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DIVISION OF ECONOMIC REGULATION  
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Public Service Commission

November 2, 2009

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09 NOV -2 PM 3:46  
COMMISSION  
CLERK

Ms. Sherry Chaney  
P.O. Box 1398  
Perry, Florida 32348

Dear Ms. Chaney:

Thank you for your comments on Progress Energy Florida. You raised two points. The first was compliance with Rule 25-6.100, Florida Administrative Code, with regard to local offices. The primary purpose of local offices was to accept in-person bill payment. Based on a Commission decision in 1994 for Florida Power & Light (Docket No. 931034-EI), utilities who choose to close their local offices are required to provide at least as many free payment locations as they previously had local offices. According to PEF's website, the Cash Kwik Florida, Inc., located at 2057 S. Byron Butler Parkway, Perry, Florida, accepts PEF payments without a service fee.

Local offices owned and staffed by utility personnel were eliminate by PEF almost nine years ago, as a cost savings measure. This is a common practice among electric utilities since the FPL decision in 1994. The Commission has accepted this practice as long as the utility can demonstrate that the same services are provided to customers through other means. All utilities must comply with the mandate to have at least as many free pay locations available in an area as it had local offices. Since its decision to close local offices, the number of PEF payment locations has exceeded the number of local offices closed.

With respect to service problems, requests for repair go through a central dispatch. Central dispatch ensures that the closest appropriate crew is sent, depending on the nature and severity of the problem. Questions about bills can be adequately handled by trained customer service representatives available through a toll free number. These representatives have access to all of the company's resources. The cost of local offices is not currently included in PEF's proposed rates. To reinstate such offices would increase rates without measurably increasing the level of service provided.

While I can understand your assertion that PEF is in violation of the specific rule language, it does not appear the PEF is in violation of the intent of the rule. A toll free number is available for questions and to report service problem, and a "free" payment location is available in Perry. I will refer the request to clarify the language in the rule to our General Counsel's office.

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Ms. Sherry Chaney

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Second, you were concerned with PEF recovering particular types of costs. With respect to the items you listed on the last page of your complaint, none of those expenditures related to sponsorship are included in regulated electric rates. Those costs are considered "image building," and not part of the cost of providing electric service. These costs are recovered from PEF stockholders, not ratepayers. PEF does maintain a Tallahassee office and the cost of that office is included in regulated electric rates because the employees perform a regulatory function as liaison with the Commission.

I hope this is responsive to your concerns. If you have a specific complaint about PEF's service, we will be happy to work with you to resolve it.

Sincerely,

A handwritten signature in cursive script, appearing to read "Connie S. Kummer".

Connie S. Kummer

Bureau Chief

Bureau of Certification, Economics and Tariffs

CSK:kb

Cc: Office of Commission Clerk

Director, Office of the Commission Clerk, Public Service Commission  
Capitol Circle Office Center  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

DISTRIBUTION CENTER  
09 OCT - 1 AM 7:09

Formal Written Comment to Public Service Commission reference Docket # 090079-EI

**Comment:**

It is a fact Progress Energy Florida does not have any local offices in Perry, Taylor County to pay bills or resolve problems or answer customer questions.

This is against the Public Service Commissions regulations 25-6.100 and appears to be a violation of Florida Statues.

As Progress Energy Florida chooses to violate the regulations of the Public Service Commission it is only reasonable to require Progress Energy Florida to come asking for a rate increase with clean hands. First, follow the rules. In Tallahassee you can visit the electric utility office to pay your bill for free. We all have to pay extra to pay for our bill in Perry. Is that not an unauthorized by the Public Service Commission utility fee?

Progress Energy Florida being unable to follow the rules and law should be required to conform to Florida law before being allowed to increase rates.

Progress Energy Florida; see attached has spent substantial sums for executive pay and advertising expenses.

Executive pay of 10 % of company profits, with the top 7 company officers; 49.9 million dollars. On a company profit of 504 million dollars (2007) for a regulated monopoly whose rates are set by the state of Florida appear to be a method to grossly increase the profit to company executives while decreasing the apparent income of the company.

As Progress Energy Florida is a monopoly in its service area advertising for customers is at best an expense not at all related to the generating or delivery of electrical service. Therefore this expense of 17.9 million dollars should not be billed to the rate payers.

Progress Energy's books should be investigated and opened to the public to exam.

See attached copy of Rule.

Sherry Chaney  
1-850-838-2630

Mailing address: Sherry Chaney, P. O. Box 1398, Perry, Florida 32348

*Sherry Chaney / 9-30-2009*

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