service interruption frequency experienced by customers on an IOU's system and the average time to restore service to interrupted customers. The SAIDI index comparison from the 2010 distribution reliability assessment report is shown below. In general, an increasing SAIDI index over time indicates a decline in service quality for an IOU. Comparisons across IOUs should be made with caution due to the differing sizes of the distribution systems, the degree of automation, and the number of customers. As shown on the graph below, the SAIDI index for the four largest Florida IOUs increased from 2008 to 2009. Florida Public Utilities Company (FPUC) largely attributed the more pronounced increase in its SAIDI values to its significant improvement in data collection and retrieval capability for analyzing and reporting reliability indices, rather than a decline in service reliability.

¹ Rule 25-6.0342, F.A.C., requires IOUs to file comprehensive storm hardening plans with the FPSC at least every three years.



Special Reports on IOUs' Distribution Service Quality and Reliability

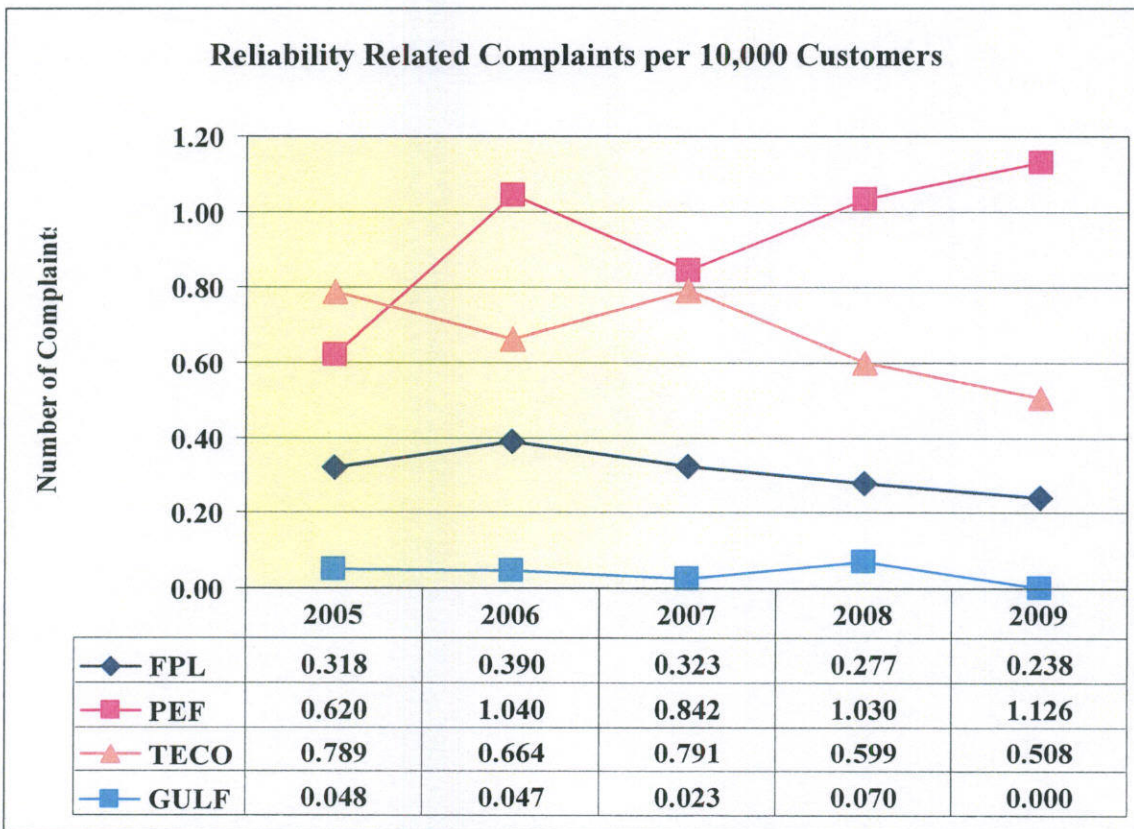
In addition to the annual distribution reliability reports, the FPSC has performed management audits of the distribution service quality and reliability for the IOUs. Beginning in 1997, the FPSC's Division of Auditing and Performance Analysis staff conducted these detailed management audits for the IOUs and issued reports. The most recent reviews for Florida Power and Light Company and Florida Power Corporation (now Progress Energy, Florida, Inc.) were conducted in 2000, and for Gulf Power Company and Tampa Electric Company in 2005. The scope of these studies included evaluations of: (1) electric distribution service quality and reliability, (2) utility efforts to measure and improve service quality and reliability and customer satisfaction, and (3) utility performance improvement plans. These management audits were initiated as a result of concerns regarding distribution service quality. At the time of these audits, the Florida IOUs regularly contracted with survey firms that performed annual customer satisfaction surveys, much like those performed by JD Power.

Customer Complaint Tracking

The FPSC also tracks consumer complaints and information requests received through its customer complaint phone lines and e-mail system. Customer complaints are documented in a monthly consumer activity report, which is prepared by FPSC staff and posted on the FPSC's website. The report provides the number of complaints by IOU and by type of complaint.

Annual customer complaint totals for each utility are provided in the December consumer activity reports.

In addition to tracking total monthly complaints, the FPSC prepares a comparison of annual reliability-related complaints by utility and includes this information in each annual distribution reliability assessment report. The report tracks two indices of reliability-related complaints received by the FPSC: (1) the percentage of total complaints received that are related to service reliability, and (2) the number of reliability-related complaints per 10,000 customers. Five years of data are included in the analysis in order to determine trends in customer complaint activity. In general, from 2005 to 2009, the proportion of customer complaints received by the FPSC that are related to service reliability has decreased for the four largest IOUs. As shown in the table below, in 2009, FPL, TECO, and PEF had 0.24, 0.51, and 1.13 reliability-related complaints per 10,000 customers, respectively, while the FPSC received no reliability-related complaints for Gulf. Initial review of information provided for the 2011 reliability assessment report indicates no material upward trends in reliability-related complaints per 10,000 customers of the IOUs.



J.D. Power Electric Utility Customer Satisfaction Studies

Background

J.D. Power and Associates (JD Power) is a marketing information service company that conducts customer satisfaction research for a variety of industries, including the electric utility industry. JD Power has been conducting its annual Utility Customer Satisfaction Studies for thirteen years, with separate studies for residential and business utility customers. Each annual study ranks large and midsize utilities within four geographic regions of the U.S.: East, Midwest, South and West. Utility size is defined by the number of customers. Midrange utilities have less than 500,000 customers, while large utilities have more than 500,000 customers.

JD Power issues a press release each year after the study is completed. The press release contains overall customer satisfaction data ranking the utility index results by region and utility size category. All other information, including data on key factors surveyed, is proprietary and subscriptions are required to obtain the detailed information. In order to gather information on the survey, staff contacted Mr. John Hazen, Senior Director, of JD Power's U.S. Services and Emerging Industries Division. According to Mr. Hazen, Florida's four largest IOUs are all subscribers to the study.

The survey ranks utilities by creating a customer satisfaction index based on a 1,000 point scale. Customer satisfaction is measured by examining six key factors: (1) power quality and reliability, (2) price, (3) billing and payment, (4) corporate citizenship, (5) communications, and (6) customer service. According to Mr. Hazen, JD Power has found, as a result of the survey responses, that the six factors are listed in order of importance in determining customer satisfaction. It is not clear precisely how JD Power weighs customer survey responses regarding these factors in calculating its total customer satisfaction index.

JD Power obtains customer input on the six key factors through an online survey of utility customers. The survey typically has approximately 130 to 140 questions. To obtain responses to this survey, JD Power subcontracts with a "panel company." Panel companies recruit consumers to participate in various surveys by offering some type of reward system, such as gift cards. JD Power requests a specified number of customer responses to the survey for each utility. For example, according to Mr. Hazen, there were approximately 700 responses for Tampa Electric Company (TECO) for the 2011 residential survey.

Florida Utility Results

Nationwide, overall residential customer satisfaction averaged 628 points on a 1,000 point scale for the 2011 study. The residential customer satisfaction results for the Florida utilities included in the South Region studies are shown below for the 2008 through 2011 studies. For the last two years, TECO and Progress Energy, Florida, Inc. (PEF) have been at the bottom of the ranking for the thirteen large utilities in the Southern region included in the study. It is important to note, however, that there is little variation in the index scores for the relatively few utilities included in the study for this category. Of the large utilities in the southern region, the total index scores

range from 612 (PEF) to 669 (Oklahoma Gas and Electric), which represents an 8.5 percent difference in the scores. The variation in index scores between utilities must be viewed within the context of the survey's margin of error for each utility, which appears to be proprietary.

JD Power Utility Residential Customer Satisfaction Index – South Region				
Utility	2008	2009	2010	2011
FPL	624	632	645	652
PEF	627	619	598	612
TECO	597	615	610	617
<i>Average - Large</i>	630	635	640	643
Gulf	670	661	647	642
JEA	642	600	602	586
OUC	656	651	645	629
<i>Average - Medium</i>	632	624	643	641

Confidence in JD Power Results

It is difficult to judge the accuracy of the JD Power Utility Satisfaction Index in representing true customer sentiment for Florida's electric utilities. Most of the information that is needed to analyze the study's methodology is proprietary. The accuracy of a survey is determined largely by the sample of respondents and the survey instrument. The survey respondents should reflect the total group of customers, which would require a sufficient number of responses, preferably chosen at random. The survey instrument should be designed to determine customer sentiment without introducing unnecessary bias. In addition, in order to determine if the relatively small degree of variation in results between utilities is relevant it is necessary to review the margins of error for the survey. According to Mr. Hazen, the margins of error in the JD Power study vary by utility depending on the number of survey responses; however, for a large percentage of utilities, the margins of error range between 5 to 7 points on the 1,000 point scale. As discussed above, however, the specific margin of error and confidence interval for each utility appears to be proprietary.

Mr. Hazen stated that a subscription is necessary to obtain the full survey results and it would be cost prohibitive for a Public Utility Commission (PUC) to subscribe. He typically recommends that PUCs work with their utilities that are subscribers if they desire additional information. The subscription agreement allows utilities to share information with their regulatory agencies. The FPSC has requested that Progress Energy, Florida, Inc. and Tampa Electric Company make presentations before the FPSC to address the results of the JD Power survey in greater detail.

Progress Energy Florida's Customer Satisfaction

J.D. Power and Other Measures

Prepared for
Florida Public Service Commission
Internal Affairs Meeting
September 21, 2011



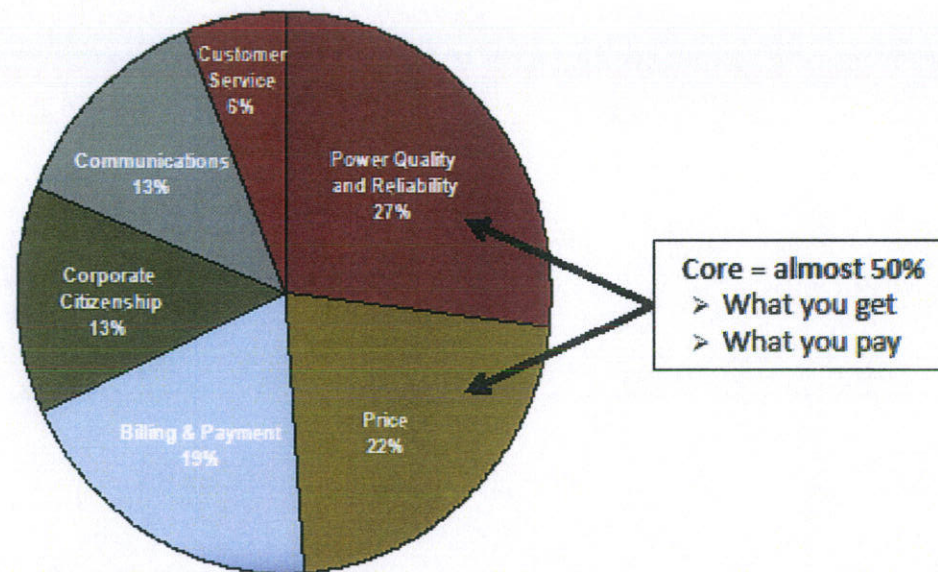
Overview

- Customer Satisfaction Studies Overview
- J.D. Power Study & PEF Positive Trending
- Progress Energy Fastrack Transaction Study Positive Trends
- Progress Energy Continuous Improvement Culture & Actions

Customer Satisfaction Studies

- Two Types of Studies – “Perception” & “Transaction”
- Perception Studies
 - Random sample of customers, without regard to recent interactions
 - Questions cover broad range of perceptions of the company
- Transaction Studies
 - Sample of customers with recent interactions with the company
 - Questions focus on the customer’s recent service experience
- J.D. Power Electric Utility Residential Customer Satisfaction StudySM
 - Primarily a “perceptions” type of study

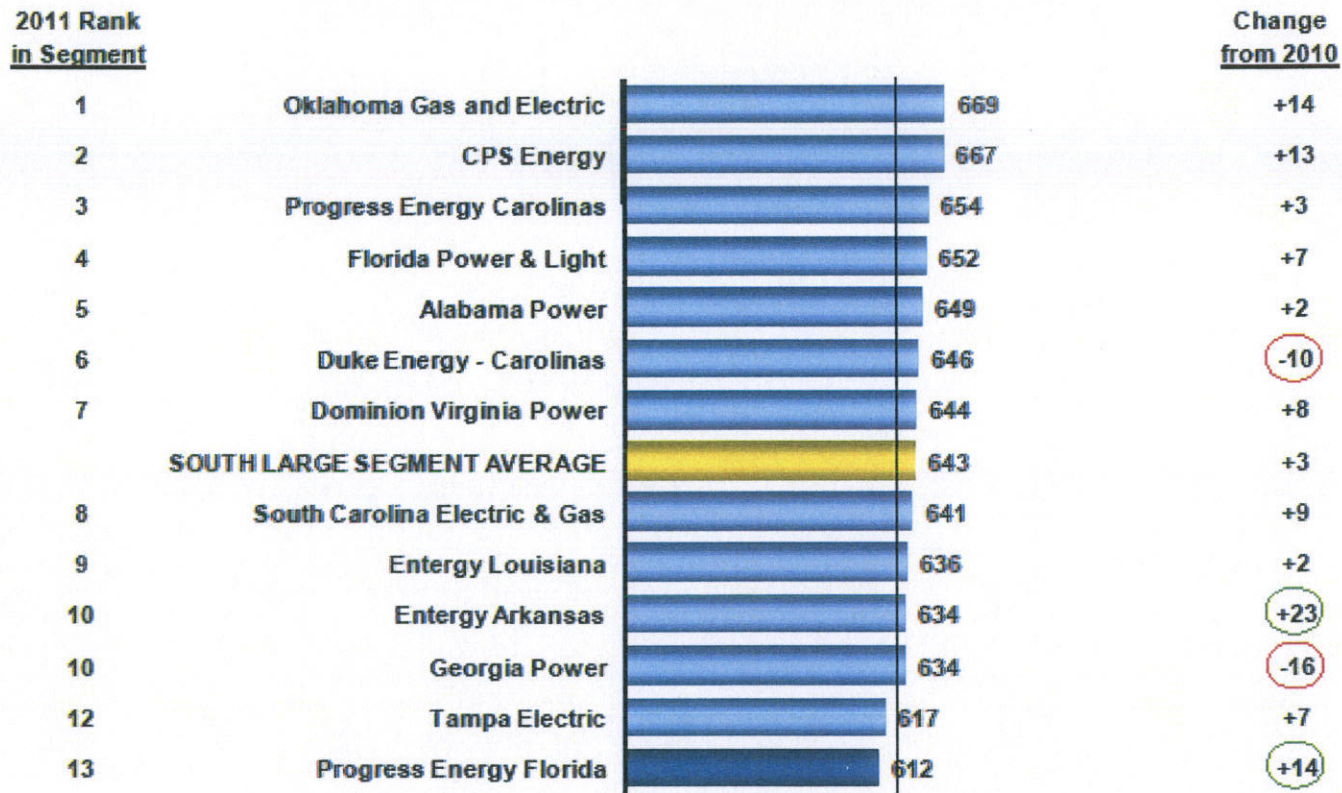
J.D. Power 2011 Residential Customer Satisfaction Model



- The overall Customer Satisfaction Index (CSI) is the weighted average of these 6 components
- Scores for each of the 6 components is the weighted average of 4-6 questions

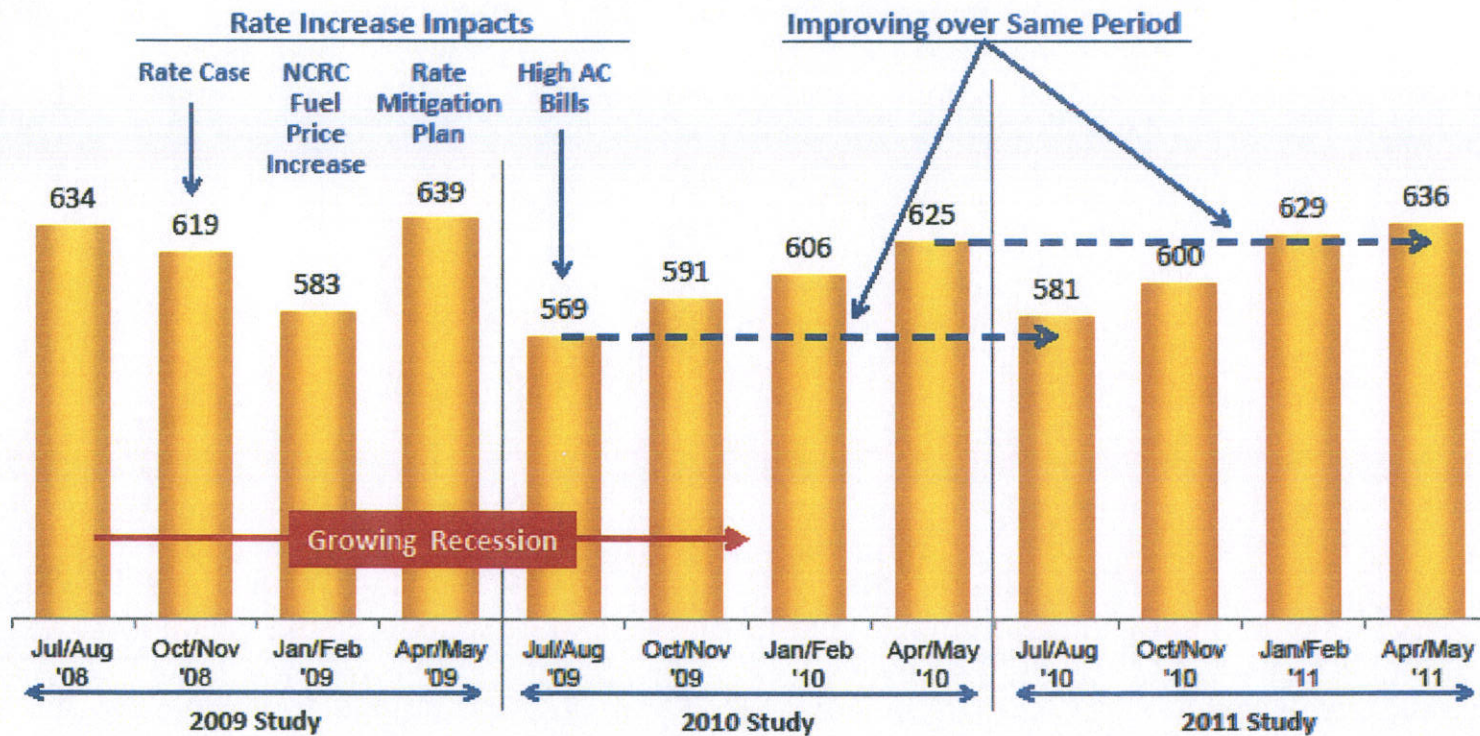
South Region Large Utilities

2011 Study Overall Customer Satisfaction Index



Industry Average: 628

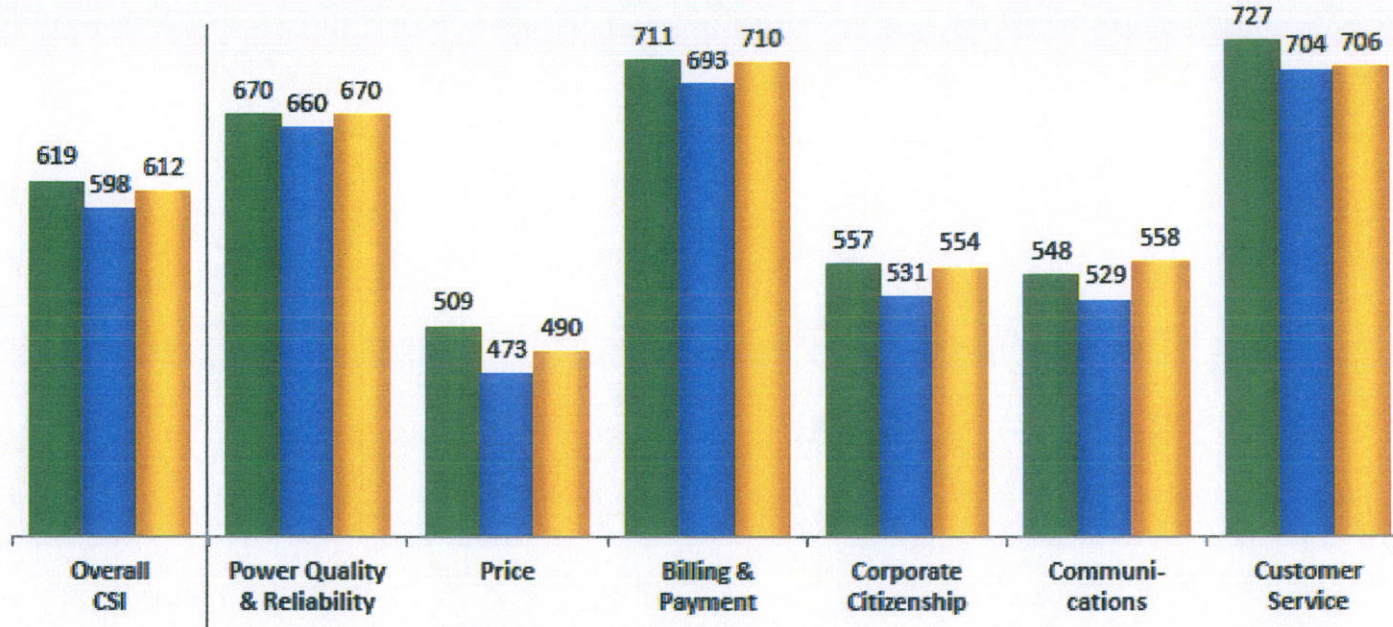
PEF – CSI Trend By Quarterly Fielding Period



- Discussion of rate increases, and the NCRC/Fuel price increase, had a major negative impact on PEF's satisfaction
- The growing recession only made this negative reaction worse

PEF – CSI Trend 2009 – 2011 Studies

■ 2009 ■ 2010 ■ 2011



- PEF's overall CSI and all 6 component indices improved in the 2011 study

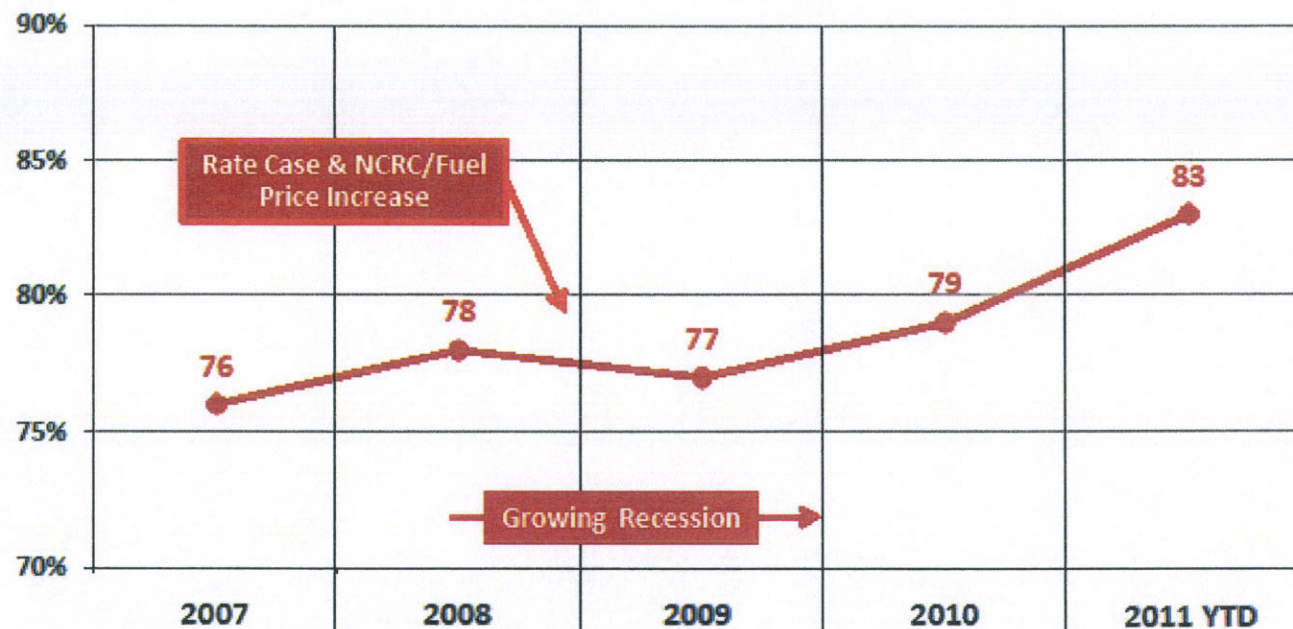
Progress Energy Fastrack Transaction Study

- TNS Research completes 4,500 phone interviews annually on 4 core transactions
 - Service Initiation
 - Outage Reporting & Restoration
 - Field Maintenance Requests
 - Business Services
- Telephone interviews within a week-10 days of the experience
- Score = % of customers who rank their satisfaction with that experience an "8, 9, or 10" on a 0-10 scale

Fastrack Transaction Study – 2007 to 2011

Progress Energy Florida

% of Customers Rating Satisfaction "8, 9, or 10"



- Rate case publicity and price increase perceptions had minimal impact on satisfaction with PEF's specific service performance.
- Customer satisfaction with PEF's service performance has continued to increase.

What the J.D. Power Scores Mean

- The J.D. Power Study is primarily a “perception study” that provides overall customer *perceptions* about utilities
- J.D. Power results show that PEF customers reacted very negatively to the 2009 rate case filing and the NCRC and Fuel price increases effective in January 2009
- PEF’s reduction in the amount of the price increase fostered a short-term improvement in perceptions, but later, that summer’s high usage and high bills rekindled negative customer reactions
- The deep recession compounded negative perceptions, as reflected in direct customer feedback, letters to the editor, etc.
- In the face of these challenges, PEF has continued to provide customers high quality service, as reflected by increasing transaction scores
- PEF’s J.D. Power scores are improving across the board, even with continued customer reactions to price issues

PEF Initiatives to Improve Customer Satisfaction

- **Communications program to help customers better understand how rates are set and the components that constitute their bill**
- **Energy Help program proactively provides customers information to address their needs – reducing their usage, managing the bill, one call to address problems, etc.**
- **Designed and launched a new website, based on extensive customer input, to make information more accessible**
- **Leverage customer touch-points to drive continuous improvements to service processes and performance**
- **Rapid improvement events to revamp targeted service processes**
- **Revamped our employee volunteer program for added emphasis on ongoing volunteer efforts by each employee**

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Tampa Electric

JD Power's 2011 Electric Utility Residential Customer Satisfaction StudySM

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Introduction

Customer satisfaction is very important to Tampa Electric

- Tampa Electric uses numerous ways to measure, including:
 - Operational performance metrics
 - Quarterly customer satisfaction surveys
 - FPSC customer statistics and feedback
 - Other surveys conducted by outside organizations, like JD Power

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Survey Methodology

JD Power's 2011 Electric Utility Residential Customer Satisfaction StudySM

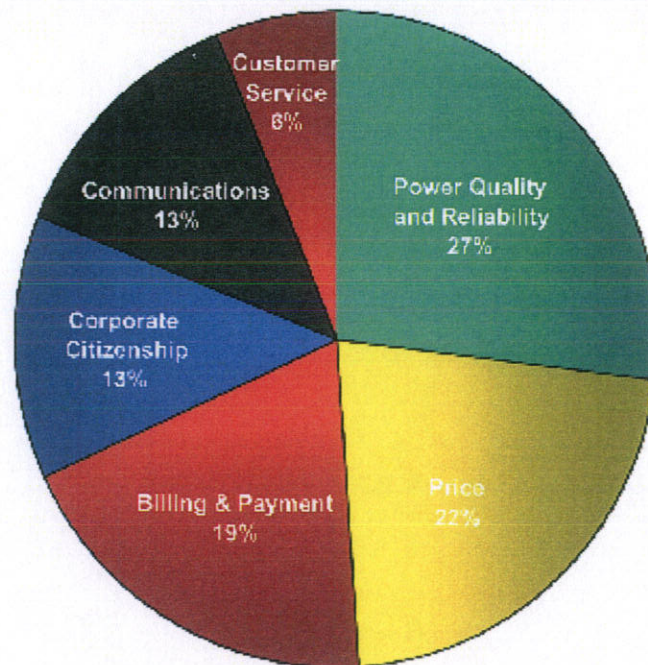
- Survey is conducted using online interviews and based on customer perceptions
- Comprised of four waves – July/August 2010, October/November 2010, January/February 2011, April/May 2011
- Electric utilities are divided into four regions – East, Midwest, South, West
- Utilities are further divided by size - large utilities (500,000 households and up), midsized utility (125,000 to 499,999 households)
- Tampa Electric is in the South Large segment
- Survey includes 40 weighted questions categorized into six components
- Six weighted components are used to calculate the customer satisfaction index, maximum score 1,000
- 736 Tampa Electric customers were surveyed

tampaelectric.com

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Residential Electric Customer Satisfaction Study Model



SOURCE: JD Power and Associates

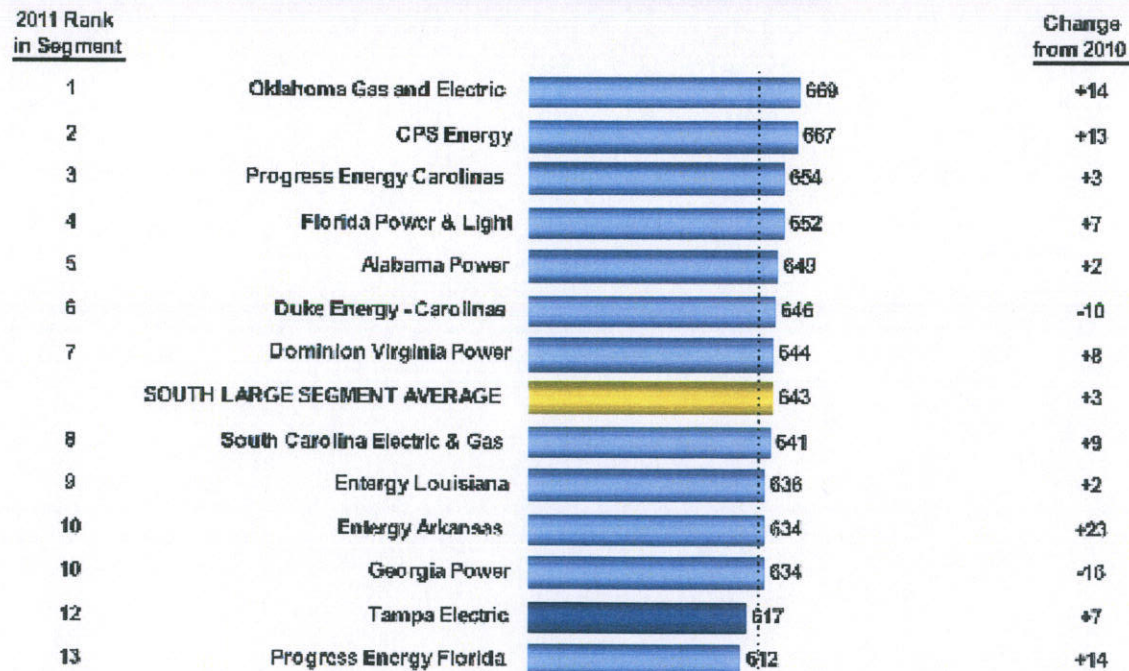
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Survey Results

South Large Segment Overall Customer Satisfaction Index



Industry Average: 628

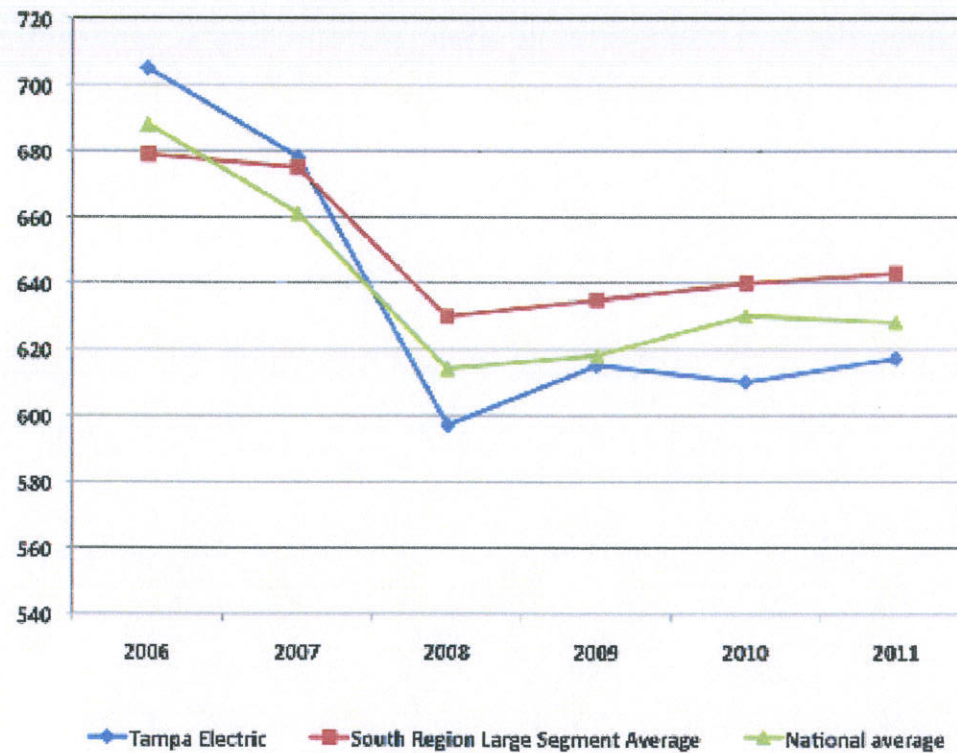
SOURCE: JD Power and Associates

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Historical Performance – JD Power Results 2006 through 2011



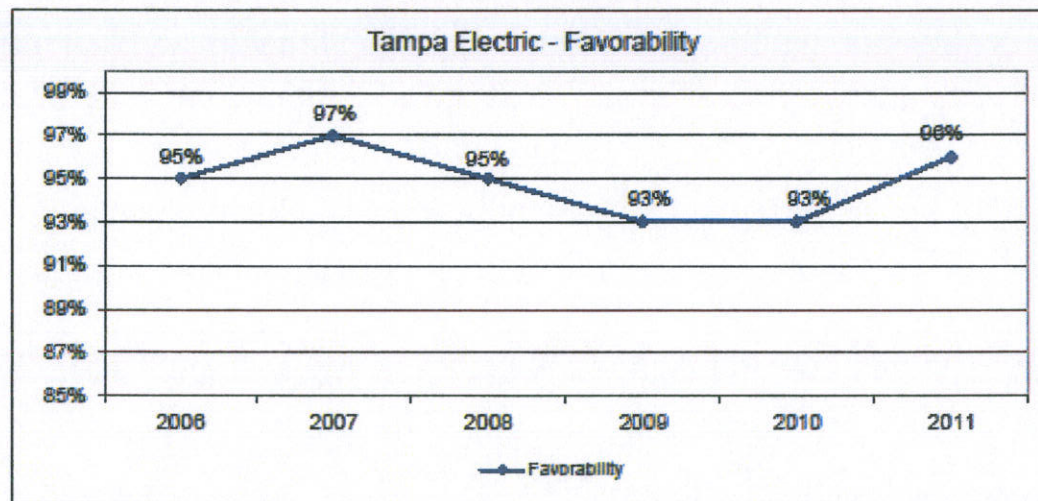
SOURCE: JD Power and Associates

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Historical Performance – Tampa Electric Results 2006 to 2011*



- Tampa Electric performs quarterly customer satisfaction surveys
 - Telephone survey is conducted by randomly polling 400 customers each quarter
- Results show positive customer perceptions

*2011 data is year-to-date

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JD Power's Gap Analysis for Tampa Electric

How does Tampa Electric compare to the South large segment average?

▪ Power Quality & Reliability	-8.16
▪ Price	-5.62
▪ Customer Services	-4.11
▪ Billing & Payment	-3.52
▪ Communications	-2.96
▪ Corporate Citizenship	-1.38

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Power Quality & Reliability

Score improved 9 points from 2010 to 2011

- SAIDI is second-best among Florida IOUs
- Fewest outages per customer for past five years among IOUs

Our focus going forward

- Continue to focus on reducing momentary outages
- Improve outage communications and online restoration map
- Improve method to estimate restoration times

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Price

Score increased 11 points from 2010 to 2011

- Residential rates are second-lowest in the state among IOUs
- Four consecutive reductions in fuel costs in three years
- Residential bills remain 8 percent below national average

Our focus going forward

- Proactively educate customers about price and energy-efficiency options
- Proactively market other customer offerings that will enhance the overall value of electricity

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Customer Service

Overall call center performance gauge increased from 2010 to 2011

- Redesigned customer service sections of website
- IVR Doctors (4th Quarter, 2011) to identify improvements in IVR
- 21st Century Preference page development to allow text alerts for outages
- Virtual Hold to reduce customer hold time.

Our focus going forward

- Evaluate enhancements to self-service areas (website and IVR)
- Evaluate additional web-based outage restoration tools
- Increase number of outage information tools

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Billing & Payments

Score increased 9 points from 2010 to 2011

- High e-bill utilization
- Numerous payment options

Our focus going forward

- Explore options for flexible payment due dates
- Evaluate mobile alerts and payment options
- Explore bill re-design

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Communications

Score improved 10 points from 2010 to 2011

- Increased use of social media to communicate changes that affect service
- Aggressively communicated five new energy-efficiency programs and expanded incentives
- Developed new online public safety information

Our focus going forward

- Review website look, feel and navigation
- Create new energy-efficiency advertising campaign
- Evaluate the use of social media and e-mail

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Corporate Citizenship

Score improved 19 points from 2010 to 2011

- Invested \$1.2 billion in environmental improvements
- Developed comprehensive Corporate Sustainability Report website

Our focus going forward

- Increase awareness of our environmental, sustainability efforts and corporate stewardship
- Evaluate methods to seek customer and community feedback
- Evaluate our strategy to engage with local charities and civic organizations

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Our Focus is to Optimize Customer Value

Tampa Electric is proud of its strong operational performance

- We are reviewing and evaluating all customer feedback sources to understand what customers value
 - Includes working with JD Power to understand survey results better
- We plan to perform our own analysis later this year to gain more detailed customer information
- Depending on results, we will develop updated plans to determine next steps to execute opportunities going forward
- Optimizing customer value is a continuous process

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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: September 13, 2011

TO: Art Graham, Chairman
Lisa Polak Edgar, Commissioner
Ronald A. Brisé, Commissioner
Eduardo E. Balbis, Commissioner
Julie I. Brown, Commissioner

FROM: Marshall W. Willis, Director, Division of Economic Regulation *mw by CRV*
Jennifer S. Crawford, Attorney Supervisor, Office of the General Counsel *JSC*

RE: Administrative Approval of Sales or Transfers of Water or Wastewater Facilities to Governmental Authorities

Critical Dates: Please place on the September 21, 2011 Internal Affairs. Guidance is sought.

Prior to 2003, Commission staff was granted administrative authority to approve the sale or transfer of water or wastewater facilities to governmental authorities. Section 2.07 of the Commission's Administrative Procedures Manual (APM) codified staff's authority to approve such transfers. This authority was granted to staff because Section 367.071(4)(a), Florida Statutes, provides that the sale of facilities to a governmental authority shall be approved as a matter a right. Therefore, these transfers were delegated to staff as a matter of administrative efficiency.

In 2003, the language granting staff administrative authority was removed from Section 2.07 related to transfers to governmental authorities. Since 2003, it has been staff's experience that the governmental transfers brought before the Commission for approval have been non-controversial.

Staff is seeking guidance as to whether the Commission would like to again grant staff authority to administratively approve transfers to governmental authorities.

Should the Commission wish to reinstate this authority to staff, the Commission may wish to consider inserting the following language in the Commission's APM:

Administrative Approvals
Internal Affairs
September 13, 2011

2.07(C)(4)d.

Applications for the sale or transfer of water and wastewater facilities from private entities to governmental authorities may be granted when they are filed and processed in accordance with Section 367.071(4)(a), Florida Statutes. Governmental transfers shall be brought to the Commission for consideration if it appears to the staff to be controversial or unique in nature. A memorandum shall be provided to notify the Executive Director and all Commissioners of all administratively-approved governmental transfers.

cc: Charles H. Hill, Deputy Executive Director
Curt S. Kiser, General Counsel

II. Outside Persons Who Wish to Address the Commission at Internal Affairs

Outside Parties Wishing to Address the Commission

Internal Affairs
September 21, 2011

<u>Person</u>	<u>Company</u>	<u>Item</u>
Richard Wolfe Senior Director, Regulatory Affairs	Comcast	2
Willette Morman General Manager, Customer Service	Progress	3
T. J. Szelistowski Managing Director of Regulatory Affairs	Tampa Electric (TECO)	3
Karen Lewis Director of Customer Service	Tampa Electric	3

III. Supplemental Materials Provided During Internal Affairs

The records reflect that there were no supplemental materials provided to the Commission during this Internal Affairs meeting.