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2	FLORIDA PUBLIC SERVICE COMMI	ISSION
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5	In the Matter of:	
6		O. UNDOCKETED
	DISCUSSION OF THE FINANCIAL	
7	AS A RESULT OF THE COVID-19	
8	8 PANDEMIC/	
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11	PROCEEDINGS: COMMISSION WORKSHOP	•
12	L2 COMMISSIONERS PARTICIPATING: CHAIRMAN GARY F. CI	ARK
13		RAHAM
14		J. POLMANN
15	DATE: Wednesday, July 29	, 2020
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18	Betty Easley Confered Room 148	rence Center
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21	REPORTED BY: DEBRA R. KRICK Court Reporter	
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24	114 W. 5TH AVENUE TALLAHASSEE, FLORIDA	
25	(850) 894-0828	

1	PROCEEDINGS
2	CHAIRMAN CLARK: All right. Well, we will go
3	ahead and get started this morning. We will call
4	this workshop to order today.
5	Welcome, everyone, to the Commission's
6	workshop on the impacts of COVID-19 and the effect
7	that it is having on utility customers. We wanted
8	to take this opportunity today to have a discussion
9	and give an opportunity for some input to the
10	Commission about some of the practices that are
11	occurring in our state, and hopefully to be able to
12	give a little bit of guidance and direction as we
13	move forward.
14	At this time, I will ask the staff, if they
15	would, to please read the notice.
16	MR. STILLER: Good morning, Mr. Chair. Shaw
17	Stiller with the Office of General Counsel.
18	By notice issued July 20, 2020, this workshop
19	was scheduled for this date and time. The general
20	purpose of this workshop is set forth in the
21	notice.
22	Please note that State buildings are closed to
23	the public, and other restrictions on gatherings
24	remain in place due to the COVID-19 pandemic.
25	Accordingly, this workshop is being conducted

1	remotely, and participation is by communications
2	media technology.
3	That is your notice, Mr. Chair.
4	CHAIRMAN CLARK: Thank you, Mr. Stiller.
5	As I mentioned, the purpose of the workshop
6	today is to give an opportunity for the utilities
7	to provide some facts and different information for
8	us about the effect that the pandemic has had on
9	utility customers.
10	As identified in our agenda, the Commission
11	specifically laid out three things that we were
12	looking for today from the utility companies.
13	Those three things specifically were the number of
14	residential and commercial accounts that are in
15	late or nonpayment status from April 21st excuse
16	me, April 1st of 2020, through June 30th of 2020.
17	And also to basically allocate for us the related
18	incremental bad debt expense that has accrued to
19	those unpaid balances.
20	The second thing we asked for were the utility
21	policies and the financial assistance that might be
22	available directly to assist those customers that
23	are being impacted by the pandemic.
24	The third item was for utility efforts to
25	understand utility efforts to receive loans,

1	grants, assistance or benefits in connection with
2	the pandemic, regardless of the form or source,
3	anything that could be utilized to help to offset
4	any of those related expenses.
5	To the extent possible, we would like to ask
6	the presenters today to please avoid any
7	discussions that might might develop as
8	regarding any open dockets that are currently
9	before the Commission.
10	We are going to ask each of our companies to
11	make a short presentation. I think you have kind
12	of been given a guideline of 10 minute or less. We
13	would like to stay in that 10-minute range, and
14	then allow the Commission an opportunity to ask
15	each of you questions after after the
16	presentations are concluded.
17	Okay. Commissioners, any questions or
18	comments before we begin our presentations this
19	morning? Any concerns?
20	All right. It looks like we are all in the
21	right mode here, so let's get rolling.
22	Our first presentation this morning is Mr.
23	Christopher Chapel, Vice-President of Customer
24	Service for Florida Power & Light. I believe he is
25	also going to be making presentations on behalf of

1	Florida City Gas and Gulf Power Company.
2	Mr. Chapel, welcome.
3	MR. CHAPEL: Thank you. Good morning,
4	Chairman Clark. Good morning, Commissioners.
5	I am Christopher Chapel. I am the
6	Vice-President for Customer Service for Florida
7	Power & Light. Today I am also speaking, as you
8	mentioned, on behalf of Gulf Power and Florida City
9	Gas.
10	Is the presentation up?
11	CHAIRMAN CLARK: Give us one second, let's
12	see
13	MR. CHAPEL: There we go.
14	CHAIRMAN CLARK: There we go. Yes.
15	MR. CHAPEL: Perfect.
16	Next page, please.
17	Throughout the challenge of the pandemic, our
18	singular focus has been, and continues to be, on
19	our customers as with storms, we rely on planning
20	and execution. To this end, we activated our
21	pandemic response plan. In January, we formed an
22	pandemic team compliance representatives from
23	nearly every business unit across NextEra.
24	We have been every mindful of the importance
25	of electricity in all of our lives, these past few

1	months perhaps even more essential than ever. As
2	such, we put processes and procedures in place to
3	ensure safety and to ensure the continuity of
4	service. We eliminating access the key areas. We
5	eliminated central meetings. We've staggered
6	shifts. We've provided new PPE. We shifted to
7	at-home work where possible. We suspended all
8	non-essential visits to customer homes and
9	businesses, and we began a robust customer outreach
10	effort.
11	Next page, please.
12	On March 16th next page, please. There we
13	go.
14	On March 16th, we initiated our crisis
15	policies. We suspended disconnects for nonpayment,
16	and we waived late payment charges and implemented
17	payment extension plans plans for customers
18	experiencing hardship. Concomitant with that, we
19	requested, and the Commission approved thankfully,
20	a midcourse correction that accelerated fuel
21	savings for FPL and Gulf customers in their May
22	bill. And we blanketed our customers with
23	information, emphasizing our preparedness, our

matter.

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commitment to continue to serve our communities no

What we reminded them to be safe, to be mindful of energy usage while working and learning at home; be aware of scams and to take advantage of our on-line tools.

We moved our home and business audits and other in-person offerings to the phone or to FaceTime ensuring that we could continue to offer our energy efficiency programs and keep our employees and customers safe while doing so.

Next slide, please.

We reached out directly to small businesses via phone calls, emails and letters to provide them with information on CARES Act funding. We created a resource center for businesses to educate them and to connect them to key information on Paycheck Protection Program loans and Small Business Administration economic injury and expressed bridge loans. None of this money can come -- can come directly to us, so we did everything in our power to connect our business customers to it.

We also created videos and tutorials on how to avoid demand charges during reopening. We partnered with local Chambers of Commerce to host webinars -- to host webinars for businesses, and to provide guidance and to get these messages out.

2.

We have also conducted proactive outreach to customers whose usage increased substantially. We provide them conservation tips and offered to connect them to assistance agencies.

Next slide, please.

2.

And we've worked to do our part for our neighbors in need. Our three companies have contributed almost \$5 million to local nonprofits and small business assistance to help affected customers. Employees, customers and shareholders have all stepped up and increased Care To Share and Project Share funding.

And because a number of customers asked us if they could give away their May bill credit, my team worked to create a new option to allow customers to make payments toward other customers' accounts, enabling customers to help a friend, a relative, a neighbor, or even a stranger in need.

Next slide, please.

The low income -- the Low Income Home Energy
Assistance Program, LIHEAP, is a federally funded
program that provides grant money to the states to
assist low income residence with energy costs. The
money is distributed to the states via a
complicated political formula, a combination of

1	what are referred to as the old and new formula.
2	Florida does better than the new formula, which
3	takes cooling and growth into account.
4	The Florida Department of Economic
5	Opportunity, or DEO, distributes Florida's shares
6	regionally also via formula. The customer benefit
7	is essentially based on household size and income
8	level relative to poverty.
9	DEO contracts with local nonprofit agencies
10	who process applications. Those agencies are
11	responsible for verifying eligibility, for making
12	payment to the energy vendor on behalf of the
13	eligible customer.
14	To give you some idea of the scale of the
15	assist network, FPL has 835 assistance partners in
16	our service territory, ranging from small local
17	churches to the Salvation Army.
18	Due to the federal pandemic relief
19	legislation, Florida LIHEAP funding has increased
20	almost 60 percent this year. That translates into
21	about 40 million for FPL, and about three million
22	for Gulf. The increase is obviously great, but
23	it's proving to be challenging to get the money and
24	the customers matched up. In FPL's service

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territory, for example, \$30 million remains

unallocated. Foremost, without collections, fewer
customers ask for help; plus, it's always difficult
for the assistance agencies, which are often small
volunteer organizations, and working from home has
complicated their challenge.

To help them work from home, we have contributed 150 laptops to some organizations. We will continue to do whatever it takes to make ensure this money gets to our customers. To that end, we are proactively calling customers, especially medically essential customers, and connecting them with the assist agencies.

We have asked external stakeholders, like local, state and federal office holders, to help us get the word out. And we are running ads in traditional and social media, imploring customers to call us so that we can connect them with help.

Next slide, please.

Since the crisis started, in addition to our normal communications, we've made almost three million incremental proactive efforts to communicate with customers in arrears. We mailed them, we have emailed them, auto called them and had customer care agents call. And as I mentioned earlier, we have undertaken a general media

1	campaign.
2	Next slide, please.
3	We have a very simple message for our
4	customers right now, call us so we can help you.
5	Here are a couple of examples of exactly what the
6	social media communications look like.
7	Next slide, please.
8	And as you can see from this, the outreach has
9	had an impact. For FPL, the number of accounts in
10	arrears in April was up 60 percent year-over-year
11	from 2019. At the end of June, that year-over-year
12	number was down to 35 percent. That still leaves
13	around 258,000 residential and 22,000 C/I customers
14	in arrears. And though we have been successful in
15	bringing the number of customers down in arrears in
16	relative terms, the passaging of time of course
17	increases the dollar amount of their arrearage.
18	What was 30 days old in April is now 90 days old,
19	and brings with it four months worth of accrued
20	bills.
21	Next slide, please.
22	And it's basically the same story at Florida
23	City Gas. We've kept the number of customers in
24	arrearages essentially flat and decreased the
25	vear-over-year number but the arrearages in

dollars are growing.

Next slide, please.

For Gulf, we moved up the previous billing system this year. They used different arrearage criteria, so the year-over-year data is not necessarily comparable, as such, we have excluded. But it's a similar story. We decreased the number of customers in arrears over the past three months. At the end of June, about 74,000 accounts were in arrears, compared to almost 90,000 in April. And again, though the number of customers has been reduced as time elapses, the dollar amount continues to increase.

Next slide, please.

And that's really the key point. We have been proactive from day one, and we've communicated effectively with our customers to the point that we've kept the number of customers and arrearages essentially steady since April. That's obviously important and a good part of our story, but the other side of the coin is problematic. Those customers in arrearages have been building balances for months. And to state the obvious, the higher the balances, the harder it is for customers to pay them, and in turn, the more bad debt we will

1	accrue.
2	For the month of April through June,
3	incremental bad debt is estimated to be 15.8
4	million for FPL, and 5.3 million for Gulf. To be
5	clear, these numbers exclude previous months and
6	they exclude the balances accrued in July. So the
7	numbers are already higher, and continuing to grow.
8	As you know, Gulf has filed for a regulatory
9	asset for COVID related expenses. FPL will use
10	surplus depreciation to cover the bad debt. So as
11	with Hurricane Dorian, FPL customers will not see a
12	direct impact. This is yet another really great
13	example of the smooth and benefit of the reserve.
14	Next slide, please.
15	We are very conscious, as the current forecast
16	reminds us unfortunately, that we are in the midst
17	of storm season. This year, we know that we can't
18	count on as many outside resources as usual. We
19	will need to space out crews, and will need to have
20	fewer people spread across more staging sites.
21	That means it is likely to take longer to restore
22	power after a storm than it would otherwise.
23	But as I mentioned at the outset, we have been
24	planning and drilling for this since January.
25	Given all that we've been through in 2020, we are

certainly praying that nature spares us, but we are also very prepared and we are ready to execute if necessary.

Let me wrap up by saying this: Our men and women are absolutely committed to the mission. They are working tirelessly to meet this unique challenge. We will continue to do the right thing for all of our customers. We will continue to help those who need help, and we will continue to be mindful that the vast majority of our customers are paying on time. We are committed to striking the right balance.

We will resume collections at the right time, but even then we will not return to business as usual. There will be a transition, and we will continue to help and to work with our customers.

For those who are experiencing hardships, we will waive late fees, we will make payment arrangements, and we will connect them to local assistance agencies. Disconnection always has been and always will be a last resort.

So even as we make the transition, we will continue to be dynamic and constantly evaluate the circumstances. We always strive to do the right thing, and we are absolutely committed to getting

1	through this together. We look forward to working
2	with the Commission to achieve these goals.
3	Thank you.
4	CHAIRMAN CLARK: All right. Thank you,
5	Mr. Chapel. I am sure there is going to be a few
6	questions from Commissioners.
7	Anyone like to start, any questions?
8	Commissioner Brown.
9	COMMISSIONER BROWN: Thank you, Mr. Chairman,
10	and Mr. Chapel, for that very thorough
11	presentation. I appreciate the details.
12	Just a few follow-ups, because the slides were
13	going pretty quickly and I don't have that in front
14	of me.
15	With regard to Florida City Gas, what is the
16	ratio of bad debt for commercial/industrial versus
17	residential?
18	MR. CHAPEL: Kurt from FCG is on the phone. I
19	don't know if you have that handy, Kurt.
20	MR. HOWARD: Hi. Good morning, Commissioner
21	Brown.
22	I am sorry, could you could you rephrase
23	your question? You are asking about the relative
24	debt between or the relative bad debt between
25	the commercial folks and our residential?

1	COMMISSIONER BROWN: Yes, and I am sorry,
2	there is a lawnmower outside if you can hear me,
3	it's very loud. Yes.
4	MR. CHAPEL: We are all used to that by now.
5	COMMISSIONER BROWN: And a dog barking, and
6	all of that.
7	MR. CHAPEL: That's the new normal.
8	COMMISSIONER BROWN: So for Florida City Gas,
9	my focus really, I didn't get to see that in front
10	of us, the percentage of bad debt for the
11	businesses, commercial/industrial, which I assume
12	is probably your your big users for stats and
13	wanted to see what the debt ratio is versus
14	residential.
15	MR. HOWARD: Understood. Certainly.
16	So so, as I said, generally speaking the
17	commercial and industrial class make up about 60
18	percent of our overall overall revenue. And I
19	would say that that also translates to what we are
20	seeing in the in the bad debt expense.
21	COMMISSIONER BROWN: Wow. Have you seen a
22	substantial percentage of commercial/industrial
23	folks discontinuing service permanently?
24	MR. HOWARD: It's tough to say permanently,
25	but we have definitely seen a dropoff in usage for

1	our our commercial folks, you know, as you would
2	expect, restaurants, laundry mats, hotels, you
3	know, businesses in that type of nature; but as to
4	the permanence of it, you know, we are obviously
5	monitoring it closely, and as data becomes
6	available, we are, you know, kind of taking that
7	into account and planning for how to address the
8	potential, you know, long-term dropoff of those
9	customers.
10	I would say in the meantime, you know, we are
11	actively taking whatever steps we can to shift
12	around capital plans, cut costs, you know, whatever
13	we can do to provide rate stability for the for
14	the long-term. And, you know, we certainly hope
15	that, you know, we have enough tools in our toolbox
16	to to come out of this with with rate
17	stability on the other end.
18	COMMISSIONER BROWN: Yes, I appreciate that.
19	And I I feel your pain, and a lot of the water
20	companies as well that are smaller that, you know,
21	have a more difficult time smoothing that out over
22	the long haul.
23	How I guess this question would be for
24	Mr. Chapel Chapel how can a customer, whether
25	it be a residential or commercial, prove or show a

1 hardship to warrant some of those saving measures 2. that you went over? 3 Well, for -- for us right now, MR. CHAPEL: 4 it -- it -- we are taking customers at their -- at 5 their word, Commissioner Brown. If they call and request a payment extension, if there is a request 6 7 to waiver of a late fee and say that they are 8 having a hard time, we are -- we are taking them at their word. 9 10 For LIHEAP, the -- the standards are a little 11 different. I -- I think that there is -- there 12 is -- this is always going go to be a challenge, 13 but -- but the reality is we -- we don't have a lot 14 of -- a lot of options other than to take customers 15 at their word. And I think as we go forward, that 16 will -- that will gradually tighten to -- to the 17 point where you have to -- you have to at least be 18 making an effort to stay engaged with us. And I 19 think that that's the challenge as we move back to 20 some semblance of normal, and as we move back to 21 collections, and --22 But the biggest challenge, frankly, right now 23 is just getting them to engage with us, and getting 24 them to pick up the phone and call and talk to a 25 customer care agent and have the conversation so

1	that we can make sure that we can get them on a
2	payment extension and and keep them going, and
3	keep them engaged in paying.
4	I am fearful that their balances will get out
5	of hand, and by the time that they do call us, none
6	of that that conversation won't matter anyway,
7	because what what what will be presented to
8	them is going to be unaffordable, and we need to
9	figure that out.
10	COMMISSIONER BROWN: So messaging and outreach
11	is critical.
12	MR. CHAPEL: It is it is absolutely
13	critical. We have been all all over that, as I
14	mentioned.
15	I think that the most fascinating thing is
16	that that, you know, our 30 plus and 60 plus
17	arrears are actually down year-over-year because we
18	have been doing so much messaging, but it is those
19	folks that have not been engaged with us since
20	March that, as I mentioned, you know, it's it's
21	four months, and then it's five months, and then
22	that becomes unaffordable.
23	And, you know, you can almost joke about it,
24	when have you ever seen an electric company, or any
25	company for that matter, saying please call us. I

1	mean, we are begging our customers to call us so
2	that we can engage with them and and get them on
3	a payment extension and make sure that they can
4	continue to to be good customers.
5	COMMISSIONER BROWN: I appreciate that. And I
6	also appreciate you going over the work that you
7	have done since January as hurricane season is
8	looming over us, and a storm is coming towards all
9	of us right now, so I appreciate you covering that.
10	And I hope that other utilities can kind of go over
11	what what they are doing as well in terms of
12	outreach during hurricane season, and a pandemic,
13	and whatever else we have.
14	MR. CHAPEL: It is it is an unfortunate
15	reality, but as you know, we we are nothing if
16	not prepared, and and we are we are as ready
17	as we can be.
18	COMMISSIONER BROWN: Thank you.
19	Thank you, Mr. Chairman.
20	CHAIRMAN CLARK: Thank you, Commissioner
21	Brown.
22	Other Commissioners have questions for
23	Mr. Chapel?
24	Okay. Commissioner Fay.
25	COMMISSIONER FAY: Thank you, Mr. Chairman,
i .	

1 and thank you, Mr. Chapel.

2. On Slide 5, you mentioned a program that 3 allows -- enables customers to make payments 4 towards other customers' accounts. I know, as a 5 state agency, we -- we have a program for sick 6 leave where people run out of certain days, other 7 That -- that sick leave employees can contribute. 8 project tends to be pretty effective. What's the 9 process for customers to do this, and how easy is 10 it for them to access?

MR. CHAPEL: Yeah. So this -- this was -- I think the best way to describe it, Commissioner, is that it was a passion project for -- for many of the customer care technical folks.

So we've always had a Care To Share care.

That Care To Share program is -- is essentially contributions, as I mentioned, it's employees, it's shareholders and customers. And that pool essentially gets distributed just like LIHEAP, right. The assist agencies distribute the pool.

But then when we had the May bills, all of a sudden we had this -- this really great, I don't -- it just -- it shows how good Floridians and neighbors are, because we heard from -- from customers who weren't struggling because of COVID, and they said,

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1	I love that you all are doing this, and that you
2	are providing these bill credits, can I take mine
3	and apply it to somebody else? And it was just
4	it was it was a good problem to have. Something
5	we had never thought about.
6	So of course we couldn't take somebody's
7	credit off their bill and apply them, but what we
8	wanted to come up with was a solution where they
9	could pay. The challenge, of course, being is if
10	you want to pay, you have to know somebody's
11	account number. So we had to overcome that hurdle,
12	and find a means where they could assign it to
13	somebody.
14	And it's just as easy as that. If they can
15	get if they can get with a customer care agent,
16	then then the mechanism allows them to to put
17	in the put in the you know, you can you
18	can call up and say, I would like to pay for my
19	neighbor. He is a good guy, and and I just want
20	to help him out. I know he is struggling, and

COMMISSIONER FAY: And is that part of the -the outreach? How do customers -- how are they
informed that that exists?

MR. CHAPEL: Well, Care To Share is -- this

and we will make it happen that way.

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1 is -- there is -- this is very one-off. 2. not a lot of those. I would put that in the bucket 3 of dozens. 4 Care To Share is much more so, and we have 5 outreached that. We have put that forth. We -- we 6 have -- right in March, we made sure that people 7 under -- that people understood, that, you know, 8 our neighbors are friends, our communities are 9 struggling, and this is a way to help. 10 We did the same thing internally. 11 and know -- I know folks, FPL and Gulf did drives 12 with employees. I am very proud that we increased 13 our contributions, almost doubled them this year. 14 So we've -- we've made sure that 15 we've have been messaging around Care To Share. 16 The one-offs are a little -- a little different. 17 We just wanted to make sure that if somebody called 18 and said I want to -- I want to do that -- and 19 again, it's in the dozens, we just wanted to be 20 able to say yes. 21 COMMISSIONER FAY: Great. 22 And, Mr. Chairman, just one more question. 23 On your -- on Slide 3 of your material, you 24 talk about sort of the -- the proactive nature of 25 outreach, but I know there is discussion of -- of

1	FaceTime and these different sort of mechanisms
2	that normally wouldn't be used for communication.
3	Can you describe those?
4	I mean, I know face-to-face interaction is not
5	only limited, but discouraged in large part because
6	of the pandemic. So are there are you seeing
7	sort of a generational divide, you know, how people
8	prefer communication, or what are you able to do to
9	incorporate some of that that face-to-face
10	virtual?
11	MR. CHAPEL: So so this is it's a
12	more there is going to be a more complex answer
13	than than the question you asked, because part
14	of this is what we are doing today. And what we
15	are doing today is is we didn't want to leave
16	those energy efficiency programs untouched, so
17	so what we started doing is outreaching to people
18	who who had requested them, and and offering
19	it do it via phone and and/or FaceTime.
20	I know Florida City Gas is using FaceTime
21	to to interact with customers. That way, you
22	know, you can walk and see what what they are
23	looking at, and we can actually walk customers
24	through the process.
25	And I think what we have learned,

Commissioner, is that -- that, to your point on the generational divide, that going forward, this is something that we can incorporate as a Best Practice.

You know, it's nothing we would have done before. It's not going to work for 100 percent of customers. I think it's working for about 60 or 70 percent of customers. There is some stuff that still has to be done in person, but -- but I think what we are going to be able to do going forward -- and I think it -- you know, it's not a matter -- we now all know, it's not a matter of months or -- weeks or months, but before we are back to some semblance of normal. It's a much more longer time period than that.

So I think for -- for the interim, this is -this is probably going to be how we do this before
people are really comfortable letting strangers
back in -- in their homes. And even when we do
that, we have a process there where we could come
in, not spend a lot of time, and then go down the
street and call the customer from the car and walk
them through some of the steps that they can do on
the energy audit.

So there is -- there is -- there is an aspect

1	of let's just get through this that we enacted in
2	March that has turned into this is a good way, a
3	good robust, and I think to your point, another
4	option for customers that that we are going to
5	continue to use.
6	So I think that there is learnings from this
7	that go forward. And, yeah, I am sure there is a
8	generational divide. It's never going to be all
9	in in in office, via FaceTime, but it's going
10	to be some comb combination of the different
11	technologies going forward.
12	COMMISSIONER FAY: Yeah. I appreciate that.
13	I appreciate the recognition that this isn't going
14	to go back to where it was over night. So some of
15	these methods might need fine-tuning, but they
16	are they are additional options that customers
17	may prefer, and it's I am glad to see they are
18	made available, so thank you.
19	That's all I have, Mr. Chair.
20	CHAIRMAN CLARK: Thank you, Commissioner Fay.
21	Commissioner Polmann.
22	COMMISSIONER POLMANN: Thank you, Mr.
23	Chairman.
24	I would like to follow up on Commissioner
25	Fay's question, and Commissioner Brown also brought

this up. And I also appreciate the -- the answer being more complicated than the question. I love that.

So on page seven of your presentation, the expanded customer outreach, a related question — and you touched on this, but a related question, you have got these various measures, and I am curious — you may not be doing this now, but I look forward to the opportunity where you have a way to measure the success in your communication among these various measures.

Now, I don't know how you would measure success, but I think it would be useful to be able to determine which among these you found have -- have been able to inform you which have been better among the various demographics, as you were just discussing. And I am particularly -- I recognize this is going to be going on for a while, but then how -- how is this able to inform you among other needs? And I guess what I am asking is, is this on your mind, how you are going to assess the performance of the various types of outreach?

MR. CHAPEL: Yeah, that's -- it's a terrific

question. It's on my mind every day. This is -this is my mission to my team. We need to be able

1	to meet customers where and how they want to be
2	met. Like, so whether that's during a pandemic, or
3	God willing, post-pandemic, I you know, we live
4	in in in a state that's obviously very
5	multigenerational. Technological preferences are
6	terrifically important. The efficacy of those
7	communications is is important.
8	So, yeah, I think to your point, us us
9	blanketing folks with with email or or social
10	or traditional media, very hard to measure.
11	Auto calls, you know, we could we could
12	probably find that you know, and a customer care
13	agent calling, we know how often they pick up, and
14	then we know the action, I think to your point.
15	So it's sort of a pyramid of of knowable
16	results, and and it is absolutely something that
17	we do everything we can to to understand.
18	I think to your point, and I know you know,
19	I don't want to presume where you are going, but
20	it's exactly what I think about every day. There
21	are customers who only want to communicate via
22	text. There are customers who only want to
23	communicate via email. There are customers that
24	only want to via interact via telephone and with
25	a human. And not many of us love the IVR. We have

done everything we can to make our IVR experience
as good as -- as possible, but it is -- it is
something that -- that has frustrated all of us at
one time or another.

So we need to continue to -- to always be looking at that, and I think -- I think your -- your question is -- is great, and it's -- we'll have a conversation with my team this afternoon and say, you know, can we -- can we figure out a way to start measuring and creating metrics around which of these are -- are most efficacious, I think to your point, to make sure that we are contacting people how they want to be contacted, and then -- then, of course, what -- what -- what creates the most bias for action.

COMMISSIONER POLMANN: Well, thank you.

It's -- it's a question and it's an issue across absolutely every effort for communication, you know, go -- going from sales to, you know, customer response and -- and emergencies. And you have got five different efforts here, and I appreciate, you know, having multiple efforts.

Ultimately, what you are looking for is the outreach, but you don't want to have to use five different ways as a shotgun how to try to figure

1	out how to each one. Ultimately it comes down to
2	the fact that that there is a cost for everyone.
3	I am not trying to focus on cost. I am trying to
4	focus on performance. So I appreciate that that
5	you understand it, and I am grateful that you are
6	aware and you are looking at it.
7	Loath me move on to page 12, Mr. Chairman.
8	And I am just curious, you have the incremental bad
9	debt expense and again, it's it's a question
10	of the metric, and and I would simply like to
11	know what is included in bad debt expense?
12	Obviously, you have the arrearage. The bill
13	is not paid. And is there an additional aspect to
14	expense you have you are carrying the expense.
15	You had mentioned the regulatory asset, and so
16	forth, that may be pursued. Maybe you can just
17	give me a quick comment on the aspect of expense.
18	MR. CHAPEL: It's high level, Commissioner,
19	it's it's net writeoffs in a month plus a
20	regular provision. And the regular provision is
21	essentially four months worth of estimated
22	writeoffs.
23	COMMISSIONER POLMANN: Okay.
24	MR. CHAPEL: It it's formulaic, and it
25	it tries to it tries to take into account what's

1	really happening, and then what what's likely
2	happened based on economic conditions.
3	COMMISSIONER POLMANN: Okay. Very good. I
4	appreciate that response.
5	That's all I had. Thank you, Mr. Chairman.
6	CHAIRMAN CLARK: Okay. MR. Chapel, I have a
7	couple of questions for you, just I want to follow
8	up right where Commissioner Polmann left off in
9	regard to the the bad debt and the estimated
10	four-month calculation.
11	If you looked at three months excuse me,
12	the four months that we are talking about here and
13	the three different companies, I am reading this
14	right, I want to think, you are looking at
15	potentially \$100 million in this four-month period
16	in bad debt, is that correct in total?
17	MR. CHAPEL: No, sir. The on Slide 12?
18	CHAIRMAN CLARK: Yes, sir. On Slide 12, you
19	show your total arrearage through June of 93.8
20	million
21	MR. CHAPEL: Yes.
22	CHAIRMAN CLARK: and estimated increase of
23	15.8. That's over what you normally would
24	experience in that same time period. But if you
25	added all three companies' arrearage up right now,

1 that's \$100 million in potential -- it's an 2. arrearage now, but it could become bad debt, is 3 that correct? MR. CHAPEL: 4 It -- it -- yes. It won't. Not 5 all that will, right? History tells us that not all of that will. Much of that will get collected, 6 7 you know, for -- for example, historically FPL's 8 net writeoff rate is .05, so last -- last year, 9 we -- we wrote off about \$6 million on over 12 10 billion in revenue. 11 The economic conditions were not the same. So 12 we know that it's not going to be .05. During --13 during the -- the economic recession '08, '09, '10, 14 it was as high as .25. 15 So we have -- we have -- and again, the --16 it's not -- not a perfect analogue, but we have 17 But if I -- if we had \$100 million in some idea. 18 arrearages, we would expect to collect much of 19 I think we are going to have to see how long 20 this goes on, and -- and how we can get back to --21 to full or near full employment. That -- that's 22 what will matter, but we won't write off all the 23 arrearage. 24 CHAIRMAN CLARK: And that's -- that's where I 25 was going with this, Mr. Chapel. You -- you have

1	answered two questions. I wanted a comparison back
2	to the '08 recession. You have given me that
3	number. It's .05 compared to .25, is that the
4	correct numbers, your actual writeoff?
5	MR. CHAPEL: Yes, that's correct.
6	CHAIRMAN CLARK: Okay. So go back, in the
7	case of an arrearage of 100 million, you you
8	would assume in normal circumstances you would
9	collect that. If we for some reason said, okay, we
10	are not going to pursue disconnects. We are going
11	to put a moratorium on disconnects, and we are
12	going to somehow figure out how to, for lack of a
13	better word, socialize that amount throughout the
14	system, how much of it do you think would be
15	collected if we just boldly advertised that we are
16	going to we are going to not have disconnects,
17	and and nobody is going to be expected to pay?
18	MR. CHAPEL: Gosh, Mr. Chairman, I would I
19	wouldn't even want to I wouldn't want to guess.
20	I'm I'm the guy at the company they pay to
21	think everybody every customer is great, and
22	and they are they are all going to do their
23	best. So, you know, there there are cynics that
24	would tell you if there is something free,
25	everybody should take it. I I think the answer

1	is probably somewhere between those two those
2	two views.
3	CHAIRMAN CLARK: And if and just for just
4	for discussion purposes, that money, assuming that
5	we we did have something that that eliminated
6	disconnects, that money did go to bad debt, all of
7	that bad debt is then shared by all the ratepayers;
8	is that correct?
9	MR. CHAPEL: That is correct. Yes.
10	CHAIRMAN CLARK: A couple other quick
11	questions. I want to talk about deposits for just
12	a second.
13	Have you analyzed the amount of deposits that
14	you have on hand for customers with arrearages
15	right now, done there any comparisons there?
16	MR. CHAPEL: Yes, we look that. I I don't
17	have that information. I can get that to you
18	exactly, but, yes, we have.
19	CHAIRMAN CLARK: What what is the what's
20	your average deposit? Do you have any idea what
21	the average deposit is?
22	MR. CHAPEL: I don't know, and I think, of
23	course, that would vary between between
24	residential
25	CHAIRMAN CLARK: Sure.

1 MR. CHAPEL: -- and -- and C/I, and I don't 2. want to tell you -- I don't want to give you a 3 quess number. 4 CHAIRMAN CLARK: And my -- my last question is 5 kind of a hypothetical scenario, but has FPL given consideration to any prepaid metering concepts, 6 7 where you could actually roll any deposit the customer had into the arrearage and allow them to 9 begin paying for electricity on a prepaid basis?

And even with an arrearage, if there was a balance

11 left after the deposit was applied, allowing them

to split future purchases, 20 percent going to

previous debt, 80 percent toward new purchases, or

some scenario like that; is that something that's

15 been considered?

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MR. CHAPEL: We have been considering everything, I think is the best way to put it, and -- and I -- I have talked to peers across the industry, and EEI has done a good job of putting this all together, so we all have been sharing every idea that we can come up with, and we are going to continue to consider every option.

CHAIRMAN CLARK: Are there any options that you have that you could share with the Commission that might be your -- your front runner idea, or --

1	or the maybe the I hate to say silver bullet,
2	but the golden arrow, or something that's going to
3	most likely give us the best, quickest resolution,
4	or the most bang for the buck?
5	MR. CHAPEL: Unfortunately, I don't think that
6	there is a silver bullet. I I I think the
7	biggest challenge is the unknown right now, and
8	and we are just hoping that virus cases stabilize
9	and we can get back to to getting folks back to
10	work, and getting back to some semblance of
11	normalcy so that that we can we can begin
12	working working on the mountain.
13	CHAIRMAN CLARK: Commissioner Brown, you have
14	a question?
15	COMMISSIONER BROWN: Thank you, yeah.
16	You said that you were working with EEI to
17	kind of hone some Best Practices, or to share. Are
18	Florida utilities collaborating in this regard
19	outside of EEI and other industry groups on Best
20	Practices during this time?
21	MR. CHAPEL: I am sorry, I missed I missed
22	the last part of the question.
23	COMMISSIONER BROWN: Are Florida utilities
24	collaborating on Best Practices outside of the
25	

1	MR. CHAPEL: We we certainly talk, and we
2	try yes. And the short answer is yes, we we
3	do, and we try and we talk and, again, I think to
4	the to the Chairman's point, I I think we are
5	all hopeful that there could be a silver bullet
6	answer that one of us hasn't thought through.
7	Unfortunately, I think that there there is
8	there is not, and so we just continue to talk and
9	share good ideas.
10	You know, for example, we we talked a lot
11	about all the proactive communications, and I know
12	other companies have have followed that model.
13	It's it's it's been really good. And
14	we've we've committed to that, and I think that
15	that's that's that's a Best Practice.
16	I think what's interesting, Commissioner
17	Brown, is that we are all in unchartered territory,
18	and and so no one has an answer, because they
19	they can't say, well, gosh, we had this same
20	situation back 10 years ago, and here's what we
21	did. So we are all trying things, and then we ask
22	each other how how that's worked out.
23	For example, I had a conversation with a
24	colleague last week, and they were offering very
25	long payment extensions. And and what he has

1	found out that is that very long payment extensions
2	don't necessarily solve the problem because the
3	customers give up a couple of months into them.
4	And and so what seems really appealing is is
5	maybe not the the best answer. And and I
6	think that we have to continue to to talk to
7	each other to make sure that we do find good
8	answers.
9	COMMISSIONER BROWN: I would agree with that.
10	Thank you for your time.
11	CHAIRMAN CLARK: Thank you.
12	MR. CHAPEL: Thank you.
13	CHAIRMAN CLARK: I would like to just kind of
14	follow up with one last one last question for me
15	in regards to your disconnect policy and and
16	moving forward.
17	One of my personal experiences was that
18	customers that were intending to default on debt,
19	and and had very little intention of repaying,
20	found creative ways to get around having power
21	reconnected.
22	In the future going forward, if if you
23	begin doing disconnects, what systems do you have
24	in place, or or how are you going to handle the
25	potential for reconnects of those customers and

1	houses? What are some of the things that
2	safeguards that you have in place to make sure that
3	those dollars don't get redistributed?
4	MR. CHAPEL: I I I think you are
5	asking and just to make sure, you are asking
6	people will try to to circumvent the system, and
7	what safeguards do we have to make sure that they
8	do not?
9	CHAIRMAN CLARK: Yes, sir.
10	MR. CHAPEL: Yeah, and, you know, this is
11	this is a blue sky problem for us as well.
12	We have a very, very robust system. Our
13	our team as I mentioned earlier, on on net
14	writeoffs, a lot of that is around theft prevention
15	and ensuring that that customers don't change
16	their name, or try to use somebody else's name to
17	get an account.
18	This is every day in Florida, for better or
19	for worse, and we are very good at it. Our net
20	writeoff rate of .05 includes us going out and
21	finding theft detection, and making sure that we
22	don't allow customers who default to come back on
23	without a deposit or pay and paying their full
24	balance.
25	So we are very well practice that that .05,

1	just so you have some idea, the national average on
2	that is .5, so even even pre pre-COVID, this
3	is something that we focused on, so we are going to
4	continue to focus on that going forward. That
5	said, we will, of course, have to balance that
6	against making sure that that we are we are
7	helping folks who have legitimate needs.
8	So it's going to be a fine razor's age
9	razor's blade edge that we have to walk down,
10	and and we are going to do our best to to
11	walk and strike that balance.
12	CHAIRMAN CLARK: Well, thank you, Mr. Chapel,
13	for your presentation today. And I hope I think
14	that concludes all the Commissioners' questions.
15	Any of last comment or question for Mr. Chapel
16	before we move on?
17	All right. Thank I very much, sir.
18	MR. CHAPEL: Thank you, Mr. Chairman. Thank
19	you, Commissioners.
20	CHAIRMAN CLARK: Okay. Next up, Lesley Quick,
21	Vice-President of Customer Care for Duke Energy of
22	Florida.
23	Lesley, welcome.
24	MS. QUICK: Good morning. Thank you, Chairman
25	Clark and Commissioners, for having us here today

1 to discuss all the things that we are trying to do 2. for our customers during this un -- unprecedented 3 time. And I will wait a minute until the slides 4 pop up. 5 Perfect. You can go to the next slide. So we quickly recognized that this is 6 7 definitely a historical time for our customers, and 8 our customers had not experienced this before. 9 I will say in the first month of -- of realizing 10 the -- the impact on our customers, we quickly 11 suspended disconnection for nonpayment on March 12 13th. 13 In that same month, we decided the right thing 14 to do for our customers was to eliminated any of 15 our convenience fees for our customers as they were 16 making payment. So typically a customer would pay 17 a fee, a convenience fee if they were paying with a 18 credit card or in one of our walk-in payment 19 locations. So guickly realized that we needed 20 customers to be able to pay fee free in as many 21 channels as they could, so we eliminated those 22 fees. 23 Then in May, we came to you, and with your 24

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approval, we got an opportunity to lower our

customers' bills, really utilizing and

fast-tracking some of our bill savings. So just another avenue to help our customers in a quick fashion with their -- with their bills.

We are going to continue supporting our customers through this pandemic. We are doing things every day to support our customers. We have enabled some on-line tools, so customers can call our call centers and get set up on payment arrangements, but we have also, as an additional, we are texting and emailing customers to encourage them to make a payment, and also giving them the ability to sign up for payment arrangements on-line. So this is something we did not offer in the past, so customers don't necessary have to call the call center anymore, but they can also do this through a web -- through our website.

We are going to continue waiving the credit and debt card fees. Once we return to normal operations, we have committed to waiving these fees for an additional few months once we return to disconnections.

We have also simplified our process with our LIHEAP, connecting our customers to agencies. We work with over 200 agencies with our communities to help our customers get those funds in a quicker

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fashion. Agencies can also make payments on-line
now on behalf of customers.

And then lastly, we have produced this for our nonresidential customers also, and really trying to practically reach out to them. They are also suffering during this time, and so providing them additional resources to manage their energy usage and have those one-on-one touch points with our business customers.

All right. Next slide.

So our communication efforts are really focused on our reaching our customers in any channel we can. We have -- we quickly set up a Duke Energy updates dot com website, and you can go out to that website, and customers know about this website and visit this website; but customers can go out there and learn about any of our policies that have been updated. They can learn about assistance agencies.

They also -- we have seen an increase in scams where our customers are getting scammed. There is a large increase in that. So customers can go out there and learn more about how to prevent themselves from getting caught up in one of those scams.

1 We have sent over eight million emails to our 2. customers with various communications, anything 3 from links to assistance agencies, and -- and 4 really helping them manage their energy usage. 5 lot of us are working from home now, and so our dollars in our usage is increasing at our homes, 7 and so it's really important for us to communicate to our customers opportunities to lower their 9 energy usage.

And then lastly, I will mention on this slide, our community relations manager has continued to be proactive in communities and reaching out to different organizations to ensure that they are in the know of what we are doing for our customers, so they also can be proactive in talking to our customers.

All right. Next slide.

So being an essential service provider, we knew we quickly had to take the safety of our employees into account first and foremost, the well-being of our employees to be able to continue to serve our customers. So we put lots of different measures in place, ensured our employees had the right PPE. We also provided a couple of different opportunities of just our employees who

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also suffering during this time with employees who needed assistance, we gave them a stipend, and we gave them enhanced dependent care benefits.

One thing that's not mentioned on this slide is -- and I am really proud of -- is when we realized, you know, we can't be in close contact with each other in the office and we needed employees to move to our virtual environment, we quickly enabled over 250 of our specialists, our call specialists, to be able to take calls for our customers remotely.

So I am really proud of that accomplishment.

We did that very quickly. We had not been allowing our specialists to answer calls remotely before the pandemic, and it has really turned out to be a great thing for our employees and for our customers. We have -- we have continued to achieve very high service levels, and our -- our employees can continue to work in this virtual environment through this pandemic.

Okay. Next slide.

So since suspending disconnects in March, we have seen a increase, an increase in our number of delinquent accounts and our dollars that are in arrears, even our -- our shorter term arrears

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categories both for our residential and
nonresidential customers. Just based on our
proactive outreach and what I talked about earlier
in regards to communications, we are trying to make
disconnects -- disconnections a last resort for our
customers.

So I think right now, customers don't really have an incentive or motive to make a payment, or set themselves up for a payment arrangement, so when we start going back to normal operations, we should see these -- these numbers continue to decline.

All right. Next slide.

This is just an example again of a couple communications we have done of our text and our email communications. Again, we are -- we are trying to reach as many customers as we can -- as we can that we know are delinquent or in arrears, and we doing this through multiple channels.

We are also working with the -- the agencies and connecting our customers to funding. Even when customers click on links in our text, it also gives them opportunity to click on a link to connect them with assistance agencies that also allow them the opportunity to set up -- set themselves up on a

deferred payment arrangement.

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I am also really proud, we did retrain our specialists on how to handle hardship customers.

While -- while our specialists does what they do did, and that's what they do best, we also thought they are going to start getting more and more calls with customers who potentially have worse hardships than they normally would. So we retrained our specialist to help them with from the avenue. We also are utilizing our customer affairs agency to directly take calls from our agencies.

And just one example, I was talking to one of our consumer affairs employees yesterday, and just one example of what our customers are going through. A lady called in yesterday and she was \$900 in arrears, and she didn't know where to start. And this is a perfect example of many of our customers who haven't been in arrears, and haven't had to deal with assistance agencies in the past are now having to deal with that.

And so she was just extremely thankful, and you could just hear it in her voice and her tone, just by connecting her to these agencies and guiding her through that process so she knows how she can get help.

1 So, again, many of our customers know how to 2. navigate that -- that system, but many of our 3 customers are entering this for the first time. 4 In addition, we have been able to set up over 5 15,000 customers on an extended payment 6 arrangement. So we -- in the past, we were 7 typically offering a credit extension, or a three-month payment arrangement. And we decided 9 that, you know, customers who knew that being more 10 flexible with customers, so we now are offering 11 also six-month payment arrangements. 12 Next slide. 13 So to provide some general context and 14 direction on the company's financial impacts, we have seen a -- a loss in base revenues which 15 16 support our cost of service of about \$18 million. 17 And that's primarily due to lower nonresidential 18 volume across our territory. 19 We've also not been able to -- to collect 20 our -- we have waived our late payment fees for our 21 customers, and therefore, we have not been 22 collecting about seven million in revenues related 23 to late payment charges. 24 In addition, we have incurred incremental 25 costs of about 9.8 million, which is broken up on

1 the right -- right side there in more detail.

And then we also did identify some savings that we've incurred due to the pandemic. For example, we are not mailing disconnection letters, and we haven't been doing that since March. And so we have been able to save some money there, so -- and that incremental impact being \$8 million.

Next slide.

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This slide is just an example of -- of other things we are looking at to offset some of those incremental expenses. We are looking at what's going on in DC, and any new policies that they implement. Specifically, here are some examples of our tax professionals are really looking at some tax provisions within the CARES Act to see if there is any opportunity there to lower our taxes, and also offset some of the incremental costs that we've seen due to COVID-19.

Next slide.

So, in summary, we are going to continue to be there for our customers. We are going to continue to be flexible for our customers. We've also decided that along with the six-month deferred payment arrangement, if a -- if a customer defaults, or has -- if a customer has defaulted

during -- before we start normal operations, we are reaching back out to that customer to get them onto a new deferred payment arrangement. But in addition, if a customer defaults on their -- their arrears balance that was incurred due to COVID-19 during their payment arrangement, we are going to be flexible with our customers too, and continue to set them up on new deferred payment arrangements and work with our customers. We feel like this is very important. Many of our customers are very behind on bills, and we want to make disconnections the last resort for our customers.

Again, we are also going to continue to waive and make that -- that payment channel easy for our customers and fee free. So we will continue to waive these fees two months after we start dis -- start disconnecting our customers, which will probably -- we will waive those through the month of October, and continue to support our customers through -- our nonresidential customers too. We've given them an avenue to sign up for proactive communications where they can interact -- interact with us also.

So I think our -- our customer call center, we are ready to support our customers. When we return

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1	to normal operations, I can assure you they are
2	prepared to to help these customers during these
3	unprecedented times.
4	So I will stop there. Thank you, and I will
5	address any questions you may have.
6	CHAIRMAN CLARK: Thank you, Lesley. I
7	appreciate that.
8	I will have I have one quick question I
9	will ask, and then I will turn it over to other
10	Commissioners.
11	In relation to the customers that are 60 or 90
12	days in arrears, what percentage of those customers
13	would you say you have had no contact from, haven't
14	heard from?
15	MS. QUICK: Gosh, I don't know that I have
16	that exact same stat.
17	What I will say is through our proactive
18	proactive outreach, we we have been able to
19	address most of our customers, or reach out to
20	them. What we are doing is we are looking at
21	customers who have not made a payment within 60
22	days, and we are really reaching out directly to
23	those customers, so through text, through emails.
24	So I am not sure I have the stat to answer
25	your question, but I will say that we are being

1	really intentional about who we are reaching out
2	to.
3	CHAIRMAN CLARK: I guess my question is is
4	kind of pointing in the direction of if you begin
5	to resume disconnects, the customers that you would
6	begin disconnects would most likely be customers
7	that are 60 to 90 days that you have not had any
8	contact with, have made no arrangements, or or
9	made no attempt to contact the utility company; is
10	that a fair statement?
11	MS. QUICK: Yes. If a customer has not been
12	set up on a payment arrangement, if I am hearing
13	you correctly. Yes.
14	CHAIRMAN CLARK: Okay. I was just trying to
15	get an idea of how many you know, what
16	percentage of your total potential your
17	potential number of customers that are in arrears
18	that we are talking about, so that's great.
19	Okay. Commissioners, other questions?
20	Anyone?
21	Commissioner Brown.
22	COMMISSIONER BROWN: Thank you. Thank you,
23	Ms. Quick. And I really appreciate you
24	highlighting some of those savings, too, which I
25	think that kind of information is really helpful

1	for us as regulators.
2	So I would like to see that moving forward for
3	the other utilities, Mr. Chairman, that was
4	because I think those savings could actually be
5	part of the new normal as well, so I I
6	appreciate that.
7	I wanted to hear also and also your
8	loyal your employee loyalty programs seemed
9	really generous during this time, so I appreciate
10	what y'all are doing. I want to know about your
11	long-term outlook, though, with regard to
12	COVID-related financial impacts, and how Duke
13	what does Duke plan on doing?
14	MS. QUICK: And I am sorry, you cut out there
15	for just a second, so plan on doing for our
16	employees or the customers?
17	COMMISSIONER BROWN: No, for for the
18	company, and with regard to the COVID-related
19	financial impact, how what is your long-term
20	plan for addressing
21	MS. QUICK: Sure.
22	COMMISSIONER BROWN: the financial impact?
23	MS. QUICK: Sure. So I have got Javier
24	Portuondo on the call, and if you don't mind, I
25	will let him address that question for you.

1	MR. PORTUONDO: Commissioner
2	COMMISSIONER BROWN: Hi, Javier.
3	MR. PORTUONDO: Thank you very much.
4	We we are vigilant in monitoring the
5	situation, as you saw from the slide. We are
6	sitting at 18 million in revenues not collected to
7	support cost of service, with an expectation for it
8	to grow to 30 million. So we we are looking at
9	it every month, monitoring the situation. And as
10	you observed, we are also looking for offsets.
11	So we hope that later in the year we will have
12	greater line of sight as to the overall extent of
13	this issue, because we we are a hot spot here in
14	Florida. We don't know what actions the Governor
15	might take. We don't know what actions the federal
16	government might take. So as we get into later
17	into the third quarter, early the fourth quarter, I
18	think we will have later line of sight to what
19	actions may be necessary.
20	COMMISSIONER BROWN: Thank you, Javier.
21	With regard to the other Duke related
22	utilities in the Carolinas, how does how are
23	Florida's bad debt costs in relation to the other
24	sister companies? Is is that the same?
25	MR. PORTUONDO: Actually, Florida is a bit

1	high, and and that's historically even outside
2	of a pandemic. Florida has tended to have larger
3	arrears and slightly larger final bad debt expense.
4	COMMISSIONER BROWN: Thank you.
5	Lesley, with regard to customers, I would like
6	your, I guess, that deferred six-month program.
7	That sounds like a really good business practice,
8	quite frankly. And does a customer have to default
9	to automatically to be eligible for that payment
10	program, or can anybody with a hardship kind of
11	sign up for that?
12	MS. QUICK: No. We are offering this to all
13	of our customers, so any customer who wants to be
14	set up on a deferred six-month deferred payment
15	arrangement, we are offering that to our customers.
16	COMMISSIONER BROWN: And how are you
17	communicating that program, Duke?
18	MS. QUICK: We are communicating that through
19	all of our emails that I kind of showcased in the
20	slide, our emails, our text campaign. If they call
21	our call center, we are offering that through our
22	specialists, so through as many channels as we can
23	right now. So it's it is over where they can go
24	out to the Duke Energy updates website that I
25	mentioned also, and it will talk about the

1	potential options that we are offering there also.
2	COMMISSIONER BROWN: Thank you. I really
3	appreciate your presentation. It was great.
4	CHAIRMAN CLARK: Thank you, Commissioner
5	Brown.
6	Any other questions for Ms. Quick?
7	Commissioner Fay.
8	COMMISSIONER FAY: Thank you, Mr. Chair, and
9	thank you for the information, Ms. Quick.
10	On Slide 4, under your policies and
11	procedures, you mentioned planned outage outages
12	reduced to minimize impact on customers during
13	COVID. This was something I thought of originally
14	when I looked at this material, I actually was on a
15	work call here in Tallahassee when when the
16	power went out at one point, and we are seeing that
17	shift of people working from home.
18	So how do you how do you move forward with
19	projects, but at the same time, recognize that
20	you you don't want to you don't want to
21	disconnect unless you absolutely have to due to the
22	amount of people working from home?
23	MS. QUICK: Yeah. I think we are having to be
24	very considerate right now, just given the fact
25	that it's impacting a lot more of ours customers,

because they are trying to work from home, and when you don't have power, you can't really do -- do your work.

So we've got our -- our teams in distribution and our generation teams that are working to -- to really think through how we plan outages going forward so that we can lessen the impact on our customers.

COMMISSIONER FAY: Good. Thank you.

And on Slide 8, at the -- the bottom of your slide -- and you mentioned this a little bit in your presentation. There is a sentence at the bottom there that says: Duke is not aware of any other sources which might assist in the offsetting incremental costs and loss revenue that support cost service.

Just to be clear, the intention of that is stating kind of the -- the status quo to the current day. You are -- you are obviously looking at the potential that the federal government might bring additional resources forward for these types of things, and so you would -- you would include those in your ongoing evaluation to offset costs, correct?

1 COMMISSIONER FAY: Okay. 2. MS. QUICK: Yes, we are doing that. 3 COMMISSIONER FAY: Okay. Great, T.hank you. 4 That's all I had, Mr. Chair. Thanks. 5 CHAIRMAN CLARK: All right. Thank you, Ms. Ouick. 6 7 If there are no other -- Commissioner Polmann. 8 COMMISSIONER POLMANN: Thank you, Mr. 9 Chairman. 10 I just wanted to indicate that the 11 presentation was excellent. You actually addressed 12 all the questions I would have had, so thank you 13 very much. 14 I appreciate that. Thank you. MS. OUICK: 15 CHAIRMAN CLARK: All right. Thank you for 16 being with us today, Ms. Quick. 17 MS. QUICK: Yep. 18 All right. Moving next to CHAIRMAN CLARK: 19 Mr. Luke Buzard, Vice-President of Pipeline Safety 20 and Regulatory Affairs for Peoples Gas. 21 Luke, you are recognized. 22 Yeah, thank you, Mr. Chair. MR. BUZARD: Can 23 you hear me? 24 CHAIRMAN CLARK: Yes, sir. 25

MR. BUZARD:

Thank you very much,

Commissioners and Mr. Chair, and thank you to your staff and your team for accommodating us in these unusual circumstances today.

We appreciate the Commission taking the time definitely to have this very important discussion, and with regard, I am the VP of Pipeline Safety and Regulatory Affairs for Peoples Gas, and just a few opening comments before I turn it over to our Director in Customer Experience, Karen Sparkman, to go through that stats for Peoples Gas and Tampa Electric.

First, I just wanted to recognize our PGS and Tampa Electric field technicians who continued to work from the onset of the pandemic, along with the workers at all of the other utilities on this call and across the nation. These folks have always been essential, but in times like what we are facing now, I think it's real important that we recognize how evident it is that their work is so important.

Secondly, I just want to recognize industry.

Something recently -- recently wrote these from

Exelon, a behavioral analytics company, reported

that the average rating by customers in response to

the pandemic for utilities was 7.2 out of 10. I am

also proud to share that in that report, Peoples

Gas was one of two companies that received above an

8.0 score.

Lastly, the pandemic, and more specifically a burst of topics spread have created pervasive challenges across our business. Our safety and ops teams, along with our more administrative roles, have all culminated in new working conditions, procedures and PPE expectations, much like all the other utilities that are on this call. In order to keep our service operating without interruption or with issues in doing our part to fight against the disease.

Ms. Sparkman will illustrate the impacts of the pandemic on our customers and how organizations have invested in the fight against the pandemic by supporting local community organizations on the front lines and assisting our customers economically.

We appreciate at both Peoples Gas and Tampa Electric that our customers that both residentially and commercially have faced hardships during the pandemic, and we are committed to getting through this collectively.

Mr. Chair, thank you for the time to share my

1	comments, and I ask that Karen walk us through the
2	steps for TECO for Tampa Electric and Peoples
3	Gas.
4	CHAIRMAN CLARK: Thank you, Mr. Buzard.
5	Ms. Sparkman, you are recognized.
6	MS. SPARKMAN: Good morning, Commissioners.
7	My name is Karen Sparkman, Director of Customer
8	Experience Operations for Tampa Electric and
9	Peoples Gas, and I am excited to be here today to
10	present on behalf of both companies, as as Luke
11	noted.
12	Next slide, please.
13	As we started our pandemic journey, our focus
14	was, and still remains, to preserve the health and
15	well-being of our customers, community, all the
16	while maintaining the continuity of our essential
17	business.
18	Today, my focus is going to be on the status
19	of our customer accounts receivable for both Tampa
20	Electric and Peoples Gas, as well as various
21	assistance we've provided and continue to provide
22	to our customers, as well as assistance applied for
23	by the company.
24	So back in March, just like our other
25	counterparts in Florida, we decided to voluntarily
i .	

1 and temporarily pause the disconnections for 2. nonpayment for both electric and gas. We quickly 3 recognize the COVID pandemic was placing many of our customers in a hardship situation making it 4 5 important for us to lead the way for some temporary We knew the need would be great and 6 7 immediate, so we quickly acted by doing several 8 things.

The organization donated \$1 million in below the line assistance, half a million which went directly to our internal share customer assistance program, and the additional half a million that was donated to various local charities to help during the pandemic.

Next, we took the initiative to train a customer assistance team internally to process the share assistance applications, because we knew that our partners at the Salvation Army, who normally would process those applications, they weren't equipped to quickly manage the volume from the many thousands of customers that applied and received the assistance.

We then aligned our efforts with Hillsborough County. And I want to stress the importance of that, because Hillsborough County is our largest

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1 customer assistance provider, as well as other 2. agency partners throughout the state. 3 So it -- it remains important to us that we 4 work collaboratively with our agency partners in 5 making every single attempt possible to avoid disconnecting our customers for nonpayment. 6 7 We have expressed many times and have 8 demonstrated through our actions that we want to work alongside our customers to help them avoid 10 disconnection. 11 In fact, I will share that just late last 12 week, we made the decision to extend our suspension 13 of fuel disconnections for an additional month to 14 allow for even more time for our customers to apply for assistance. We are now scheduled to resume 15 16 disconnections in mid-September. 17 And just as a general reminder, we don't 18 disconnect service when a customer has an active 19 payment extension, installment plan or an agency 20 commitment that covers their arrears. 21 Next slide, please. 22 So moving to receivables, looking at our of 23 trending data, it reflects the study increase of 24 age receivables for both companies. You will see

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that we peak in the month of May, and then we show

a promising decline in June. So we are attributing our improvement to various actions to include our first month of midcourse correction fuel credit applications, which occurred in June on the Tampa Electric side; then also our robust outbound soft collection touch points which we achieved through things like in-person phone calls, outbound dialer and email communications, as well as our steady application of assistance dollars that have continued to come in.

For our account in arrears, which you will see the two charts on the right-hand side, you will notice that for Tampa Electric, the total arrears balances have increased by 53 percent since March of 2020, and the total balance of a percentage of AR is 25 percent compared to 13 percent this same time last year.

For Peoples Gas, the total arrears balances have increased by 27 percent since March, and the total arrears balance of a percentage of AR is 30 percent compared to 17 percent this time last year.

Then as a side note, we currently have about 92,000 active contract accounts that are past due as of the end of June of 2020 for Tampa Electric, and about 34,000 active contract past due at the

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end of June for Peoples Gas.

For bad debt expense, normally our bad debt

runs at about a .19 for Tampa Electric and at a .36

for Peoples Gas.

In June of 2020, Tampa Electric used a bad debt percentage of .40, and Peoples Gas used a bad debt percentage of .75.

Next slide, please.

Just to elaborate a little bit more on our robust customer assistance actions, we have intentionally increased the number of touch points to customers over the last several months. Again, with the goal of providing as many opportunities as possible for customers to get their past due balances taken care of.

On average, a customer has received anywhere between 12 and 14 touch points from us. We have continued to encourage our customers to reach out to us and take advantage of the many collectable payment extension options that are available, and customers on many, many occasions have repeated thanked us for the flexibility that we continue to demonstrate when working with them, and also because we help them if they need help applying for assistance.

We stepped up our communication efforts

communicating proactively through multiple

channels, to include things like direct mail and

IVR, as well as a number of letters to past due

customers. In fact, our past due customers have

received multiple soft collections communications.

We have also led with press releases and social media blasts, website updates, and we sent two rounds of emails from our president.

Lastly, we've had various bill messages and bill inserts. Plus, our COVID communication also hasn't been limited to just arrears and collections information, and we have included things like energy efficiency tips, scam warnings, and we provided awareness on our convenient self-service digitization tools and services that are available. And again, we always express our support of local nonprofits for COVID-19 relief.

On the payment arrangement side, we've modified our guidelines to add more flexibility.

In June, we began communicating to our customers three ways to avoid disconnection. So we are asking our customer to either pay their bill in full, if they are able, which most of them are and have, or to make a partial payment and set up an

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interest free flexible payment extension. And we
have various options available for that, with as
little as a 10 percent down on the current bill, we
are able to extend customers anywhere from three to
have various options available for that, with as
little as a 10 percent down on the current bill, we
are able to extend customers anywhere from three to
have various options available for that, with as
little as a 10 percent down on the current bill, we
are able to extend customers anywhere from three to
customer assistance.

In fact, I want to take just a few minutes to share that we are, again, working very closely with Hillsborough County. And with the new CARES Act funding dollars that are now available, most of our COVID hardship impact customers should be able to see additional relief very, very soon.

Hillsborough County is preparing to launch

Phase 2 of the Rapid Response Recovery Utility and

Housing Assistance Program this coming Monday,

which is going to greatly benefit our customers.

This will provide eligible customers with

assistance that will go directly towards their

utility arrears.

Lastly, the approval and application of the midcourse fuel credit and fuel rate reduction have already demonstrated to be a great benefit for our Tampa Electric customers, and we are excited that these credits continue through August, and then the lower fuel costs will continue through the end of

1	the year.
2	Next slide, please.
3	For charitable assistance, our internal share
4	program has continued to provide important utility
5	bill assistance with funds donated from customers
6	and employees alike, as well as a recent community
7	partner that has pledged \$50,000 to the program,
8	which helps us to assist even more customers who
9	may not be eligible for the traditional federal
10	assistance dollars that are out there.
11	We've partnered with the Tampa Bay Lightning
12	to assist with customers' bills for electric and
13	gas. And in fact, the Lightning has helped 91
14	customers with \$150 toward utility bills.
15	The company contributed half a million dollars
16	to various community groups that assist customers
17	in other ways, with things like food and personal
18	items.
19	And then as far as governmental assistance, we
20	continue to work closely with our partners
21	throughout the state to direct customers to the
22	various assistance options that continue to be
23	available to them.
24	The dollars are out there, and we are taking
25	every single opportunity to communicate as such to

1	our customers.
2	Next slide, please.
3	Lastly, both companies have taken advantage of
4	the payroll tax deferral provision as part of the
5	CARES Act assistance, and are evaluating our
6	potential to implement the employee retention
7	credit provision. At this time, we are not sure if
8	it's open for essential businesses to take
9	advantage of.
10	So in closing, I again like to reiterate our
11	goal of working alongside our customers to help
12	them resolve of their arrears challenges and guide
13	them to the available assistance options that are
14	out there, as well as provide easy access to
15	flexible payment extensions. We are here to help,
16	and we appreciate the opportunity to serve our
17	customers.
18	Thank you for your time today, and I will take
19	any questions.
20	CHAIRMAN CLARK: Thank you, Ms. Sparkman.
21	I have a couple of just clarifications if you
22	could make for me on the customer account
23	receivable information on, I believe it's the third
24	page in your presentation.
25	When we look at your bad debt expense and your

1	arrears, I see your persons and your calculation.
2	I just want to make sure I understand. Just look
3	at the TEC arrears, in 2019 you had 13 percent. I
4	assume that was 13 percent, was that of your
5	customer base or is that of your revenues?
6	MS. SPARKMAN: Of the revenue.
7	CHAIRMAN CLARK: Of revenue. Okay. So if you
8	went from 13 percent to 25 percent, isn't that 100
9	percent increase in the number of in the amount
10	of arrearage instead of 12?
11	MS. SPARKMAN: That's correct. We've doubled.
12	CHAIRMAN CLARK: Okay. I just wanted to point
13	that out. It's much, much larger than it than
14	it actually looks here. And bad debt, the same
15	thing, that is those calculations are, your bad
16	debt expense, are a percentage of revenue.
17	MS. SPARKMAN: You are exactly correct, and
18	those have coupled doubled as well.
19	CHAIRMAN CLARK: From .19 to .40 has basically
20	doubled that amount. Okay, I just wanted to
21	make make sure that the change is the numbers
22	are correct. I just wanted to make sure in context
23	that was right. Thank you very much.
24	MS. SPARKMAN: Yes, sir.
25	CHAIRMAN CLARK: Commissioners, other

1	questions?
2	Commissioner Brown.
3	COMMISSIONER BROWN: Thank you. I wanted to
4	ask Luke a question regarding Peoples Gas, and
5	really kind of you know, it's very concerning
6	with the echo concerning the amount of bad
7	debt, and and what the future potentially holds.
8	I wanted to get your perspective of the long-term
9	outlook that Peoples Gas is going to take with
10	regard to COVID-related expenses.
11	MR. BUZARD: Thank you for the question,
12	Commissioner Brown.
13	As you are aware, we have a petition filed for
14	a request to defer expenses associated with how we
15	have responded to the pandemic. Currently, like
16	Chris mentioned earlier for FPL, we are hoping, you
17	know, that this is temporary and we get through
18	this and that we are able to recover. And what we
19	are seeing from a customer usage standpoint is
20	something that eventually will again come back.
21	So we are taking it essentially day-to-day.
22	We are focused on meeting our customers' needs
23	currently. And and again, I think our request
24	to defer costs and bad debts associated with what
25	we are facing currently will help with the future.

1	COMMISSIONER BROWN: How many of your
2	customers are commercial, a great majority?
3	MR. BUZARD: Yeah. Thank you for that
4	question.
5	The actual number of customers who are
6	commercial versus residential, commercial makes up
7	probably around 30,000, 40,000 of our customers of
8	the overall 400,000. But the way that our rate
9	design does work, is that commercial customers make
10	up over 50 percent of our customer margin.
11	So it is an important fact to understand the
12	way that we are applying our cost of service to our
13	customers, that those commercial customers are
14	primarily volumetrically charged. So the
15	significant reduction in customer usage on the
16	commercial front is is pretty impactful for PGS,
17	and it's slightly different versus our our
18	electric company.
19	So, yeah, it's a pretty significant impact,
20	especially the restrictions that have been put in
21	place that have impacted the small commercial
22	businesses.
23	COMMISSIONER BROWN: Absolutely, and so you
24	understood my question very clearly.
25	So how many of those commercial/industrial

1	customers are discontinuing have you seen
2	already discontinuing service permanently?
3	MR. BUZARD: Yeah, I think like some of the
4	questions earlier, I think that's hard to determine
5	what is permanent, but I would ask maybe Ms.
6	Sparkman to help if there is any clear picture she
7	may have for our commercial customers.
8	COMMISSIONER BROWN: Certainly.
9	MS. SPARKMAN: Yeah, I don't I don't have
10	those numbers immediately handy, the numbers that
11	have disconnected permanently. There definitely
12	has been a good amount though.
13	COMMISSIONER BROWN: I imagine so. And it's
14	great that you are working with the community, but
15	unfortunately there is only so much financial
16	assistance that is available for folks.
17	So thank you for all of that presentation, and
18	I appreciate the work you are doing.
19	CHAIRMAN CLARK: Thank you, Commissioner
20	Brown.
21	Other Commissioners, any questions?
22	Commissioner Fay.
23	COMMISSIONER FAY: Thank you, Mr. Chair, and
24	thank you for the presentation.
25	I I will direct my questions, I guess, to

either Mr. Sparkman or Mr. Buzard, whoever prefers to answer.

So my first question is related to the -- the scam warning mentioned in your slides. I know in the Attorney General's Office during storms, you would see a heightened level of different scams and new scams, and the utilities now are taking a more active role in communication, and so I think it can become challenging for consumers to decipher what is a legitimate communication and what isn't because of the -- the urgency of the situation. So how are you communicating with customers to make sure they understand what information they should or shouldn't be giving out?

MS. SPARKMAN: Sure. Thank you for the question, Commissioner.

And you are definitely right. We -- we do see scam activity continue to peak, and we actually have some designated resources in the company that whenever we start seeing that customers are calling in to report scam activity, we quickly get those phone numbers shut down so that they are only able to impact a small amount of customers.

But we are communicating heavily via social media. We -- we place blurbs of, you know,

watching out for scam communication. In the
different touch points that we send out to our
customers, we mention scams and the propensity of
scams on the phone, you know, whenever our
customers are calling in.

And a lot of our customers will call and ask us, you know, oh, have you heard about the scams, and so we -- we do, you know, a very robust job to educate our customers on watching out for scams.

You know, now and then, though, we do get calls, very rarely, where customers have said, you know, oh, I have paid, you know, this person, and, you know, then we find out that it's a scam, and so -- but that's -- that's the rarity.

COMMISSIONER FAY: Sure. And I appreciate you doing that, because I think we -- like you said, we are likely to see more and more of those as we go forward.

I also wanted to ask you a question about -you talked a lot about customer assistance, I think
you did a good job in presenting that information
and the County's involvement, and being from Tampa,
I know they are -- they are a good player trying to
do the best they can with a tough situation, but,
you know, part of the -- the rate process includes

1 late payments on bills that are past due, and under 2. the ordinary course of business, those would 3 incentivize payments on time for when those bills 4 are due. 5 But I am concerned, you know, some of the customers who are working with, for example, the 6 7 County, or other entities, to get financial 8 assistance to make those payments, their -- the late payment itself, would it -- is it still 9 10 incentivizing them to pay on time? I mean, I know 11 at some point we will go back to normal billing 12 process, but if they are working with an 13 institution for financial assistance, the timing 14 just might not be necessarily under their control. 15 Certainly, and definitely, you MS. SPARKMAN: 16 know, and of course, just like with normal 17 business, you know, if a customer calls and 18 expresses, you know, the COVID hardship to us, we 19 absolutely work with them and, you know, we waive 20 the fees. 21 And I appreciate that you also mentioned our 22 work with Hillsborough County, because we have work 23 hand-in-hand with them. And I will share that, you 24 know, as -- as last week, a plan to resume 25 disconnections is very different. And the County

came to us and said, look, you know, we are getting ready to roll out this next phase of assistance, which is going to be very helpful to our mutual customers, and, you know, we would really appreciate it if you guys would consider extending out the suspension of disconnections for another month.

And so, you know, because of our strong, solid relationship with the County, and our commitment to our customers to ensure that, you know, we are using disconnections for nonpayment as a very last resort, the executives, we decided that we were going to extend the suspension of disconnections for another month, so that we could encourage our customers, you know, through this grace period to again apply for these knew funds that are out there; because as, you know, one of our other Florida partners mentioned, the federal assistance funds out there for CARES Act are extensive, and there is a lot of money that is out there for shelter and utilities, and I think where we need to focus our energy as a utility company is figuring out how we get those customers to apply for those funds. And that's where we are focusing our energy at Tampa Electric and Peoples Gas.

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1	COMMISSIONER FAY: Great. I appreciate it,
2	and I appreciate the continued communication with
3	the the County. I think that will that will
4	be beneficial for the customers. Thanks so much.
5	That's all I had, Mr. Chair.
6	MS. SPARKMAN: Thank you.
7	CHAIRMAN CLARK: Thank you, Commissioner Fay.
8	Other questions?
9	All right. Thank you very much, Ms. Sparkman.
10	We appreciate it. Thank you, Mr. Buzard.
11	MS. SPARKMAN: Thank you.
12	CHAIRMAN CLARK: All right. Next up, Mr. Mike
13	Cassel from Florida Public Utilities Company.
14	Mike.
15	MR. CASSEL: Thank you, Chairman. Good
16	morning, Commissioners, and I thank you for the
17	opportunity today to speak to you. I apologize we
18	are not on video, but like every day, we are
19	learning to adjust as we go to the unknowns, and
20	today is the unknown of technology for me in the
21	office.
22	Again, I am Mike Cassel, and I am today I
23	am going to represent Chesapeake Utilities Florida
24	entity that does both gas and electric known here
25	as Florida Public Utilities. And I am going to be

brief, because everything I am going to say you

have heard already from the other IOUs. Obviously,

a little bit different scale for sizes, but we find

are similar patterns and executions in our -- in

our businesses.

So utilities hear that responsibility is to our customers and safety of our customers and our employees is paramount, and it was before the pandemic and it is during the pandemic, and that will continue. So I want to make sure that that is clear.

And we have also found ourselves to be a hubble of information for our customers, again, outside of the pandemic time as well during the pandemic. We want to be that information source where we can in our community. So we are spending a considerable amount of time and effort to ensure that that continues.

As far as our plan went within, we activated our pandemic task force as a response task force in very early March, we began monitoring the situation, as everyone else did, late January and February. We coordinated this to get cross-functional teams to make sure that our company responded in the appropriate manner as far

1 as consistency of service, continuity of service 2. went on, and we limited the spread of the virus 3 within our buildings and our community as best we 4 could, implemented the same CDC efforts to limit 5 the spread and the cleaning protocols, and we started limiting nonessential visits to homes and 7 businesses, and people coming into any of our -into our businesses, and we ordered extra PPE for 8 9 our in-person interaction where they had to be, and 10 then we began to reemphasize the commitment to our 11 customers for that continuity of service, which, as 12 we see today, it's even in the news, the hurricanes 13 that are spinning around, the tropical storm, it 14 becomes so critical for us, and some other IOUs 15 mentioned this, is our preparedness within the 16 pandemic for a hurricane becomes so critical. 17 I think probably mostly that our customers know 18 that we are on top of that, and that we are 19 planning for that. 20 So it may delay restoration times. It may 21 look a little bit differently, but we are also 22 absolutely 100 percent prepared to address it, and 23 that includes additional -- internally for 24 additional tabletop exercises, additional planning, 25 resource allocation, and making sure that we knew

how we would approach any situation that would come up that happens to come up.

The primary basis of that was our communications, and that's with the hurricane and for the pandemic. Our communications through all channels -- and I will touch on that in a minute -- has been extended and pushed beyond what we thought we were capable of doing, because even if you don't have the answer, it becomes a critical step to make sure you are saying something, and you are there to hear when your customers are speaking.

Our timeline, like I said, began roughly March 10th, we -- we started out with communications external. That was with all of our local communities, with -- with the regulators, with our shareholders, and everybody externally to let them know we were contemplating and we were moving toward the idea that we would suspend voluntarily our -- our late fees and our disconnects.

We did ultimately do that a few days later, effective the 16th; and we also, at that time, closed our walk-in. So we are, to this date, from the 16th forward, until now, still not collecting late fees, we are not doing disconnections, and we are overly communicating alternate payment methods

and options wherever we can.

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On March 15th, we opened our landing page at CHPK respond dot com, and that is what I will refer to as everything COVID-related. We are reminding customers to call us if they are experiencing We are informing them of all of our hardships. contactless payment options and channels, all of our options outside of coming into an office. are frequently warning of the scams that are out there during this time. We are communicating what to expect from our technicians if they do have to go into your home. And we are again urging frequent communications from the company out and from customers in. And -- and we are providing all the latest information that we have on the COVID pandemic, and that's all available on one site.

We additionally, in May, started putting mail inserts in, again reminding them of the safety of technicians and our customers if they have to interact for emergency situations, reminding our customers of the alternate payment options, and getting them in contact with state, local and federal assistance. One of the ways we did that was through the 211. And we are posting links, like the other IOUs, the assistance financially

1	that may be available to them. And we we have
2	another bill insert coming in August, again
3	reminding of reaching out for help for financial
4	issues, and for additionally for payment
5	options.

In mid-July we started what we will call robocalls. It's a softer approach. We started with the people that are in arrears and are working backward, but we are trying in a softer approach to remind people that we are here and we want to communicate. We want to set up options. We want to understand their needs.

We have very liberally extended our payment plans frequently to six months, and we have gone as far as nine months on a case-by-case basis.

So what we are trying to urge is that customers reach out to us and discuss need, and we get -- get them the help they need and work out some kind of plan going forward.

We also instituted something called The Sharing Program here in Florida. This has been in existence for Chesapeake in its northern division. And it is a program that provides up to \$1,000 grant per family. And we execute that through a third party, such as Catholic Charities and some

others, but we are opening that up to our Florida
customers as well.

We have donated almost a quarter of million dollars raised through several venues, including employees and shareholders to date, and we are donating that through the community that are in, especially the smaller ones, you know, Feeding America, United Way, Salvation Army, anywhere that we see that there is a need that our customers and those communities can work together we are trying to contribute to and encouraging support the best we can in a remote situation.

something we are doing for employees, we realized, too, that this time of separation is difficult on everybody, is if they have the opportunity to do curbside or takeout in their local communities with the restaurants to help support those communities and their financial needs, we are encouraging them to do that, and then we take that back internally and -- and we get stuff, you know, just by, you know, what you did for the Friday night, and we sponsor that every Friday night to encourage employees to go out and spend in their community in a safe way.

We -- as I said, we are also connecting people

to the government programs that are available through LIHEAP and the CARES Act. Again, all of that is found under our CHPK responds dot com.

As far as the disconnects and our arrears, like -- like the other companies, both gas and electric, we are seeing a large increase and -- and that ranges over 70 percent of -- of arrears of people 61 days and older.

So this is what started the robocalls. We see that beginning to grow, and our concern is that at least temporarily, we are aware of the long-term effects that if the bill gets too high, it becomes more problematic. So we are trying to encourage people if they can pay to pay to continue to pay, and those that can't, to give them a financial plan, reach out to communicate so that we can try and manage back the arrears balances don't grow beyond what think they can handle and that we cannot sustain long-term.

At this point, we are monitoring every -every month what the balances are, and we have not
determined when we are going to go back. That's
somewhat dependent on how, you know, how the
economy is doing and what our disconnects and our
plan to start late fees again.

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1 We are trying to be overly cautious and make 2. sure the treatment of our customers at this point 3 and not to create more of a problem than 4 necessarily has to be. 5 So we have noticed in the -- the average bills, it's been fairly consistent on the electric 6 7 side how it splits up some. The average bill in 8 2020 for Duke in arrears was \$144 -- excuse me, 9 last year was \$144, and in June of '20, it was 10 And we have watched that amount of average 11 past due grow. 12 On the gas side, it is typically, in June, 13 In June of this year, it was \$95. about \$53. 14 that has, again, prompted us to use all of our 15 channels and try to reach out to those customers 16 before it gets any worse. 17 We will continue to monitor all of the arrears 18 of the bad debt as we continue to go forward with 19 no definite plan. It is very much dependent on the 20 economy, and -- and the suspension of our late fees 21 will depend on how the companies, you know, how the 22 state starts opening back up. 23 The thing I want to leave you with is that our 24 communications are frequent, and we are trying to

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find everywhere we can -- we recognize that not

1 You heard some of that everybody is tech savvy. today. We want to try to reach our traditional 2. 3 customers and not leave anybody isolated. 4 So we use every channel we have now. We have 5 opened our payment channels, communication channels that we wouldn't typically use, email blasts, and 6 7 we are leaving room and exploring opportunities to do more, the FaceTime, other interactions. 8 9 allowing customers, if there is really a need that 10 they need to be in the office to talk to somebody, 11 we are actually scheduling appointments so they can 12 do a one-on-one social distance meeting. 13 So we are trying to recognize the ability to 14 do everything we know, and leave room for the 15 things we don't know. The key to that is 16 flexibility and communication. And we are working 17 extremely hard to make sure we that we stay up with 18 those. 19 And that's all I have for you. If you have 20 any questions, I am certainly here to answer them

any questions, I am certainly here to answer to for you.

CHAIRMAN CLARK: Thank you, Mr. Cassel.

Any questions from any Commissioners?

All right. Thank you very much. We

appreciate that.

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1	Let's move on to our next presentation, Mr.
2	Gary Rudkin, UIF.
3	Are you available, Mr. Rudkin?
4	MR. RUDKIN: I am. Good morning.
5	CHAIRMAN CLARK: Good morning, sir.
6	MR. RUDKIN: Thank you very much for setting
7	up this workshop. I am looking forward to the Best
8	Practices. I am jotting down a lot of notes, a lot
9	of good good comments as the presentation comes
10	up.
11	I am the President of Utilities Inc. of
12	Florida. We are for those that don't know, we
13	are the largest investor-owned public water and
14	wastewater utility in Florida, with about 75,000
15	Florida water and wastewater connections.
16	We have always been committed to safety,
17	safety of our employees, customers, the community,
18	and committed to continuity of service even more so
19	now during the pandemic.
20	Next slide, please.
21	Early on, like February, early March, under
22	the leadership of Lisa Sparrow, our CEO, there was
23	a management command team formed of the executive
24	management team, HR, various functions, and they
25	are kind of the hub of the process for

1	communication and decision-making. It's been very
2	instrumental.
3	Early on, I think we were all under, you know,
4	how bad is this. And now we know it was pretty
5	serious. As many on this call, the efforts made by
6	our leadership to initiate some of the actions has
7	been very beneficial for safety and continuity of
8	service.
9	And we also we also implemented an employee
10	distancing protocol, and we started a
11	work-from-home policy, which out in the field led
12	to an amount field separation schedule.
13	So it started out distancing, then it's work
14	from home if you can, to now the operations team
15	has various policies on how they cannot interact as
16	a team unless there is a multi-person job that they
17	have to interact on.
18	We we disconnect we suspended
19	disconnects and late payments in mid mid-March,
20	and we started a series of customer communications
21	by email, mail, central media and the website. So
22	we are again, we are trying to reach out to them
23	to let them know what's going on and keep them
24	informed.
25	Next slide, please.

The one thing that literally -- the one thing that's really been beneficial in my mind is the employee communications include a video by Lisa Sparrow, our CEO, every Friday. And, you know, she really speaks how important it is to stay safe and be safe with the continuing appreciation to the field staff out there, like many of you on the phone and first responders out there making sure our customers have, you know, good -- you know, good quality drinking water during this pandemic.

Frequent stakeholder communications seen on this call may be receiving those. Trying to keep the stakeholders along with the customers and our employees informed.

We -- we suspended the entering homes for our employees. There is really no reason for them to go into a home. They would periodically have to if there was a backup, and sometimes those sewer backups are caused by various items in those sewer lines, such as wipes. We wanted to get the word out in no wipes in the pipes. And so far that's been beneficial. We haven't had an increased problem in sewer backups, so very beneficial.

We did major acquisition of PPE for or employees, which was challenging but important.

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1	Wipes, hand sanitizer and gloves and then
2	eventually masks. So it's ongoing. We want to
3	keep them in a 30-day supply. And I think we also,
4	going forward, we want to have some kind of supply
5	of those particular PPE items on hand for the
6	future. We never know when it's going to come
7	around again.
8	We have done three tabletop exercises so far

We have done three tabletop exercises so far in the company, and one of them involved a COVID-19, slash, hurricane event. It was very challenging, but we walked away with a lot of good actions and knowledge about what it could be like if a major hurricane hit any part of one of our units.

Next slide, please.

Again, as I mentioned, ongoing communication with the customers has been key. We have -- the remote policy has been extended to the end of the year now. So those of us that can work from home will work from home until the end of the year, or until further notice.

The customer service staff is working from home. There was already consideration of a hybrid prior to COVID-19, and we are finding out this is actually very beneficial to have them work from

home for a number of reasons. One is, you know, it tends to be high turnover position, but now we are seeing an increase in -- in their engagement, and morale is up. And being that interface with the customer, it can be sometimes frustrated during this time, we are seeing as a big benefit.

We have a travel restriction in place until an indeterminate time. And again, we have the continued communication with the incident command team. As I mentioned, they are kind of the hub of the process. Communication decisions, everything is through the incident command group. It's been very beneficial.

Next slide, please.

So to kind of recap some of the, you know, financial aspects -- and I apologize, we do not have -- we cannot share any data right now. We are still collecting and capturing cost, but late fees and suspension and disconnects, and whatnot, is an impact. Lost revenue, and then we have incremental bad debt expense. So we have been contemplating, you know, the initiation of a regulatory asset to try to capture those costs, and other costs as we, like PPE, costs that we know are somewhat immaterial, but we are still trying to get our arms

1	
1	around on what it is costing us.
2	Next slide.
3	And with that, any questions for me?
4	CHAIRMAN CLARK: Thank you, Mr. Rudkin.
5	Any questions for Mr. Rudkin?
6	Commissioner Brown.
7	COMMISSIONER BROWN: Thank you.
8	I just have one question for you, Gary,
9	really. I really worry about the water industry,
10	and how they are going to deal with the financial
11	impacts. So many of the companies, unlike
12	Utilities Inc., in our state are just very small.
13	So even the slightest amount of customers in
14	arrears can have a major impact, but I wanted to
15	see how you other than with NAC NACWA, how
16	are you collaborating with other utilities in the
17	state to address kind of Best Practices moving
18	forward?
19	MR. RUDKIN: I think the association that you
20	mentioned are really our main source of
21	collaboration at this time. I'm not aware of any
22	specific I think there is some informal
23	networking that that takes place within the
24	business unit, Patrick Flynn and many of the team
25	members, you know, network in the community, but I

1	can't speak to any specifics in regards to who they
2	are communicating with, but
3	COMMISSIONER BROWN: And pardon me. I was
4	going to ask, is the Florida Rural Water
5	Association helping out your utility in developing
6	Best Practices in any way?
7	MR. RUDKIN: No. I think it's primarily the
8	American Water Works Association and the National
9	Association of Water Companies. I will take a note
10	of that. Thank you.
11	COMMISSIONER BROWN: Thank you.
12	CHAIRMAN CLARK: Thank you, Commissioner
13	Brown.
14	Any other questions?
15	All right. Let's move right along.
16	Thank you, Mr. Rudkin, for being here with us
17	today.
18	MR. RUDKIN: Thank you. Thank you again for
19	coordinating this.
20	CHAIRMAN CLARK: Yes, sir.
21	Next up, Mr. Troy Rendell, U.S. Water Corp.
22	Mr. Rendell, there you are.
23	We you are muted, Mr. Rendell. Still don't
24	have you. Can you hear us, Mr. Rendell? Just nod.
25	Yeah, that will work, because we can't hear you.

1	David, any suggestions? Tricks?
2	COMMISSIONER FAY: Mr. Chairman, can he dial
3	in by phone?
4	CHAIRMAN CLARK: That's a great option,
5	Commissioner Fay.
6	Mr. Rendell, did you hear that? Can you dial
7	in by phone?
8	COMMISSIONER FAY: Blink twice if yes.
9	CHAIRMAN CLARK: I am sorry, say again.
10	COMMISSIONER FAY: I was asking him to blink
11	twice if he understood.
12	CHAIRMAN CLARK: If we have a if it doesn't
13	work, we will come back to Mr. Rendell and let him
14	go last.
15	Mr. Williams, Gary Williams, are you on the
16	line?
17	MR. WILLIAMS: I am here.
18	CHAIRMAN CLARK: Okay. I tell you what we
19	will do, we will give Mr. Rendell a couple of
20	minutes to get things resolved there. We will go
21	ahead, if you don't mind, with your presentation.
22	MR. RENDELL: Hello.
23	CHAIRMAN CLARK: Okay. There you are, Mr.
24	Rendell. Okay, time out, Mr. Williams. We are
25	back to you, Mr. Rendell.

1	MR. RENDELL: Sorry about that. It was
2	working this morning. I am not sure what happened.
3	CHAIRMAN CLARK: That's all right.
4	MR. RENDELL: Thank you, Mr. Chairman, and
5	good morning, Commissioners.
6	I am going to be brief. I will give some
7	general comments, some overviews, and then get into
8	some more specifics of some areas of concerns.
9	As far as U.S. Water Services Corporation, we
10	provide services to many cities and counties
11	throughout the state of Florida. Early on, we did
12	implement an emergency relief operations for those
13	cities and counties. We posted on our website, and
14	we did a mailout to operators, and processed
15	hundreds of applications and hired emergency
16	operations relief staff, which we have provided to
17	several cities and counties throughout the state of
18	Florida during this pandemic.
19	We have worked very closely with Mr. Williams
20	and the Florida Rural Water Association to provide
21	these services, as well as to navigate these
22	unchartered waters. We have implemented many of
23	the CDC recommended guidelines that have previously
24	been gone over by the other IOUs, so I want to get
25	a little more specifics.

I know the water and wastewater, the dollar amounts are a lot less but the impacts are tremendously more than the electric companies, the gas companies who gave prior presentations.

We did follow the IOUs' lead at the beginning of March and suspended disconnects and late payments beginning in March. We continued March, April, May, we did reimplement those disconnects in June, which we have not had any negative commentations from that.

We did see, like the other previous presenters that indicated an increase in the -- in the bad debt in the AR arrears, the aged accounts receivable around March -- around the May -- May time period. I did an analysis just recently, and it looks like they have -- the majority of the ones that I oversee, which there is, you know, 23 throughout the state of Florida, those typically have gone down.

The majority of the utilities I have are in small communities. They are retirees or middle class working families, and by the -- by far, the most part, they have been paying their bills. They have been paying -- keeping up with their water payments either through their retirement funds or

2.

1	through continued to work.
2	The areas we do see the difficulty are the
3	historical ones, where we have two utilities with
4	lower income, primarily tenants and I am going
5	to touch on that in a minute where there is
6	renters, which the evictions are are affecting.
7	So those are incrementally increased. You
8	know, the electric companies are the .1 percent.
9	We are up at around, you know, four or five
10	percent, going up into the nines, so 15 to 20
11	percent.
12	So it's a bigger impact on water and
13	wastewater. They are up there, you know, they run
14	smaller. They are looking at smaller dollar
15	amounts.
16	One in particular of interest is one we down
17	in South Florida. It's located in Broward County.
18	They are still in the in the primary hot spot.
19	They never really went to Phase II openings. And
20	what what we are seeing is the largest by far
21	customer in this utility is a is a condominium,
22	and it's run by a condominium association who pays
23	all the bills for the water company. There is a
24	lot of renters and people without work.
25	They contacted us early on, you know, giving

us an indication they were having difficulties of
people paying rent, not paying rent, not paying the
association fees. They cut back on their services
with their landscaping, they've cut back their
cable. They worked with us to -- to, you know, try
to come up with some payment arrangement.

Historically, they have paid their bill every single month. So when they started running into these difficulties, the President and Governor DeSantis had where they could not do any evictions, which got extended -- I believe it was going to run out in June, and then July, and now Congress is looking at extending that through December.

They -- they are in extreme financial straits.

They are -- currently, their accounts receivable balance is close to a quarter of a million dollars, which represents about 36 percent of the revenues for this utility. So this utility is in financial -- has experienced financial difficulty.

To address those suspended payments to U.S.

Water Services who provides operation or

maintenance. So they are not paying U.S. Water for
the last couple of months. We have cut back on the
payments to Broward County for the purchased

1	wastewater. We have reached out to Broward County.
2	We have reached out to the City of Coral Springs.
3	If we were to disconnect, which we are getting
4	close to that point, it's going to affect close to
5	3,000 residents in the in the county of Broward.
6	Unfortunately, about a month ago, Broward and
7	the City had indicated they are in the same
8	situation with us. However, recently, on July
9	14th, our Vice-President of Operations participated
10	in an EPA webinar, which gave financial
11	alternatives to the utilities throughout the state
12	of Florida.
13	During that webinar, it was discovered that
14	the U.S. Department of Treasury had given some
15	guidance on the CARES Act, where there will be
16	funds or there has been funds that's been
17	allocated down to the counties. Although, the
18	counties and the cities cannot use those funds to
19	recover lost revenues, they can use it to provide
20	grants to individuals or businesses that need to
21	pay for the essential services like water and
22	wastewater or electricity that are also
23	experiencing these financial difficulties.
24	We've we've been sharing as recently as
25	this week this information with Broward County, as

1	well as the City. Actually, I got an email during
2	this webinar from the City, and we are going to
3	participate in another call later this week to see
4	if those funds could be available to provide to
5	those homeowners' associations so that they will
6	not be disconnected and they continue the water and
7	wastewater.
8	So we have been in constant contact with the
9	association president trying to work out some type
10	of arrangement. The president of both the utility
11	as well as U.S. Water has offered personal funds
12	through a some type of a loan or a mortgage,
13	which has not been which has been denied. So we
14	have been offering any type of financial services
15	to this one customer who represents over 50 percent
16	of the revenue.
17	So we have been hit hard in certain areas, and
18	we are trying to work with the local governments to
19	try to find some type of funding source for this
20	customer to pay the bills.
21	So with that, I am open to any questions.
22	CHAIRMAN CLARK: Thank you, Mr. Rendell.
23	Any questions?
24	That's that's an amazing that's an
25	amazing sequence of events that's occurred there.

1	Commissioner Brown.
2	COMMISSIONER BROWN: Troy, that's was a very
3	interesting example of how impactful the water
4	industry is facing the pandemic, but I appreciate
5	you highlighting that for us.
6	What is U.S. Water's long-term outlook to
7	address the COVID-related financial expenses?
8	MR. RENDELL: Well, I did an analysis just
9	recently. Like I said, the majority of my
10	utilities, the customers are paying. They are
11	retirees that historically that had good payments.
12	Now, the smaller ones where the tenants are, I
13	don't know. We are still working with, you know,
14	Rural Water Association trying to find funds.
15	Unfortunately, the private utilities aren't
16	aren't accepting these fundings.
17	The one I was talking about down in South
18	Florida, we had one commitment through a bank that
19	provided the funds for this acquisition. So the
20	loan commitments are coming first. We are looking
21	at different alternatives. It's a fluid situation
22	which we are trying to navigate each week. You
23	know, it changes every week.
24	The association president is trying to find
25	other alternatives, and trying to come up with some

1	type of a payment plan for us. We are trying to
2	avoid at all costs any disconnect, but at some
3	point, it's going to be inevitable. So we are
4	trying to work with local governments, because we
5	want to prevent this.

And, you know, like I said, we still have calls this week. We are trying to get the County engaged, the City engaged where the utility is located, because ultimately, those are their residents. If they don't have water service during this pandemic, it's not going to be a very good situation.

COMMISSIONER BROWN: Thank you.

This is such a challenge for your industry, particularly to address how to handle the balancing act of disconnecting those that are seriously delinquent, and then balancing that with the overall good will, public good will. It's -- it's a challenge.

MR. RENDELL: It is. And we are looking at other opportunities maybe. We are looking at, like, how Gulf Power came in for regulatory asset. That is an -- that is an opportunity we may have to explore for this particular utility, and maybe a couple of others. It's not going to be for all of

1	the utilities, but the ones that are in
2	financial are facing financial difficulties.
3	Any of the increased PPE costs have been
4	passed along that U.S. Water has experienced with
5	the, you know, increase there, that has not been
6	passed along to IOUs. There is no plan to pass
7	that along. So, you know, we are trying to do the
8	balancing act like the other utilities are.
9	COMMISSIONER BROWN: And and you are
10	gathering the data that I think we are going to
11	here from OPC on some of the data suggestions that
12	they have. But you are you are managing or
13	attenuating expenses and adequately tracking them?
14	MR. RENDELL: Correct, for the ones that the
15	IOUs are actually experiencing. Really, the
16	majority, their only experience is the bad debt.
17	Nothing else has really changed on their part since
18	they don't have employees.
19	COMMISSIONER BROWN: Okay. Thank you.
20	CHAIRMAN CLARK: Thank you, Commissioner
21	Brown.
22	Other questions?
23	Okay. Thank you, Mr. Rendell. We appreciate
24	you being with us today.
25	And at this time, we will go to Mr. Gary

1	Williams with the Florida Rural Water Association.
2	Mr. Williams.
3	MR. WILLIAMS: Thank you. Thanks for letting
4	me be with you again.
5	And I know we talked here a couple of months
6	ago and brought up some of this, but I will try to
7	update a few of the things, you know, the pandemic
8	effects on the water utilities.
9	Most water utilities did implement a
10	non-disconnect, a non-shutoff policy and stopped
11	charging any late fees, you know, to protect public
12	health mainly, so people are drinking water, wash
13	their hands.
14	The wastewater issue became important in the
15	fact that we had to make sure we eradicated the
16	virus that came into the wastewater stream. So
17	from a Florida Rural Water standpoint in FlaWARN,
18	we've provided a lot of BMPs and SOPs, and
19	resources related to sharing from water utilities
20	related operations, and all of those types of
21	things.
22	The I will say one thing based on what Troy
23	mentioned. Unfortunately, in the CARES Act stuff,
24	from the first thing, there were only 11 of the
25	largest counties that got some of that money. He

mentioned Broward. Broward was one that got some of the money and could use it to help systems in Broward County, but not all the smaller counties got any money to help.

There has been a number of updates that have been completed nationally, National Rural Water did one, AWWA did one, and NACWA, National Association of Clean Water Agencies did one. They all kind of came up with numbers related to annualized affect on water utilities. It is substantial.

There was ultimately -- in the AWWA one, they did stuff related to the delayed rate reviews and rate adjustment that water utilities are doing that had, like, a \$15 billion impact, so that's going to cause problems.

The AWWA one saw a six-percent increase in customer delinquencies above normal related to the pandemic.

The National Rural Water one did about 5,000 systems in the nation. 93 percent of them were below 10,000 population. On a three-month period, they were looking at about \$998 million in revenue reduction, and that didn't include the emergency operational costs. That was just reduction in revenue.

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In that, 15 percent of the systems that participated in that survey nationally were private and investor-owned. So there was a substantial number that participated within the industry we are concerned about here.

31 percent of the system saw a reduction in normal usage, and an average drop of about 25 percent. Those systems, 57 percent that did see a decrease in customer usage were only -- were the ones that had pretty much all residential. So pretty much what we would figure people were at home. If it's mostly residential, there wasn't a decrease in usage. If it was commercial, there was a significant decrease. And 49 percent of those 5,000 systems had lost revenue, average of 22 percent reduction of revenue for those 50 percent.

And I have all of this stuff, and I think might just, if it's okay, email over to you all the different surveys that show the impact nationally.

I do want to bring up a couple other things quickly is there are some things going on federally, even though water attempts weren't directly included in the CARES Act, there is some discussion in stuff that's in the Heroes Act and in some of the Senate stuff that's going to come out

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that will make monies available.

2.

I probably need some of your help to make sure that private and investor-owned stay in that as eligible. They are now, but if they start looking at eligibility, typically we have a hard time keeping that as compared to municipal and governmental. And as you all know, the impact on the smaller systems, regardless of how they are organized, is a mess.

There is a bill also in Congress, and it's been therefore a while, Senator Cardin, I think from New Jersey, has entered his Low-Income Water Assistance bill, similar to what electric and some of the other industries have. And I probably need help on that, too, to make sure that private and investor-owns remain eligible in that bill.

The -- when it came out, the first thing was water utilities were going to determine eligibility and disperse the monies. I think what we've got that corrected now to be where social service agencies would determine eligibility and disperse the money. It probably didn't make sense for the water utility to have to do that. There is probably other agencies that are better at that than the water utilities.

And another thing I want to mention, we have been communicating with a number of utilities, and I am going to use one as an example, not say their name, but they've had about 20 percent increase in nonpayments since they let people know that there wasn't going to be disconnects and there wasn't going to be late fees.

The unfortunate thing, I think, in the message is people misunderstood the message and took it like they didn't have to pay, instead of if they were adversely impacted, the water utilities were trying to work with them to continue service.

The system that had a 20-percent increase, I actually took a look at their delinquencies, and it was people like the Post Office and Dollar General, people that have really not been impacted by loss of revenue, but they got the message that they didn't have to pay.

Many of these small utilities are very concerned about what bad debt they are going to end up having, because as these systems don't pay, the ones that are lower income, they are building up, you know, a huge account, back account, and no one can figure out how they are going to pay their current bill and pay off what is delinquent. So

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1	many of these systems are very concerned about
2	carrying, you know, that particular amount on their
3	accounts.
4	And the other thing I mentioned the last time
5	they had a workshop, I really think that we
6	probably need to look at flexibility in the reserve
7	account information that you have for water and
8	wastewater utilities. You know, it was mentioned
9	on the electric side, some of them were able to tap
10	reserves. It would probably, again, make sense to
11	look at this situation, see if there needs to be
12	more flexibilities in there to keep these water and
13	wastewater utilities, you know, financially
14	solvent, stable and continue to provide service.
15	So I will stop there. I know we had talked
16	recently about it, but that and I will just
17	email over all those national surveys that will
18	give you the information.
19	CHAIRMAN CLARK: Great. That would be very
20	helpful, Mr. Williams. Thank you very much.
21	Okay, any questions for Mr. Williams?
22	Commissioner Polmann.
23	COMMISSIONER POLMANN: Thank you, Mr.
24	Chairman.
25	Mr. Williams, you made a comment about the
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1	small IOUs, and perhaps the cooperatives and others
2	being challenged, and the issue of the municipals
3	and the larger government-related utilities, a
4	challenge for getting money. That's a real
5	concern.
6	And I would I guess my position would be
7	that that perhaps the government utilities
8	have I will just simply say, have other sources,
9	and other ways to manage the revenue loss. I am
10	not going to suggest how they might do that, but
11	they certainly have alternatives. They may not
12	like it.
13	So I don't know how we can how we can be of
14	assistance, because we have responsibility for
15	well, you know, IOUs and many very, very small
16	utilities. So I would simply suggest and, Mr.
17	Chairman, I am going to I am going to offer
18	assistance in some regard here, you know, if there
19	is competition for money for the small utilities,
20	and we are responsible for them, compared to the
21	larger municipal any anything that we can do to
22	help, I would suggest that that's an opportunity
23	that we need to be aware of.
24	CHAIRMAN CLARK: Absolutely.
25	COMMISSIONER POLMANN: So, Mr. Williams, if

you can provide some additional information back to
us, I would ask, Mr. Chairman, that staff work with
Mr. Williams on that.
CHAIRMAN CLARK: Absolutely. It's a great
point.
MR. WILLIAMS: And I appreciate that. Of
course, we represent all of the water utilities,
but we take extra measures to try to represent the
smallest utility, below 10,000, with as much
support as we can, irregardless of how they are
organized.
So I appreciate any help, and we are going to
continue to advocate for all they're worth for the
smaller systems, including the private IOUs.
CHAIRMAN CLARK: Great. Thank you, Mr.
Williams.
Any other questions for Mr. Williams?
All right. Thank you very much.
Okay. We are moving into the last part of the
meeting. I was going to offer a break, but I think
that everyone has kind of taken one as they needed,
so we will just move right into this last couple of
minutes. I think we can probably wrap up in less
than 15 minutes and be out of here around the noon
hour.

1	So next up on the agenda is OPC. Ms. Morse,
2	are you on the line?
3	MS. MORSE: I'm on the line. Can you hear me?
4	CHAIRMAN CLARK: Yes, we can hear you. You
5	are recognized.
6	MS. MORSE: Okay. Thank you.
7	This is Stephanie Morse for the Office of
8	Public Counsel. Thank you, Commissioners, for the
9	opportunity to address this important issue.
10	First, as a housekeeping matter, please note
11	that the questions and Best Practices that I
12	submitted, and that were distributed earlier during
13	this meeting, are in addition to the questions
14	submitted by the Public Counsel, J.R. Kelly,
15	earlier in the month, I think around July 16. So I
16	just wanted to make that note.
17	But to continue, the personal economic damage
18	experienced by many utility customers as a result
19	of the pandemic is well-documented in terms of
20	direct health impacts, the lost lives of family
21	members, job losses and small business closures.
22	In Florida in particular, the difficulties faced by
23	millions of people eligible for unemployment
24	benefits to actually obtain those benefits have all
25	been well-documented.

1 So the bottom line is that a number of utility 2. customers right now, or in the future, encounter 3 delays in being able to pay their bills, as we've 4 heard from the data that was presented today. 5 Of course, utilities are a necessity for life in modern society. Access to clean water is 7 especially essential now as relates to COVID-19, 8 because one of the directives from virtually every public health official is frequent hand washing and 9 10 hygiene practices, including cleaning and 11 disinfecting surfaces at home and in the workplace. 12 So having the water cut off may literally put lives 13 at risk. 14 And similarly, while trying to live or work 15 without electricity would also be devastating, 16 particularly when so much of modern life, including 17 the ability to apply for jobs and other resources 18 is done on-line. 19 So the OPC commends the Commission for 20 considering ways to help customers in need pay 21 their utility bills, make payment arrangements and 22 otherwise to keep their utilities on. 23 As I mentioned, OPC submitted some, to staff, 24 some categories of data to obtain from utilities on 25 an ongoing, periodic basis, in addition to some

Best Practices used in jurisdictions, that would be helpful in going forward in terms of evaluating and addressing the COVID-19 impacts on customers, and to provide innovative ways to avoid forcing the general body of ratepayers to ultimately pay all of the pandemic costs, including the charges left unpaid from uncollectible accounts.

Regulatory principles and basic values regarding fairness and equity call for an appropriate balancing of risks and costs between customers and utility shareholders. So it is OPC's position that customers alone should not bear 100 percent of the pandemic's costs, but instead the equitable thing to do is to first evaluate whether a utility is earning within its authorized range of return.

And we note that when the shoe is on the other foot, such as higher usage during hot weather, you know, in the pre-pandemic times, where the utilities' earnings go near the very top of their range, they don't offer to share those -- any of those higher earnings with customers. And -- and conversely, when a utility is earning near to the bottom of its range because its costs increased, customers shouldn't have to pay for additional

2.

1 unanticipated costs.

2.

As long as the utility is earning within its range, customers should not pay for the utility's cost of doing business, even when those costs increase due to economic and market fluctuations.

So where utilities are earning within their authorized ranges, shareholders should not merely be paying their on direct costs of doing business, but should also absorb more of the unpaid account costs, instead of the entirety of that being passed on and covered by the rest of the paying customers through their rates.

OPC encourages the Commission to follow the well-established principle set out by the U.S.

Supreme Court in 1944, that the customers should not be required to act as guarantees -- guarantors of a utility's profits. And that's laid out in the Federal Power Commission V Hope Natural Gas Company at 320 U.S. 591 at 603.

So because utilities are not guaranteed to earn an authorized rate of return, but merely, you know, they are -- they get a reasonable opportunity to earn a fair return, it's appropriate to first assess the risk to the shareholders and require utilities to institute internal cost reductions

before seeking recovery of every new anticipated
cost, to try to get that from customers.

Additionally, the responsibility in rate-making as a general matter to is to balance the right a utility's investors to recover costs against the right of the public to pay no more than reasonable rates for utility service.

And again, customers should not bear every cost that results from the -- from the whole general pandemic caused economic recession while utilities get shielded, or insulated 100 percent when no other business or person in the rest of the country gets that same protection.

We agree with the prior speaker, I believe it was FPL that mentioned we are in unchartered territory. So because the pandemic is still occurring, and with Florida as a hot spot now, and the timeframe for the end of the pandemic is uncertain, it makes sense to gather information before making drastic changes that harm customers exclusively while keeping utilities fully insulated and insured from any impacts whatsoever.

As a previous speaker mentioned, the current situation cannot be compared one-to-one to the situation 10 years ago, whether that's the -- the

1	recession from 2007 and '08, or or the other
2	previous situations. OPC submits that it's
3	important to try our best to make decisions on
4	applicable data rather than anecdotal information.
5	So in addition to utilities continuing the
6	suspension of disconnections, as as some have
7	mentioned they are voluntarily doing, OPC
8	encourages the utilities and regulators
9	regulators to consider some Best Practices or
10	Best Practice ideas being implemented in other
11	jurisdictions around the nation to alleviate the
12	burden on customers in need, and to try to avoid
13	adding inequitable and unnecessary financial
14	burdens to the entire body of customers, including

So I will just touch on some of these Best Practices we had in mind. Some have already been addressed by other speakers, so I won't belabor those. But we think there is value to the longer and more -- and affordable payment plans at at least 12 months.

those who are paying their bill in full and on

Additionally, we hope that some -- some of the utilities had mentioned they have waived things like deposits and reconnection or late fees. So we

time.

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1	commend Duke Duke Energy in that they were
2	commendably quick to request the CARES modification
3	to late payment and return check charges. And I
4	believe Sebring Gas similar similarly requested
5	the ability to waive certain fees in order to
6	decrease the burdens on customers.

The one thing that we did want to mention is formal arrearage management plan. And we are aware that in some jurisdictions, particularly in New England, there is a company where -- one utility where they offer that where a customer pays the entirety of their current month's bill on time, the utility has a -- a provision to forgive a portion of the past due month so that they can make progress on working down those past due months and not letting it -- and not let it grow.

Additionally, another of the issues we wanted to touch on, and I want to commend the Florida

Rural Water Association, that we agree that maybe we have to consider -- or support consideration of a LIHEAP like program for water and wastewater.

We think it's important to include termination or disconnection protection for the elderly, infants and seriously ill.

And finally, make it easier to document

1 eligibility for certain low-income provisions that 2. the utilities are offering. It sounds like some of 3 them are already doing that. I think one mentioned 4 taking the customer at their -- their word if they 5 are having a hardship or -- or low-income. So 6 that's basically, you know, at least a temporary 7 self-certification as a low-income customer, where 8 that's possible.

And I know, you know, the federal programs have had their own particular requirements, but where it has -- where the utilities have the ability to do so, it's a good idea.

And again I won't go through the entire list of the -- the information that -- that we would request from the utilities on a periodic basis.

Some of that has been covered already in terms of the number of residential versus customer industrial accounts versus, you know, received -- billed and received amounts and arrearages, and how much are -- are unpaid either 30 to 60 days, 60 to 90, and 90 and more.

We would like information regarding the number and duration of any new payment arran -- agreements so we can see, you know, how many people are actually making it on to payment plans, and other

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data such as the number -- eventually number of
accounts sent notice of disconnection, or
disconnected for nonpayment whenever that becomes
applicable.

We also received a number of questions, I think from customers, about the, you know, more detail on the policies of each of the utilities, because they do vary from utility to utility right now in terms of their policies on late fees, or other fees, and what's going to happen when they do, in fact, resume disconnections, and how -- how long, you know, customers will have to pay their bills. These are the kinds of questions we are getting about payment plans and what's available.

So it's definitely a good thing that the utilities, or some of the utilities are reaching out to try to get a dialogue going with customers about that, but I guess -- I think maybe the lack of information that's available readily on those exact policies is -- is a concern for -- for customers trying to do the research on themselves -- by themselves.

So with that, you know, we thank you for taking the time to consider the impacts on customers and customers' abilities to maintain

1	their utility services. Thank you for holding
2	this this workshop, and we hope this
3	conversation can continue going forward.
4	Thank you.
5	CHAIRMAN CLARK: Thank you, Ms. Morse.
6	Any commissioner have any questions for Ms.
7	Morse?
8	Commissioner Brown.
9	COMMISSIONER BROWN: I don't really have a
10	question. I do want to commend OPC for developing
11	this this paper that we have. I think some of
12	the proposed Best Practices are very noteworthy for
13	consideration. So I appreciate you coming go up
14	request this.
15	I do want to hear a little bit more about an
16	arrearage management program. I know you offered
17	an example of what that would look like. Are you
18	familiar, Stephanie, with that type of program,
19	that concept; or are you just throwing an idea out
20	there for consideration?
21	MS. MORSE: I'm familiar with it in terms of
22	just research recent research. I have not
23	experienced it my myself, I guess, but I read
24	I heard an explanation of a case study from a an
25	office at a utility called, I believe, Eversource.

1	I think they serve several several states in the
2	northeast. And she outlined how this arrearage
3	management how their arrearage management
4	program works, and so those are kind of the broad
5	outlines of what I included today.
6	But I would be happy to to submit
7	additional information about, you know, that
8	particular arrearage management program and and
9	any others that I can find. But that's the ones
10	I again, like I said, I I heard I know
11	details of that one particular, but I don't know
12	all the others.
13	COMMISSIONER BROWN: Thank you.
14	And I was going to ask our Chairman at the
15	conclusion or before the conclusion of the
16	workshop if we could continue to seek additional
17	information, not just from interested parties, but
18	customers, so that we can help get a bet clearer
19	picture of our state and our utilities before we
20	propose any Best Practices, or any any type of
21	guidelines for universe uniformly.
22	CHAIRMAN CLARK: Other questions for Ms.
23	Morse?
24	Commissioner Fay.
25	COMMISSIONER FAY: Thank you, Mr. Chair.

1	Just real quick, Ms. Morse, you mentioned
2	we've got this OPC workshops question document that
3	Commissioner Brown had mentioned, but at the
4	beginning, you said the information was in addition
5	to what the Office of Public Counsel, J.R. Kelly,
6	had provided. Are you are you referring to the
7	first section of this, and then the proposed Best
8	Practices, or a previous document?
9	MS. MORSE: No. I am referring to a previous
10	document. I think when this workshop was first
11	proposed, J.R. was in communication with staff,
12	that was a separate document. He may be on the
13	line and be able to give you additional
14	information, but it is separate, and I can, you
15	know, with Mr. Kelly's permission, I could drop
16	that into the the docket later today.
17	CHAIRMAN CLARK: Just one second.
18	Mark, did you have do you see anything?
19	MR. FUTRELL: Just to give Commissioner Fay
20	and the other and Chairman and other
21	Commissioners a little context. When we were
22	scoping out this workshop, and things were moving
23	very quickly, I know Mr. Kelly provided some
24	suggestions on the scope of the workshop, and staff
25	took that into consideration as we formulated this.

1	And some of some of not
2	necessarily every word-for-word, but some of that
3	was in the agenda that laid out the questions that
4	were going to be posed and discussed.
5	So certainly we we appreciated OPC's input
6	in that, but certainly, as Ms. Morse said, it could
7	be provided, and I will be happy to provide that to
8	the to the Commissioners.
9	CHAIRMAN CLARK: Great. Yeah, I didn't
10	receive anything specifically either.
11	Mr. Kelly, are you on the line?
12	MR. KELLY: Yes, sir, Mr. Chairman, I am.
13	CHAIRMAN CLARK: Okay. Was there a document
14	that you provided? We are just trying to clarify
15	it if there was a specific document.
16	MR. KELLY: No, sir. I sent Mr. Futrell an
17	email with questions
18	CHAIRMAN CLARK: Okay.
19	MR. KELLY: that I had just been presented
20	with when several customers, or consumers, had
21	contacted me, and I had been tracking those. So
22	when he called me by about the workshop, I simply
23	quickly typed those up and emailed those to him.
24	So there was no specific document that I provided.
25	CHAIRMAN CLARK: Okay. No problem. We just

1	wanted to make sure there wasn't an additional
2	document that we were missing here.
3	Commissioner Fay, does that address your
4	question there?
5	COMMISSIONER FAY: Yes, it does.
6	CHAIRMAN CLARK: Okay.
7	COMMISSIONER FAY: I appreciate it, Mr. Chair.
8	And then I just had one one comment at your
9	discretion.
10	CHAIRMAN CLARK: Yes, sir.
11	COMMISSIONER FAY: So I just I want to
12	thank you for putting this together. I I know
13	that these are tough issues, and they don't come
14	with easy solutions by any means. And to have all
15	these different parties provide us with information
16	in this format has been extremely beneficial to me.
17	I have already had Commissioners from other states
18	who who saw out that this was out there wanting
19	to ask about information for what what we are
20	doing. And I know Commissioner Brown is involved
21	with some of those recovery efforts too.
22	So we get these questions, so it's nice to
23	recognize that you put this together in a proactive
24	way to address and talk about some of these issues.
25	So I appreciate it.

1	Thank you.
2	CHAIRMAN CLARK: Thank you. Thank you,
3	commissioner Fay.
4	Any other comments or questions for Ms. Morse?
5	All right. Okay. Thank you, Ms. Morse for
6	being on the line with us.
7	Concluding matters, just a wrapup for things
8	we have talked about today.
9	I think we've heard a lot of interesting ideas
10	and concepts, and and have a load of information
11	to go through now in our own minds and try to come
12	up with what we may come back with as some
13	strategies. I think that the concept Commissioner
14	Brown mentioned earlier of some Best Practices, as
15	were listed also by OPC, may be a great thing that
16	comes out of this workshop today.
17	I know what I intended when we started this
18	was to gather information. Now to figure out what
19	to do with that information is going to be probably
20	the more challenging part, but I do not want this
21	to end here today.
22	So I would encourage you, all of our
23	participants today, to continue to filter your
24	information into our staff and to our offices, let
25	us continue to assimilate this, go through it. And

1	I think that what we are probably going to do is to
2	ask staff come up with at least some recommended
3	Best Practices our of the things we've heard today
4	that we can submit to other utilities.
5	I am certainly open to other ideas and
6	concepts, and things that need to be considered by
7	any of the Commissioners, so I will open the floor
8	to you guys for some concluding comments.
9	Commissioner Brown, we will start with you.
10	COMMISSIONER BROWN: You nailed it. I I
11	think that's a great avenue to go down, and it will
12	help develop the right solutions for these tough
13	challenges that we have before us.
14	And I would echo Commissioner Fay's comments.
15	I commend you for hosting this so quickly, too, and
16	we have such a great amount of information that we
17	can help sift through and come back at a later
18	date.
19	But thank you again for all of your leadership
20	here.
21	CHAIRMAN CLARK: Thank you, Commissioner
22	Brown.
23	Any other comments today?
24	Commissioner Polmann.
25	COMMISSIONER POLMANN: Well, I think I should
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just pile on and say thank you. But I think one of
the biggest challenges that we face -- and I will
just simply pose it that way -- is the issue of the
expense of addressing the utilities' costs and -and the impact on the customers, in so many
different ways, addressing the COVID pandemic.

And I am -- I am very much interested in understanding what the alternative mechanisms are and the experiences among the other utilities, and in getting nationally, and so forth, and getting down to some way for the Commission to be well-informed, and perhaps debate what is -- what we have authority for, and then what is the most appropriate way to allocate those expenses. I am really challenged to -- to see how we move forward on that.

Mr. Chairman, I am simply -- I know we can gather that information, staff can farther that, and so forth. I am just unclear in -- in what forum we should be addressing that.

So I just -- I just put that concern and that question out there. Now is not the time to talk about it, but I am just concerned how we are going to sit down and have that discussion. And I hope it's not going to become too daunting.

1	CHAIRMAN CLARK: Right. No, sir.
2	COMMISSIONER POLMANN: I thank I thank you,
3	sir, for for bringing all the parties together
4	here. It's been very helpful, very informative,
5	and I look forward to to more discussion on the
6	topic.
7	Thank you.
8	CHAIRMAN CLARK: Thank you, Commissioner
9	Polmann.
10	I think I was trying to come up with the terms
11	to sum up our situation here, but it's it's
12	simply, as best I can come up with, balancing
13	human, emotional and physical needs, and weighing
14	that against what the future impacts financially
15	are going to be, and how that is distributed is
16	is kind of the crux of the matter here today.
17	And again, I want to say thank you to everyone
18	who was a part of putting information together. We
19	will, Commissioner Polmann, address those issues as
20	you outlined that we do have to set some sort of
21	parameters and collection method, and I think I
22	have some ideas, and I will work on that with staff
23	this week and try to get some stuff out to you
24	guys.
25	So anyway, with that said, any other final

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          concluding comments before we adjourn today?
               All right.
                             Seeing none, thank you very much
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 3
          for your attendance. Have a great week.
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                We stand adjourned.
                (Proceedings concluded.)
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5	I, DEBRA KRICK, Court Reporter, do hereby
6	certify that the foregoing proceeding was heard at the
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8	IT IS FURTHER CERTIFIED that I
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