

REDACTED

EXHIBIT "B"

EDITED VERSION

COM _____
AFD _____
APA _____
ECO ✓ _____
ENG _____
GCL _____
IDM _____
TEL _____
CLK _____



DOCUMENT NUMBER - DATE

02891 MAY 24 02

FPSC - COMMISSION CLERK

REDACTED

FPL's Responses to FPSC's April 19, 2013 Data Request

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37

1. Please indicate whether within the last 12 months, a payment processing supervisor has been released from employment or disciplined, and describe the circumstances involved.

[REDACTED]

"Carry-over" is the number of payments that are not processed within 24 hours of receipt.

2. Please describe the duties and responsibilities of a payment processing supervisor and the organization/function this position oversees.

The duties and responsibilities of a Customer Billing Supervisor in FPL's payment processing center include:

- o Supervising and directing the work of office employees who are responsible for sorting, extracting and processing approximately 15 million mail payments per year.
- o Ensuring the quality, timely and efficient processing of payments daily.
- o Conducting data analysis of the payment processing functions in order to identify and implement improvement opportunities.

3. Please indicate whether within the last 12 months seven (or some other number) of FPL's payment processing clerks were released from employment or disciplined, and describe the circumstances involved.

[REDACTED] The restructuring was a direct result of a Six Sigma Black Belt efficiency improvement study conducted in the payment processing area. The Black Belt project focused on identifying process improvements to reduce manual handling of mailed payments and ensuring payments are processed in a timely manner, along with other operational considerations.

[REDACTED]

4. Please provide a description and history of the Black Belt Certification initiative(s) or program(s).

In 2012, FPL performed a 10-month-long Six Sigma Black Belt efficiency improvement study in the payment processing area with a goal of improving efficiency and reducing

DOCUMENT NUMBER-DATE

02891 MAY 24 2013

FPSC-COMMISSION CLERK

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

the processing time for customers by reducing the manual handling of mailed payments through process improvements. The specific improvements from this project were:

[REDACTED]

- o The first two improvements that were implemented in 2012 resulted in the elimination of [REDACTED] positions [REDACTED]
- o The third improvement [REDACTED]

25 **5. Please indicate the position held by Marietta Rojas and describe her duties and**
26 **responsibilities.**

27 Ms. Rojas holds the position of Operational Analysis Supervisor. The position's
28 responsibilities include:

- 29 o Leading a team of business analysts who support the Customer Billing operations
30 as well as clerks who perform the reconciliation and balancing of our billing and
31 payment systems;
- 32 o Business planning and performance measurements; and
- 33 o Conducting data analysis of the Quality and Controls functions in order to identify
34 and implement improvement opportunities.

35 Ms. Rojas has assumed the responsibilities associated with overseeing the payment
36 processing center and will remain in that role until that supervisory position is filled.

37 **6. If applicable, please describe any relationship Ms. Rojas had or has with the**
38 **Payment Processing Supervisor or payment processing clerks described previously.**

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37

Ms. Rojas had a peer-level relationship with the [REDACTED] Both the Operational Analysis Supervisor and the [REDACTED] report to the Customer Billing Manager. In addition, the [REDACTED] was a member of the team that conducted the Six Sigma Black Belt efficiency improvement study, which was led by Ms. Rojas. Ms. Rojas had no direct supervision over and had minimal interaction with the payment processing clerks described previously.

7. Please describe any payment processing function "time studies" conducted by or for FPL which may be the basis of the statement regarding a time study being "fictitious."

In June 2012, as part of the Six Sigma Black Belt efficiency improvement study, an analysis was conducted to determine the average number of transactions that are processed per minute, in order to determine appropriate projected staffing needs. The data for the time study was driven by payment processing time generated directly from the payment processing system.

The time study used actual data to help determine projected staffing needs. There is no basis for the anonymous claim of a "fictitious" time study or any "fictitious" analysis corresponding to a time study.

8. Please indicate whether within the last 12 months FPL has increased or decreased the staffing of the payment processing function, and describe any changes made during that period.

During the last 12 months, staffing of the payment processing function has been decreased by [REDACTED] positions. This staffing decrease was based on the process improvements implemented in 2012 as a result of the Six Sigma Black Belt project discussed in FPL's response to question 4.

9. Please indicate the cause or basis for changes made to the staffing of this function over this period.

Please see FPL's response to question 4.

10. Please describe management's perception of the productivity of the payment center over the past 12 months, including its performance and ability regarding the timely processing of customer check payments.

FPL is recognized as an industry leader in terms of customer service performance. Recently, FPL was awarded the prestigious ServiceOne Award by the PA Consulting Group for the ninth consecutive year. PA Consulting is a leading management, systems and technology consulting firm with worldwide operations in more than 35 countries. The ServiceOne Award recognizes utilities that provide exceptional service to their customers as determined by a set of 24 objective measures of excellence in customer care

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

developed by a panel of industry experts. These measures were selected to provide comprehensive, quantitative measurement of the service attributes that matter to customers. In addition to receiving the ServiceOne Award, FPL's payment center was also awarded the PA Consulting Balanced Scorecard Achievement Award in 2012. This award is provided to utilities that excelled in a specific functional area within customer service.

The payment processing center tracks various metrics that focus on timely processing, quality and cost.

o [Redacted]

[Redacted]

[Redacted]

27 **11. If available, please provide copies of any productivity metrics or performance results which document the productivity of the payment center, and specifically its ability to timely process payments.**

28
29
30 Please see the documents provided.

31 **12. Please describe any allegations, events, problems or issues within the past 12 months regarding the theft of customer checks. Describe the company's efforts to investigate and any findings.**

32
33
34 In October 2012, an FPL employee contacted FPL's Corporate Security Department regarding the possible theft of five Federal Express envelopes containing customer payments. FPL's Corporate Security Department investigated the report and found no evidence to substantiate any allegation of theft.
35
36
37

13. Please describe any allegations, events, problems or issues regarding the loss of customer checks in January 2013. Describe the company's efforts to investigate and any findings.

During the limited period of time that the payment processing center experienced a backlog, the Company experienced an increase in the number of customers inquiring about payments not being posted to their accounts. Of the 1.5 million payments processed in January 2013, payment processing management has reported only one instance to FPL Corporate Security of a payment not being posted. This instance involved a payment that was recorded as received by the Company's electronic-processing system but did not post to the customer's accounts. (Note: This payment was a single check for multiple accounts owned by the same customer). The customer confirmed that the check was never cashed. See FPL's responses to questions 14 and 15 for information related to customer complaints.

14. Please provide the number of customer complaints received directly by FPL regarding lost or misapplied customer payments for each of the last 12 months (exclusive of any complaints, inquiries or warm transfers received from the Commission.)

Complaints received by FPL include all contacts to the Commission (transfer-connect via telephone or email, complaints responded to within 72 hours, logged complaints, and other FPSC requests), complaints to FPL executives, complaints to the Better Business Bureau and complaints to the media.

Following are complaints, exclusive of contacts to the Commission, related to mailed payments received directly by FPL in the last 12 months

	Apr-2012	May-2012	Jun-2012	Jul-2012	Aug-2012	Sep-2012	Oct-2012	Nov-2012	Dec-2012	Jan-2013	Feb-2013	Mar-2013	Total
Mailed Payment-Related Complaints	0	0	1	0	0	0	0	0	3	0	0	1	5

Note that due to the payment-processing carry-over experienced in November and December 2012 described in FPL's response to Question 10, FPL received an increase in the number of customers inquiring about their checks not being posted to their accounts.

15. Please provide an analysis of the trend and explanation of any variances in customer complaints received both directly by FPL and from the Commission in the area of lost or misapplied customer payments.

Following are complaints related to mailed payments received by FPL (as described in FPL's response to Question 14) and the Commission in the last 12 months:

	Apr-2012	May-2012	Jun-2012	Jul-2012	Aug-2012	Sep-2012	Oct-2012	Nov-2012	Dec-2012	Jan-2013	Feb-2013	Mar-2013	Total
Mailed Payment-Related Complaints	0	2	1	1	1	0	3	2	10	6	0	2	28

1
2
3
4
5
6
7
8
9

Variance Explanation: An increase in mailed payment-related complaints occurred in December 2012 and January 2013. This coincides with the timeframe FPL experienced a delay in processing mailed payments.

The 16 recorded complaints in December 2012 and January 2013 involved 15 unique customers, with one customer submitting two complaints regarding the same payment.

None of the 15 customers described above were disconnected as a result of any payment-processing delay. When each complaint was received, each account was protected from any collection action.

10 **16. Please provide any additional information, documentation, or description of events the company believes would benefit the Commission in thoroughly investigating the letter's allegations.**

11
12
13 The payment processing center processes approximately 15 million mail payments each year amounting to \$4.2 billion. Due to FPL's strong performance in metrics that focus on timely processing, quality and cost, FPL's customer service business unit has been the recipient of the ServiceOne Award for the past nine years. Additionally, in 2012, FPL's payment processing center received the ServiceOne Balanced Scorecard Achievement Award for outstanding service. This is an award presented to the top utilities in North America based on their performance metrics as compared to their peers.

14
15
16
17
18
19
20 The complaint rate in the last 12 months is .00018% which equates to 1.8 complaints per million payments processed.

21
22 In 2012, several process improvements related to the manual handling of payments were implemented. These efficiency improvements resulted in the elimination of [REDACTED] payment processing positions in September 2012.

23
24
25 In November and December 2012 and part of January 2013, the payment processing center experienced an isolated incident of backlog. As a result, additional controls were added to the payment processing processes. During the backlog, customers' inquiries related to their payments posting and payments requiring manual handling were higher than normal. However, all of the inquiries have been addressed and the operations were returned to normal in mid-January 2013 with monthly metrics returning to acceptable levels by February 2013. It is important to note that the workforce reduction in September 2012 was not the cause of the backlog since these reductions did not include positions responsible for opening and imaging payments, which were the functions that triggered the backlog.

1
2
3
4
7



**PAGES 8-28 ARE CONFIDENTIAL
IN THEIR ENTIRETY**