

Diamond Williams

100158-EI

From: Beth Keating [BKeating@gunster.com]
Sent: Monday, January 31, 2011 3:59 PM
To: Filings@psc.state.fl.us
Cc: Larry Harris; Katherine Fleming; 'george@cavros-law.com'; 'suzannebrownless@comcast.net'; 'RDC_law@swbell.net'
Subject: Docket No. 100158-EI
Attachments: 20110131155547551.pdf

Attached for electronic filing, please find Florida Public Utilities Company's supplemental information responsive to staff's fourth set of data requests. Please do not hesitate to contact me if you have any questions.

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a. Person responsible for this electronic filing:

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b. Docket No. 100158-EI - Petition for Approval of Demand-Side management Plan of Florida Public Utilities Company

c. On behalf of: Florida Public Utilities Company

d. There are a total of 4 pages.

e. Description: FPUC's Supplemental Responses to Staff's Data Requests

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*Party added 1/31/11
 ABM/MS/COM*

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00760 JAN 31 =

FPSC-COMMISSION CLERK

1/31/2011

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Writer's E-Mail Address: bkeating@gunster.com

January 31, 2011

BY ELECTRONIC FILING

Ms. Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 100158-EI - Petition for Approval of Demand-Side Management Plan of Florida Public Utilities Company.

Dear Ms. Cole:

Attached for electronic filing in the referenced Docket, please find Florida Public Utilities Company's supplemental information responsive to Staff's Fourth Data Request as discussed at the meeting last week in this proceeding.

Thank you for your assistance with this filing. If you have any questions whatsoever, please do not hesitate to let me know.

Sincerely,

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MEK

cc: Parties of Record

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FPUC / Parago Rebate Processing

A rebate is more than just a check or bill credit. It's an understanding that this touch point is a vital customer experience, critical marketing opportunity and an extension of the brand promise that FPUC provides.

Reason behind Going to a Third Party

Establish a companywide rebate processing strategy that will strengthen FPU's customer care and marketing efforts.

- Avoid paper trail misplacement
- Ability to track payment processing via website
- Strengthen FPUC's ability to track conservation promotions via program code
- Reps spend approx. 10-20 hrs/wk each processing rebates opposed to performing energy audits

Enhancing the Customer Experience

Benefits of a better offer

- Ability to advertise rebates and maintain pricing integrity
- Advanced technology and integrated marketing opportunities
- Access to new marketing outlets
- Initiate ongoing customer conversations
- Ability to spend immediately
- Choice of reward
- Speed of payment
- Ease of Submission
- Availability of information
- Prepaid cards are emerging as the alternative to traditional cash, paper-based checks, coupons and gift certificates.
 - a. Flexible, cost-effective prepaid cards are a great way to distribute cash rewards to our customers and channel partners
 - b. Safer than cash
 - c. Global acceptance and retail value

FPU Support Functions

To the customer:

- Better/preferred payment vehicle combining all activity on one card
- Convenience: arrives ready to use, no trip to the bank
- Provide more flexibility and choice "spend anywhere" capabilities
- **Improves speed of reward issuance**

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FPSC-COMMISSIONER CLERK

To FPU:

- Messaging: Cards can have custom messaging on the card carrier promoting energy efficiency programs
- Increased up-sell/cross-sell opportunities for conservation programs
- Reduced overheads related to processing and cutting checks

Back office capabilities:

QuickBase

- Online promotional launch tool
- Electronic management of promotion/campaign workflow

QuickCare

- One call resolution via dedicated FPU Customer Service Teams
- Online access to all rebate scanned images
- Complete audit ability from desktop

Reporting

- Robust reporting features
- Secure online access
- ✓ Customized reporting capabilities

Online Support

- Pro-active notifications
- Email & text message (opt-in)
- Promotion and submission information, 24 x 7
- Real-time submission status & tracking

Call Center Support

- IVR Service
- Integrated bi-lingual IVR
- Real-time access to consumer information
- Toll-Free Customer Service
- Bi-lingual capabilities

Rebate Processing costs

Traditional FPUC Rebate Processing Costs:

FPU processes approximately 1800 rebates per year

Costs: \$99,840 from Conservation Reps' time – Time not spent promoting conservation

\$24,960 from CS and Accounting's billable time

\$4,200 paper and postage

Total= \$129,000

Per Rebate= \$71.66

Rebate Processing Costs with Parago

Processing fee: \$1.59 per rebate includes:

- processing and validation of the rebate
- postage and reward fulfillment
- customer service (live operator, IVR, website)
- dedicated FPU toll free number and PO Box for all campaigns
- website where customers can check the status of their rebate submission in real-time
- password protected reporting portal to access all campaigns

Total costs per rebate= \$1.59

Total expense: \$1059 x 1800 = \$2862

Each card carries a \$2.00 credit per quantity discount = \$2.00 x 1800 = \$3600 savings

Estimated yearly savings= \$3600 - \$2862 = \$738 in savings to be used towards additional rebates.

Customer information

At this time FPU is not tracking or gathering customer spending information from the use of the Visa prepaid card. At some point it may be beneficial for FPU to gather this information for marketing purposes only and would not at anytime sell this information to an outside agency. FPU would present reasons to the FPSC for validation.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been furnished by Electronic Mail and/or by U.S. Mail this 31st day of January, 2011.

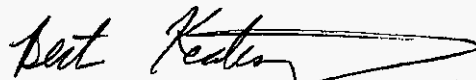
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