

BEFORE
THE NORTH CAROLINA UTILITIES COMMISSION
DOCKET NO. E-7, SUB 1276

In the Matter of:)	
)	
Application of Duke Energy Carolinas, LLC)	DIRECT TESTIMONY OF
For Adjustment of Rates and Charges)	LESLEY G. QUICK
Applicable to Electric Service in North)	FOR DUKE ENERGY
Carolina and Performance-Based Regulation)	CAROLINAS, LLC

I. INTRODUCTION

1
2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Lesley G. Quick, and my business address is 400 South Tryon
4 Street, Charlotte, North Carolina, 28202.

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am Vice President of Customer Technology, Advocacy, Regulatory and
7 Business Support within Customer Services for Duke Energy Corporation,
8 including Duke Energy Carolinas (“DEC” or the “Company”). DEC is a
9 subsidiary of Duke Energy Corporation (“Duke Energy”).

10 **Q. PLEASE SUMMARIZE YOUR EDUCATION AND PROFESSIONAL**
11 **QUALIFICATIONS.**

12 A. I have a bachelor’s degree in Financial Management from Clemson University.
13 I started with Duke Energy two weeks after my graduation from Clemson
14 University in 2002, and I have remained an employee for the past 20 years.
15 Since 2002, I have worked for Duke Energy in a variety of roles, each with
16 increasing responsibility. I have worked in Finance, Rates and Regulatory
17 Compliance, Corporate Strategy, Customer Solutions Products and Services,
18 Revenue Services and Customer Services. I assumed my current position in
19 Customer Experience and Services in July 2022.

1 **Q. PLEASE BRIEFLY DESCRIBE YOUR DUTIES AS VICE PRESIDENT**
2 **OF CUSTOMER TECHNOLOGY, ADVOCACY, REGULATORY AND**
3 **BUSINESS SUPPORT WITHIN CUSTOMER EXPERIENCE AND**
4 **SERVICES.**

5 A. My responsibilities include the oversight, leadership, integration, and
6 implementation of strategic business planning governance, change
7 management, audit and compliance requirements, customer technology
8 support, digital experience transformation, and enhanced customer
9 communications. I provide direction and leadership in the development of
10 organizational business plans to ensure alignment and achievement of
11 objectives, regulatory compliance and reporting, key performance indicators,
12 and operational metrics. Additionally, I lead the Customer Advocacy and
13 Consumer Affairs divisions. Customer Affairs is a centralized team that
14 resolves commission complaints and other sensitive or escalated issues through
15 a variety of channels including social media; Customer Advocacy is responsible
16 for enhancing support for our customers by expanding outreach with local,
17 state, and federal agency partners to improve access to assistance funding.

18 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE COMMISSION?**

19 A. Yes. I submitted pre-filed direct testimony in DEP's currently pending rate case
20 in Docket No. E-2, Sub 1300. I have also appeared or testified before regulatory
21 commissions in other states including Florida, Indiana, Kentucky, Ohio, and
22 South Carolina.

1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

2 A. The purpose of my testimony is to highlight DEC's excellent service to our
3 customers and to describe how that translates to customer satisfaction. My
4 testimony also highlights the Company's "Affordability Ecosystem," our multi-
5 pronged approach to addressing the affordability challenges faced by our low-
6 income customers. To that end, I introduce two new program proposals that
7 will provide additional support and resources to address the unique needs of our
8 low-income customers needing assistance. I also describe the various ways the
9 Company has served and supported our customers through the unprecedented
10 COVID-19 pandemic. I outline some of the steps the Company is taking to
11 continue to improve the experience and satisfaction of our customers when they
12 engage with us. In keeping with providing our customers excellent service, I
13 also propose expanding residential fee-free payment options to our non-
14 residential small and medium business customers, which will provide them with
15 more flexibility in their bill payments.

16 **Q. DO YOU HAVE AN EXHIBIT WITH YOUR TESTIMONY?**

17 A. Yes, Quick Exhibit 1.

18 **Q. WAS THE EXHIBIT PREPARED OR PROVIDED HEREIN BY YOU,**
19 **UNDER YOUR DIRECTION AND SUPERVISION?**

20 A. Yes. Quick Exhibit 1 was prepared under my direction and supervision.

1 **Q. HOW DOES THE COMPANY FOCUS ON DELIVERING EXCELLENT**
2 **CUSTOMER SERVICE?**

3 A. At DEC, the customer is at the center of our purpose. Evolving customer
4 expectations, emerging technologies, and changing state and federal energy
5 policies all converge to create a dynamic environment for the Company and the
6 industry. As I describe in my testimony, DEC strives to exceed customer
7 expectations by building genuine connections with all customers by soliciting
8 customer feedback, taking note of evolving customer expectations, anticipating
9 customer needs, leveraging emerging technologies, and offering dynamic
10 solutions to customer issues. These efforts were most recently recognized by
11 J.D. Power, showing DEC as a top quartile performer nationally in 2020 and
12 2021.

13 **II. SUPPORTING OUR CUSTOMERS**

14 **Q. PLEASE PROVIDE AN OVERVIEW OF THE COMPANY'S**
15 **CUSTOMER EXPERIENCE AND SERVICES FUNCTIONS.**

16 A. DEC's Customer Experience and Services functions are comprised of multiple
17 departments responsible for developing and executing policies, processes, and
18 procedures to successfully engage with our customers across multiple
19 communication channels. The primary channels our customers use to interact
20 with us are Duke Energy's website, mobile app, phone, email, social media
21 (Facebook, Instagram, LinkedIn, and Twitter), and face-to-face interactions.
22 Our organization includes customer care operations, customer experience,

1 metering field services, complaint resolution, billing and payment processes,
2 and credit and collections activities.

3 **Q. PLEASE DESCRIBE THE COMPANY'S CUSTOMER CARE**
4 **OPERATIONS.**

5 A. Our customer care operations are designed and continuously enhanced to ensure
6 that customer inquiries are answered promptly and accurately. There are several
7 locations and numerous remote agents that handle inbound and outbound calls,
8 as well as emails, web inquiries, mailed letters, faxes, and social media
9 inquiries. Over 600 Duke Energy representatives process and support work in
10 response to customer inquiries. During the COVID-19 pandemic, most
11 customer care specialists transitioned to a remote working environment to
12 continue serving customers safely. We also utilize vendor call centers to
13 supplement our customer care specialists.

14 Customer calls are either processed in our improved Interactive Voice
15 Response ("IVR") system, allowing customers to self-serve, or by a call center
16 specialist. In 2021, DEC received an average of 1,131,000 phone calls per
17 month to the IVR system, of which approximately 59.6% were handled
18 completely within the IVR, with the remaining callers speaking with a customer
19 care specialist.

20 **Q. DOES THE COMPANY RECOGNIZE THE DIVERSE NEEDS OF ITS**
21 **CUSTOMER BASE WHEN PROVIDING CUSTOMER SERVICE?**

22 A. Yes. In addition to its primary responsibility of providing safe and reliable
23 electric service, the Company understands that its customer base has diverse

1 service needs and strives to recognize and accommodate them where possible.

2 For example:

- 3 • Account managers are assigned to our large, complex customer accounts to
4 answer questions, resolve issues, and manage the customer relationship to
5 enhance customer satisfaction;
- 6 • A new Builder Concierge Portal Application was developed and launched,
7 improving the experience of builders and developers when submitting work
8 orders, requesting status updates, or seeking online support; a variety of
9 billing and payment choices are offered to make paying bills simple, secure
10 and convenient, such as paperless billing, Pick Your Due Date, equal
11 payment plans and a free mobile app for residential and small business
12 customers to easily manage their account from anywhere in the United
13 States. The app was developed based on customers' most requested features
14 – with it, customers can: view and pay bills, report an outage, enroll in
15 billing and payment programs, view billing history, monitor energy usage,
16 receive personalized offers, and receive restoration updates. The app also
17 provides links to some of our most-used features, such as Start, Stop, and
18 Move service. The app uses the same log-in as the customer's current
19 account and has an option to use fingerprint or facial recognition for a fast,
20 secure sign-in if the customer's device supports biometrics.
- 21 • Important information is shared with customers through monthly bill
22 inserts, text, email, or the Company's website.

- 1 • Communication and customer service practices are available to address
- 2 language, cultural, and disability barriers;
- 3 • Programs and assistance options are designed to support our low-income
- 4 customers, and;
- 5 • Customer care specialists are available to provide 24/7 service for
- 6 emergency and outage related requests.

7 **Q. PLEASE DESCRIBE HOW DEC’S SOCIAL MEDIA PROGRAM HAS**
8 **EVOLVED TO KEEP PACE WITH CUSTOMERS’ CHANGING**
9 **EXPECTATIONS.**

10 A. With the rise in the use of social media in recent years, DEC has seen an
11 increased number of its customers contacting the Company for account-related
12 questions through social media. The Duke Energy enterprise social media
13 channels continue to grow, with more than 694,000 followers on its Facebook,
14 Twitter, Instagram, and LinkedIn pages as of August 2022. DEC uses these
15 channels to inform customers about reliability updates in their area and changes
16 that could impact their bill. Further, in an emergency or major storm, social
17 media is used to communicate important information to customers. This allows
18 DEC to make proactive posts providing warnings and safety information to
19 quickly reach as many customers and stakeholders as possible, engage with
20 customers who have storm- or outage-related questions, and monitor how
21 messages are being received and responded to. Moreover, the Company has
22 posted updates, including videos detailing storm restoration progress and

1 photos of significant damage to infrastructure, to show customers the scale of
2 repairs underway.

3 **Q. HOW DOES THE COMPANY SUPPORT CUSTOMERS WITH**
4 **AFFORDABILITY CHALLENGES?**

5 A. DEC supports customers with affordability challenges in a number of ways. We
6 have a long history of working to meet the needs of all of our customers,
7 including those with lower incomes. Keeping energy costs low, continuing to
8 innovate programs and services that help customers lower bills further, and
9 helping to facilitate financial assistance programs are only a few examples of
10 the day-to-day work we undertake to holistically meet customers where they
11 are. We recognize that customers are facing continued economic challenges as
12 a result of the COVID-19 pandemic and that assisting those customers means
13 utilizing the available solutions that work best for them. In other words, the
14 Company realizes that it cannot use a one-sized-fits-all approach. We tailor
15 regular educational outreach campaigns across a variety of channels to
16 empower every customer with a range of the latest and most relevant options.
17 And, we continue to coordinate closely with local agencies and stakeholder
18 organizations to evaluate and implement programs designed to address evolving
19 customer needs.

1 **Q. PLEASE DESCRIBE SOME OF THE SPECIFIC PROGRAMS THAT**
2 **THE COMPANY SUPPORTS TO HELP WITH THE AFFORDABILITY**
3 **OF ELECTRIC UTILITY SERVICE.**

4 A. Numerous programs supported by DEC help customers with the affordability
5 of their electric utility bills. These programs are broadly grouped into the
6 categories of (i) energy efficiency and weatherization; (ii) bill management and
7 budgeting; and (iii) customer assistance funds.

8 The Company offers energy efficiency programs to help reduce energy
9 usage and, as a result, reduce energy bills. For example, the Company
10 currently offers Neighborhood Energy Saver (“NES”) Program, a
11 Weatherization and Equipment Replacement Program (“WERP”), and a
12 Refrigerator Replacement Program (“RRP”) for low-income customers.
13 Neighborhoods with 50% of households at or below 200% of Federal Poverty
14 Guidelines (“FPG”) are designated as eligible for NES. NES Eligible
15 customers can work with energy specialists who conduct a free walk-through
16 energy assessment designed to educate customers about their electric use and
17 ways to lower their bill. Customers can receive up to sixteen free energy-
18 saving products, which include energy-efficient lightbulbs, weatherstripping
19 and water heater wraps, at no cost. WERP and RRP are available for income-
20 qualified customers in the Company’s service territory for existing,
21 individually metered single-family homes, condominiums, and mobile homes.
22 Funds are available for: (i) weatherization measures and/or (ii) heating system
23 replacement with a 15 or greater SEER heat pump, and/or (iii) refrigerator

1 replacement with an Energy Star appliance. WERP and RRP are delivered in
2 coordination with State agencies that administer the State's weatherization
3 programs.

4 We also work daily with our customers to connect them with the
5 financial assistance they may need. One example is how DEC connects
6 customers with assistance agencies that administer the Low Income Energy
7 Assistance Program ("LIEAP") and Crisis Intervention Program ("CIP"). The
8 LIEAP and CIP programs are intended to help low-income families. LIEAP
9 provides funding for a payment to help low-income households pay their
10 heating bills; CIP aids customers who need assistance during a financial crisis
11 to ensure they have access to both heating and cooling services. CIP, for
12 example, serves households that are either currently, or in danger of,
13 experiencing a heating or cooling crisis, where the household has no heating or
14 cooling source or has a disconnection notice for their primary heating or
15 cooling service and the health and well-being of a household member is in
16 danger if the crisis is not alleviated.

17 Additionally, Duke Energy's Share the Light Fund assists customers
18 struggling to pay their energy bills. Duke Energy employees, customers and
19 shareholders contribute to the Share the Light Fund, which is matched up to
20 \$375,000 annually from the Duke Energy Foundation. The fund partners with
21 agencies and may be used in combination with other federal, state, and local
22 assistance.

1 **Q. YOU MENTIONED INCOME-QUALIFIED CUSTOMERS. WHAT**
2 **DOES DEC MEAN BY THAT?**

3 A. Certain assistance or energy efficiency programs that I discuss in my testimony
4 are directly intended for low-income customers. Low-income customers are
5 typically at or below 200% of the FPG. To be at 200% of the FPG an individual
6 customer would have an annual income of \$27,180, and a household of four
7 would have an annual income of \$62,438.¹

8 **Q. HOW HAS DEC SPECIFICALLY FOCUSED ON ADDRESSING THE**
9 **AFFORDABILITY CHALLENGES FACED BY LOW-INCOME**
10 **CUSTOMERS?**

11 A. In DEC's last general rate case in Docket Nos. E-7, Subs 1214, 1213, and 1187,
12 DEC witness Stephen De May, the President of Duke Energy's utility
13 operations in North Carolina, testified that additional low-income energy
14 assistance programs could be offered to aid customers in need of support. He
15 recommended a stakeholder engagement to adequately develop an appropriate
16 suite of effective options for the North Carolina Utilities Commission (the
17 "Commission") to consider for approval. In response to his and other parties'
18 testimony on this matter, the Commission established the Low-Income
19 Affordability Collaborative ("LIAC") in its April 16, 2021 *Order Accepting*
20 *Stipulations, Granting Partial Rate Increase and Requiring Customer Notice*²

¹ United States Department of Health and Human Services 2022 Poverty Guidelines, available at <https://aspe.hhs.gov/sites/default/files/documents/4b515876c4674466423975826ac57583/Guidelines-2022.pdf>.

² *Order Accepting Stipulations, Granting Partial Rate Increase and Requiring Customer Notice*, Docket Nos. E-2, Sub 1219 and Sub 1193 (Apr. 16, 2021).

1 and its March 31, 2021 *Order Accepting Stipulations, Granting Partial Rate*
2 *Increase, and Requiring Customer Notice*³ (“Rate Case Orders”). In those Rate
3 Case Orders, the Commission directed the Company, Duke Energy Progress,
4 LLC (“DEP”) and the Public Staff - North Carolina Utilities Commission
5 (“Public Staff”) to convene a collaborative for interested stakeholders within 90
6 days of the Rate Case Orders to address the affordability of electric service for
7 low-income customers. Numerous interested stakeholders, including various
8 state agencies and low-income customer advocates, participated in the LIAC
9 virtual meetings and LIAC virtual sub-team meetings, which occurred over the
10 course of the last year.

11 The Public Staff, DEC and DEP filed their Joint North Carolina Low-
12 Income Affordability Collaborative Final Report on August 12, 2022 (“Joint
13 Final Report”), reflecting the robust and detailed discussions of the LIAC and
14 the recommendations of the Company (and DEP) and the Public Staff.⁴ On
15 September 16, 2022, the Commission issued its *Order Acknowledging Final*
16 *Report and Requiring Briefing*, in which it directed DEC, DEP, and the co-leads
17 of the LIAC’s subcommittees to brief the Commission on the work of the LIAC
18 in person on October 24, 2022. At that October 24, 2022 briefing, the
19 Commission Chair Mitchell expressly recognized and praised the Company and
20 the various participants working together in good faith through the LIAC.⁵

³ *Order Accepting Stipulations, Granting Partial Rate Increase, and Requiring Customer Notice*, Docket Nos. E-7 Subs 1213, 1214, and 1187 (March 31, 2021).

⁴ The Joint Final Report was filed in Docket Nos. E-2, Subs 1219 and 1193 and E-7, Subs 1213, 1214, and 1187.

⁵ Transcript of October 24, 2022 Update on LIAC to the Commission, Docket Nos. E-2, Sub 1193, Sub 1219, E-7, Sub 1187, Sub 1213, Sub 1214, G-5, Sub 631, Sub 634, and G-9, Subs 722, 781, 786 at 28.

1 **Q. PLEASE DESCRIBE THE MAIN ACTIVITIES OF THE LIAC.**

2 A. The LIAC completed three main activities: 1) an analytical assessment of
3 current affordability challenges, 2) a discussion of appropriate affordability
4 metrics and definitions, and 3) review of current and potential new programs to
5 assist low-income customers. The Commission issued an order on October 5,
6 2022, seeking comments and reply comments from any LIAC participant on the
7 Joint Final Report, which at this time have been filed at the Commission.

8 **Q. WHAT DID DEC CONCLUDE WITH RESPECT TO ADDRESSING**
9 **AFFORDABILITY FOR ITS CUSTOMERS AS A RESULT OF ITS**
10 **PARTICIPATION IN THE LIAC?**

11 A. DEC recognizes that multiple solutions are necessary to address energy
12 affordability challenges for low-income customers. These multiple solutions
13 comprise our Affordability Ecosystem. The Affordability Ecosystem is a
14 multipronged approach to address affordability challenges that are both short-
15 term (arrears and disconnections for non-payment) and long-term (electric
16 energy burden, which is the percentage of income used for energy costs, and
17 energy intensity, which is the kilowatt hours used per square foot) by connecting
18 eligible customers with current and future products and services. DEC is
19 committed to addressing energy affordability challenges by designing and
20 providing products and services as part of the Affordability Ecosystem. These
21 products and services may include but are not limited to bill payment assistance,
22 energy efficiency offerings with a focus on weatherization, and equipping our

1 customer service team with information to proactively educate low-income
2 customers about opportunities to address affordability challenges.

3 **Q. DID THE LIAC PRODUCE ANY SPECIFIC RECOMMENDATIONS**
4 **TO BE REVIEWED IN THIS GENERAL RATE CASE?**

5 A. Yes. The Company is seeking approval for the Customer Assistance Program
6 (“CAP”) in this general rate case. During the LIAC’s twelve months of work
7 reviewing and analyzing data, it determined that based on its review of various
8 government and utility offered programs, programs designed to assist low-
9 income customers either provided bill pay assistance and/or weatherization
10 services. The creation of CAP was heavily influenced by the analytical
11 assessment of affordability challenges by the LIAC. The CAP garnered support
12 from a majority of the LIAC participants that accessed the proposals.

13 **Q. HOW DOES CAP HELP LOW-INCOME CUSTOMERS?**

14 A. Bill payment assistance programs represent one of the solutions presented and
15 discussed as part of the LIAC. The CAP proposal, which is also discussed in
16 the testimony of Witness Bradley Harris, will be a critical component in the
17 Affordability Ecosystem that DEC has developed for its customers. The CAP
18 was designed to provide further assistance to low-income customers that are
19 identified through the North Carolina Department of Health and Human
20 Services (“DHHS”) as LIEAP - or CIP - eligible recipients. These customers
21 would receive a monthly bill discount, as described by Witness Harris. The
22 autoenrollment of these identified LIEAP- and CIP- eligible recipients in CAP
23 eliminates the hurdle of a customer being required to complete another

1 application for assistance. To automatically enroll LIEAP- and CIP- recipients
2 in CAP, DEC and the DHHS must execute a Data Sharing Agreement. For
3 DHHS to execute a Data Sharing Agreement and to fully implement CAP, DEC
4 (and DEP) must request that the Commission expressly approve using LIEAP
5 and CIP status as eligibility criteria for receiving a bill discount. Thus, through
6 this effort, the Company will partner with DHHS to ensure eligible customers
7 participate. To facilitate this partnership between the Company and the state
8 agency, the Company respectfully requests that the Commission expressly
9 approve using LIEAP and CIP status as eligibility criteria for receiving a bill
10 discount under CAP as proposed.

11 **Q. WHAT IS THE COMPANY PROPOSING IN THIS PROCEEDING**
12 **RELATED TO CAP?**

13 A. The Company is proposing CAP and the recovery of the energy credit amounts
14 made available to eligible customers through the Customer Assistance
15 Recovery Rider (“CAR Rider”) for approval in this proceeding. Witness Harris
16 provides additional testimony in support of CAP and the associated CAR Rider.
17 Moreover, to establish CAP, the Company will incur costs related to
18 information technology and program administration. Incremental
19 administrative, maintenance and operations costs are proposed for deferral and
20 future recovery as described by Witness Quynh Bowman in her testimony. Any
21 capital expenditures associated with the program will not be deferred. The table
22 below shows the estimated expenditures associated with CAP.

DEC (NC) Only			
Estimated Expenditures for CAP (000s)	Year 1	Year 2	Year 3
Technical Delivery	\$ 596,000	\$ 30,000	\$ 30,000
IT System (Capital)	568,000	0	0
IT Admin/Software (O&M)	28,000	30,000	30,000
Customer Care (O&M)	333,000	343,000	353,000
Total Costs	\$ 929,000	\$ 373,000	\$383,000

1 **Q. DOES THE COMPANY HAVE ANY ADDITIONAL PROPOSALS TO**
2 **ASSIST LOW-INCOME CUSTOMERS IN THIS GENERAL RATE**
3 **CASE?**

4 A. Yes. The Company is also proposing a Payment Navigator program to
5 comprehensively support not only low-income customers, but any customers
6 seeking support in managing their electric utility bills.

7 **Q. PLEASE DESCRIBE PAYMENT NAVIGATOR.**

8 A. As the Commission recognized during its November 8, 2022 update on the
9 LIAC's work, navigating the different avenues for bill paying assistance can be
10 difficult for customers.⁶ The Company recognizes this too and wants to ensure
11 the full range of program and assistance options is made available to meet
12 customers' unique needs. The Payment Navigator concept has been tested with
13 customers seeking support in paying their electric utility bills to learn more
14 about how they want to engage with the Company. The program tested
15 proactive messaging to customers who meet specific criteria (e.g., arrearages
16 and payment history), inviting them to speak with a Payment Navigator, an
17 agent specializing in these more complex calls/requests. Upon contact, their

⁶ Transcript of October 24, 2022 Update on LIAC to the Commission, Docket Nos. E-2, Sub 1193, Sub 1219, E-7, Sub 1187, Sub 1213, Sub 1214, G-5, Sub 631, Sub 634, and G-9, Subs 722, 781, 786 at 54.

1 account is reviewed with this partner who can empathetically listen and use
2 information available, such as account and usage data, to best diagnose why a
3 customer may have fallen behind on their bill. Based on the situation, the
4 Payment Navigator then tailors a unique set of recommendations to assist the
5 customer in becoming current on payments and provides longer-term guidance
6 for how to ease their electric energy burden, e.g., connecting customers to
7 assistance funding, referring customers to energy efficiency or demand-side
8 management options, or enrolling in programs like Budget Billing.

9 Payment Navigator gives our struggling customers a partner who will
10 spend the necessary time to explain the different ways the Company can offer
11 support. Listening to and understanding customers' situations more deeply,
12 allows us to better serve their needs.

13 **Q. DID THE COMPANY RECEIVE POSTIVE FEEDBACK OR HAVE ANY**
14 **LEARNINGS FROM THE PAYMENT NAVIGATOR PILOT?**

15 A. Yes. We received positive feedback and gained valuable insights from
16 customers to help inform the program and some of its offerings. We tested
17 customer contact preference through communicating via email, text, and phone
18 call. Based on the interactions with customers, text was the most successful
19 channel for outreach as it resulted in 75% of customer interactions. As customer
20 contacts were made, we were able to leverage the available programs to try and
21 help find the best solution for the customer's needs. Of the contacts made, we
22 were able to refer customers to agencies for assistance, help enroll customers
23 on deferred payment arrangements, and we also had success in recommending

1 customers a flexible billing program such as Budget Billing, Pick Your Own
2 Due Date and more.

3 Additionally, we conducted a survey of customers post-interaction and
4 received feedback and even conducted a few in-depth phone interviews on the
5 Payment Navigator process. The sentiment from customers has overall been
6 positive. Customers stated:

7 I was very worried and she was very prompt and helped
8 me in a time of need. I am on [government assistance]
9 and it really relieved a stressful situation.

10 I love the fact that I needed the assistance even as a
11 working person things happen and extra help is always
12 appreciated, thank you.

13 **Q. HOW WILL PAYMENT NAVIGATOR AND CAP COMPLEMENT**
14 **EACH OTHER?**

15 A. CAP will directly benefit customers by reducing their monthly electric energy
16 burden through a bill discount, whereas the Payment Navigator Program will
17 provide awareness and education regarding other short-term options, such as
18 agency assistance as well as longer-term benefits for the customer such as
19 enrolling in programs to better manage monthly bill amounts or reduce energy
20 usage in their home.

21 Additionally, after a customer is enrolled in CAP, we can continue to
22 work with them to understand their needs and analyze what other products and
23 services are available to support them. The ability to discuss ways to help
24 address their energy usage or billing and payment concerns allows us to guide
25 the customer through our programs such as Share The Light, Budget Billing,
26 energy efficiency and offerings, weatherization, and payment plans.

1 CAP will help provide customers the immediate, recurring aid and
2 Payment Navigator will provide continued assistance by directing customers to
3 longer-term support options.

4 **Q. WHAT IS THE COMPANY PROPOSING IN THIS PROCEEDING**
5 **RELATED TO PAYMENT NAVIGATOR?**

6 A. We propose that Payment Navigator Program be approved, and the associated
7 incremental operating and maintenance costs be deferred as described in
8 Witness Bowman's testimony. Any capital expenditures associated with the
9 program will not be deferred.

10 To properly implement and operate Payment Navigator, the Company
11 anticipates spending approximately four million dollars over the next three
12 years. The table below shows the estimated expenditures associated with
13 Payment Navigator.

Estimated Expenditures for Payment Navigator (000s)	Year 1	Year 2	Year 3
Technical Delivery	\$ 224,000	\$ 14,000	\$ 14,000
IT System (Capital)	182,000	-	-
IT Admin/Software (O&M)	42,000	14,000	14,000
Communications (O&M)	1,000	1,000	1,000
Customer Care (O&M)	1,490,000	1,152,000	1,187,000
Total	\$ 1,715,000	\$ 1,167,000	\$ 1,202,000

14 **Q. HOW DID THE COMPANY SUPPORT CUSTOMERS IN RESPONSE**
15 **TO THE COVID-19 PANDEMIC?**

16 A. At the outset of the COVID-19 pandemic, we took swift and unprecedented
17 action to assist our customers and to provide reliable electric service during the
18 pandemic. Just three days after Governor Cooper declared a State of
19 Emergency on March 10, 2020, the Company announced it was voluntarily
20 suspending service disconnections for unpaid bills to ensure that its customers

1 would not have the additional worry of having their electric utility service
2 disconnected for non-payment during that time of uncertainty. The Company
3 also suspended fees for card payments, walk-in pay location payments, late
4 payment charges, and insufficient funds to further extend relief for customers.
5 Throughout the pandemic, we worked with customers, assistance agencies, and
6 advocates to provide protection from disconnection for nonpayment to our low-
7 income customers, offered deferred payment plans to assist customers in paying
8 off arrears accumulated during the pandemic, and connected customers to
9 assistance funding when possible.

10 Additionally, we developed outreach campaigns to generate awareness
11 of assistance available to customers. These campaigns included emails, texts,
12 website updates, bill inserts, bill messages, on-hold IVR messages, social media
13 posts, information sheets, and digital ads. These awareness campaigns were
14 targeted around the federally funded LIEAP, CIP, the North Carolina Housing
15 Opportunities and Prevention of Evictions Program (“NC HOPE”), the
16 Emergency Rental Assistance Program, and the Homeowner Assistance Fund.

17 We also developed a digital campaign focused specifically on
18 generating awareness around the NC HOPE Program. Customers with past due
19 balances or current deferred payment arrangements were sent a text or an email
20 encouraging residential renters to learn more about the NC HOPE and
21 Emergency Rental Assistance Programs.

22 As customer needs changed stemming from the COVID-19 pandemic,
23 utility assistance agencies served as a critical channel for customers to receive

1 support. We realized that a more tailored experience was needed to provide
2 more efficient service for those agencies providing customer assistance
3 funding. To streamline and efficiently apply pledges to our customers'
4 accounts, our Centralized Agency Team became the single point of contact for
5 utility assistance agencies. In addition to the Centralized Agency Team, a new
6 digital, self-service portal was developed. The portal provides agencies a
7 confidential and secure way to view customer account details, process agency
8 commitments, and make payments. Agencies can conveniently and more
9 efficiently view pledge history on customer accounts to make more informed
10 pledge decisions and receive notification of pledge expiration to ensure their
11 commitments are satisfied.

12 We recognize the economic impacts from the COVID-19 pandemic are
13 deep and full recovery will take time. During 2020 and 2021, Duke Energy and
14 our Foundation funded more than \$43.9 million in charitable giving across the
15 state of North Carolina. Some examples of our philanthropy include more than
16 \$1 million in feeding programs due to customer hardships from the effects of
17 the pandemic, over \$6 million in customer utility bill payment assistance to the
18 Share the Light Fund, and more than \$100,000 to support 211 services in North
19 Carolina to connect customers with assistance for food, utilities, and rent.

1 **Q. HOW DID THE COMPANY CONTINUE TO WORK WITH**
2 **CUSTOMERS WITH PAST-DUE ACCOUNTS AFTER THE**
3 **COMMISSION'S DISCONNECTION MORATORIUM EXPIRED IN**
4 **SEPTEMBER 2020?**

5 A. As soon as the Commission issued its order lifting the disconnection
6 moratorium and directing the utilities to offer deferred payment arrangements
7 to customers in July 2020, the Company began proactively contacting
8 customers with past-due balances to offer them the opportunity to enroll in a
9 deferred payment arrangement of up to 14 months (two months more than
10 required by the Commission at that time) in advance of any return-to-normal
11 operations. The Company communicated with customers and updated the Duke
12 Energy COVID-19 website linked to duke-energy.com to notify customers that
13 the Commission had lifted the disconnection moratorium. Furthermore, the
14 Company sent emails, bill inserts, credit notification inserts, and bill messages
15 to customers so that they would understand their options given the resumption
16 of billing practices, including payment arrangements and how to contact
17 assistance agencies. The Company continues to urge eligible customers to take
18 advantage of available financial support using the funding available through
19 statewide community action agencies.

20 In addition to direct-to-customer communications, the Company's
21 communications were shared in both English and Spanish and sent to municipal
22 leadership, community stakeholders, Chambers of Commerce, and state
23 agencies to have these entities share through their networks and websites the

1 resources available to help customers. The Company also contacted
2 organizations, such as food banks and churches, that were already helping our
3 customers to include pre-printed, bilingual flyers in assistance packages. The
4 approaches varied, but our overall goal was to find ways to communicate the
5 message that “Duke Energy is here to help. Please reach out to us.” – through
6 direct and indirect means.

7 Although disconnections for nonpayment restarted in 2020,
8 disconnections are the very last step in a lengthy process, and it is a step we
9 want to avoid altogether. To that end, between March 2020 and June 2022, we
10 helped North Carolina customers with approximately 650,000 customized,
11 interest-free payment plans meeting their specific needs with managing their
12 utility bills and avoiding disconnection. We are proud of our action in assisting
13 customers and providing reliable electric service during this unprecedented
14 time.

15 **Q. PLEASE DESCRIBE THE LATE FEE MORATORIUM IMPOSED BY**
16 **THE COMMISSION AND BY GOVERNOR COOPER’S EXECUTIVE**
17 **ORDERS IN RESPONSE TO THE COVID-19 PANDEMIC.**

18 A. On March 19, 2020, in response to the State of Emergency declared by
19 Governor Cooper on March 10, 2020, the Commission issued its *Order*
20 *Suspending Utility Disconnections for Non-Payment, Allowing Reconnections,*
21 *and Waiving Certain Fees* in Docket No. M-100, Sub 158. In that order, the
22 Commission, among other things, suspended utility disconnections for non-

1 payment and ordered the public utilities subject to its jurisdiction to waive late
2 payment fees on arrearages accumulated during the State of Emergency.

3 Soon after, Governor Cooper issued Executive Order No. 124 (“EO
4 124”), in which, among other things, he prohibited public utilities from
5 applying late payment fees to any customer arrearages accumulated until EO
6 124 expired on May 30, 2020. On May 30, 2020, Executive Order No. 142
7 (“EO 142”) extended the May 30, 2020 expiration date of EO 124 until July 29,
8 2020. EO 142 also directed that no late fees should be imposed on arrearages
9 accumulated while EO 142 was in effect.

10 On July 29, 2020, the Commission issued its *Order Lifting*
11 *Disconnection Moratorium and Allowing Collection of Arrearages Pursuant to*
12 *Special Repayment Plans* (“July 29, 2020 Order”), in which it clarified that,
13 even after the moratorium on disconnections had been lifted, the Late Fee
14 Moratorium would continue in effect “through the end of the State of
15 Emergency or until further order of the Commission.”⁷ The Commission
16 reiterated the same in its February 23, 2021 *Order Suspending Disconnections*
17 *and Providing for Extended Special Repayment Plans for Certain Vulnerable*
18 *Customers and Requiring Door Hanger Notices*.⁸ Governor Cooper lifted the
19 State of Emergency on August 15, 2022; accordingly, at that time, the Late Fee
20 Moratorium expired.

⁷ *Order Lifting Disconnection Moratorium and Allowing Collection of Arrearages Pursuant to Special Repayment Plans for Certain Vulnerable Customers and Requiring Door Hanger Notices*, Docket Nos. M-100, Sub 158, E-7, Sub 1236, E-2, Sub 1228, E-22, Sub 583, G-5, Sub 617, and G-9, Sub 767, issued July 29, 2020 at 7.

⁸ *Order Suspending Disconnections and Providing for Extended Special Repayment Plans for Certain Vulnerable Customers and Requiring Door Hanger Notices*, Docket Nos. M-100, Sub 158, E-7, Sub 1236, E-2, 1228, E-22, Sub 583, G-5, Sub 617, and G-9, Sub 767, issued Feb. 23, 2021 at 5.

1 **Q. HOW DID THE COMPANY COMPLY WITH THE LATE FEE**
2 **MORATORIUM?**

3 A. Consistent with the Commission's orders and Governor Cooper's EOs, the
4 Company waived late fees on any late payments by customers made during the
5 more than two-year State of Emergency. As a result, the Company did not
6 collect approximately \$41 million in late payment fees as of June 30, 2022.
7 These late fees were included in the COVID deferral approved by the
8 Commission in Docket No. E-7, Sub 1241. The Company is seeking recovery
9 of the COVID deferral in this case as discussed in the testimony of Witness
10 Bowman.

11 In preparation for the expiration of the State of Emergency, the
12 Company committed to the Commission by letter dated August 5, 2022, that, as
13 the Commission had directed, DEC would not impose any late payment fees on
14 any arrearages accumulated during the March 10, 2020 - August 15, 2022 State
15 of Emergency. Additionally, the Company reported that it would resume late
16 payment fees for services rendered on or after September 1, 2022. The
17 Company notified customers of the resumption of late payment fees through a
18 bill message in customers' September bills and also updated its website
19 accordingly.

1 **Q. PLEASE EXPLAIN THE COMPANY'S WAIVER OF THE**
2 **COLLECTION OF OTHER FEES DUE TO THE COVID-19**
3 **PANDEMIC.**

4 A. As I mentioned earlier, in response to the uncertainty caused by the COVID-19
5 pandemic, the Company requested the Commission to allow it to suspend fees
6 for card payments, walk-in pay location payment, and insufficient funds to
7 further extend relief for customers. The Commission granted the Company's
8 request in its March 20, 2020 *Order Allowing Additional Temporary Waivers of*
9 *Specific Provisions of Commission Rules*. In its July 29, 2020 Order, the
10 Commission allowed the Company to resume application of those fees for
11 services rendered on or after September 1, 2020. From September to December
12 2020, the Company began reinstating fees as we returned to normal operations.
13 In sum, the Company waived approximately \$4.5 million of the fees described
14 above.

15 **Q. HOW DID THE COMPANY SPECIFICALLY EXPAND ITS**
16 **ASSISTANCE TO THE COMPANY'S MORE VULNERABLE**
17 **CUSTOMERS DURING THE PANDEMIC?**

18 A. Under normal circumstances, pursuant to the Commission's rules, the
19 Company's residential customers may qualify for a moratorium on
20 disconnections for nonpayment from November 1 to March 31 if: (i) they are
21 certified by the local social service office, which administers the Energy Crisis
22 Assistance Program or other similar programs, as being eligible to receive
23 assistance under such programs (e.g., LIEAP eligible), (ii) they are suffering

1 financial hardship that prevents them from being able to afford their bills or a
2 6-month payment arrangement, and (iii) they have a household member who is
3 handicapped and/or elderly (65 or older) or both. This requirement is typically
4 referred to as the “winter moratorium.” In February 2021, working with DHHS,
5 DEC expanded eligibility for the winter moratorium to include all LIEAP and
6 CIP beneficiary customers. Subsequently, the Commission included customers
7 that were eligible for assistance from NC HOPE in the winter moratorium. The
8 Company voluntarily further extended the “winter moratorium” to prevent
9 disconnections for nonpayment for these vulnerable customers from April 1,
10 2021 until June 30, 2021, and then two more times, resulting in the expiration
11 of the “winter moratorium” in March 2022. The Company’s efforts protected
12 more than 53,000 of its vulnerable customers from disconnection during the
13 initial and subsequent COVID-19 waves.

14 **IV. CUSTOMER SATISFACTION MEASURES**

15 **Q. HOW DOES THE COMPANY MEASURE CUSTOMER**
16 **SATISFACTION AND IMPROVE EXCELLENCE IN CUSTOMER**
17 **SERVICE?**

18 **A.** We recognize that customer expectations continuously evolve and that it is
19 critical we hear and understand the “Voice of the Customer” to improve overall
20 customer satisfaction (“CSAT”). To that end, we operate a robust CSAT
21 program, which includes both national benchmarking studies and proprietary
22 relationship and transactional CSAT studies. We analyze results from these
23 studies in vigorous monthly data review sessions, with findings driving

1 improvements to processes, technology, and behaviors – all to continuously
2 improve the customer experience.

3 We measure overall customer satisfaction and perceptions about the
4 Company through an ecosystem of measurement tools intentionally designed to
5 understand what is working well from a customer perspective and to identify
6 opportunities to improve the customer experience. In 2018, we launched the
7 CX Monitor, a randomized, census-based survey that measures overall
8 customer sentiment and the ongoing perceptions of the customer experience via
9 an email invitation with an embedded online survey link. The CX Monitor
10 survey is sent annually to all residential, small and medium business (“SMB”)
11 customers, and large business customers for whom we have a valid email
12 address. Customers are asked to provide feedback regarding their overall
13 sentiment as well as satisfaction with key experiences they have had with us
14 over the past 12 months. Examples of these experiences include billing and
15 payment and power quality and reliability. Customers rate overall sentiment
16 and key experience satisfaction on a ‘0-10’ scale while also providing open-end
17 verbatim comments detailing the primary reason(s) for their score.

18 Since the CX Monitor survey launched in 2018, DEC (NC) alone has
19 collected more than 555,000 residential electric customer surveys and over
20 8,400 SMB customer surveys. We have seen a significant improvement in
21 overall customer sentiment since 2018 as data-driven enhancements continue
22 to improve the customer experience. Further, DEC customers reported the
23 highest monthly scores to date during a particularly challenging time when the

1 COVID-19 pandemic led to significant financial hardship for many of our
2 customers and communities. As previously described, we launched a sweeping
3 series of unprecedented steps to help our customers, including suspending
4 disconnections for nonpayment, suspending late payment fees and credit card
5 payment fees, offering flexible payment arrangements to customers with past-
6 due balances, and connecting customers to federal funding to help those in need
7 of economic assistance. The ability to pivot and to do so quickly was
8 recognized by our customers and resulted in the highest customer satisfaction
9 ratings the Company has experienced in several years. Customer sentiment
10 remains high today, still topping pre-pandemic levels.

11 In addition to our CX Monitor survey, we use “Fastrack 2.0”, a
12 proprietary, post-transaction CSAT measurement program. Fastrack 2.0
13 measures customer satisfaction with recent interactions customers have had
14 with the Company. Fastrack 2.0 was intentionally designed to complement the
15 CX Monitor survey and provide greater insight into experiences that matter to
16 our customers and near real time feedback to our front line, customer-facing
17 employees. The survey questions cover the customer’s experience regarding
18 completed field work including requests to start and transfer electric service,
19 repair outdoor lights, and restore outages. Analysis of these ratings helps to
20 identify specific service strengths and opportunities that drive overall
21 satisfaction and to provide guidance for the implementation of process and
22 performance improvement efforts. In the past year alone, DEC has collected
23 more than 83,000 residential and SMB Fastrack 2.0 surveys, with 65-85% of

1 customers regularly providing the highest satisfaction ratings ('9' or '10' on a
2 '0-10' point scale). We also implemented "Reflect" a post-contact survey that
3 offers customers the opportunity to provide immediate feedback after they
4 contact us by web, call to the automated system, or call to a live agent. This
5 tool provides critical feedback to help improve the channels customers use
6 when interacting with us. Since 2021, the Reflect program has collected more
7 than 165,000 DEC responses, with 70-80% of customers regularly providing
8 the highest satisfaction ratings ('9' or '10' on a '0-10' point scale).

9 Finally, while we have focused internally on our proprietary Voice-of-
10 Customer data to inform areas of focus and our actions, we continue to rely on
11 J.D. Power to provide a benchmark of our performance compared to other
12 utilities as J.D. Power's Customer Satisfaction Index is a critical measure of a
13 company's success. DEC has seen impressive results since implementing the
14 new CSAT program in 2018, recognized by J.D. Power as one of the biggest
15 'movers' over the past 3 years in its most recent 2021 annual residential
16 customer satisfaction study – outgaining the industry. DEC was also
17 recognized as a top quartile performer among all large utilities nationally in
18 2021.

19 **Q. HOW DOES A CUSTOMER BRING AN ISSUE TO THE COMPANY'S**
20 **ATTENTION?**

21 A. Our customers have numerous avenues to voice an issue, including through our
22 customer care team, social media platforms or website, email, our employees,
23 or our Ethics line. In addition, as I previously mentioned, CX Monitor and

1 Fastrack are two key proprietary surveys we use on an ongoing basis to track
2 customer feedback. At the end of each survey, customers have the opportunity
3 to provide additional comments regarding any outstanding question(s) they
4 have for us that still need to be answered or issue(s) that still need to be resolved.
5 These comments are converted into high priority “Hot Alerts” and forwarded to
6 the Consumer Affairs team to resolve, with a member of our customer service
7 staff directly contacting the customer to ensure satisfactory resolution to the
8 customer’s question or issue. Separately, a Hot Alert may be triggered by an
9 automated key word software review of survey statements, which may indicate
10 customer frustration or a poor experience, even if the customer did not directly
11 ask for follow up.

12 In addition, customers can raise issues and inquiries directly with our
13 employees. Our employees can then use the “I Can Help” tool to report the
14 concern and immediately begin the process of resolving the issue, as well as
15 track to resolution. Thus, while the Company continues to seek feedback from
16 customers through various survey instruments, we are also making it easier for
17 customers to contact us, receive follow-up and close the loop. But most
18 importantly, as I describe, we are using innovative tools to reduce complaints
19 and the need for customers to escalate an issue.

20 **Q. WHAT DO YOU ATTRIBUTE TO THE POSITIVE CUSTOMER**
21 **SATISFACTION SCORES YOU DESCRIBED PREVIOUSLY?**

22 A. At Duke Energy, our mission is to provide safe and reliable service, enhance
23 the customers’ experience, modernize the energy grid, and achieve a smarter,

1 more efficient energy future - all while continuing to be a good corporate citizen
2 and keeping costs as low as reasonably possible. We are a well-run company,
3 and we believe that customers see and experience the benefits of our efforts
4 every day. Here are just a few of the many recognitions Duke Energy has
5 received in the past three years across the enterprise:

- 6 • Duke Energy was honored in 2019 with the SAP Industry Innovation Award
7 for excellence in customer service.
- 8 • For 17 consecutive years, Duke Energy has been on Site Selection
9 magazine's list of "Top Utilities in Economic Development."
- 10 • Duke Energy was named to Fortune magazine's 2022 "World's Most
11 Admired Companies" list for the fifth year in a row.
- 12 • Forbes magazine included Duke Energy in its 2021 "America's Best
13 Employers for Women" and its "Best Employers for Diversity" lists for the
14 third year in a row.
- 15 • For the 16th consecutive year, Duke Energy was named to the Dow Jones
16 Sustainability Index for North America.
- 17

18 Further, I believe the robust team of customer care center
19 representatives and customer field service personnel, our IVR options, and
20 processes and procedures heavily influence our customers' satisfaction. I also
21 believe the multiple options our customers have to communicate with and
22 receive information from us, including through digital channels and social
23 media, improves the customers' overall communication experience. The
24 Company's ability to keep our customers' lights on reliably, efficiently, and
25 affordably all while being a good corporate citizen also contributes to positive
26 customer perceptions.

1 We have proudly served our communities through charitable giving and
2 employee volunteerism. We are also committed to helping our customers and
3 communities with programs to help our low-income customers become more
4 energy efficient and to assist customers in need. Our internal customer
5 assistance funds bring together the Company, shareholders, customers,
6 employees, and the community to help customers who need assistance paying
7 their bills.

8 Duke Energy recently unveiled the Share the Light Fund, its updated
9 customer assistance fund, with a new strategy to unify and strengthen certain
10 legacy programs that existed prior to mergers. For DEC customers, the program
11 was formerly known as Share the Warmth. The new fund is more effective and
12 efficient at implementing multistate marketing campaigns and has increased
13 outreach and communications to employees and customers who wish to donate
14 to customers in need. Employees can make a one-time contribution or
15 contribute via payroll deduction during the Company's annual Power of Giving
16 campaign.

17 Customers who would like to contribute to the Share the Light Fund can
18 make a one-time donation when they pay their bill online or by mail or establish
19 a monthly donation that will automatically be added to their monthly bills. The
20 Share the Light Fund contains a newly implemented feature that allows
21 customers to contribute by rounding up their monthly bills to the next full dollar
22 amount.

1 Finally, the Company takes storm preparation seriously and that
2 includes communicating with our customers ahead of and during storm activity
3 as well as in the restoration of service phase. Those communications occur
4 across multiple channels, including news releases, media interviews, social
5 media posts, a dedicated storm page on the Company's website, and direct-to-
6 customer communication channels such as email, texts, and outbound calls.
7 The intent is to share with customers information regarding safety, storm
8 damage, mobilized crews and resources available, updated outage and
9 restoration numbers, as well as estimated times of restoration. In addition,
10 customer care operations prepare for large call volumes through response plans
11 including additional staffing, assigned storm roles for each employee, working
12 with our vendor partners, extended hours, readying IT systems, reviewing and
13 refreshing training materials.

14 **Q. IS THE COMPANY WORKING TO FURTHER IMPROVE THE LEVEL**
15 **OF CUSTOMER SERVICE?**

16 A. Yes. Duke Energy is working hard across the business to further improve the
17 customer experience. We are doing our part to transform the customer
18 experience by making strategic, value-based investments for the benefit of our
19 customers.

20 **Q. HOW IS THE COMPANY IMPROVING CUSTOMER INTERACTIONS**
21 **WITH THE CUSTOMER CARE OPERATIONS?**

22 A. Two key examples are: the deployment of Customer Connect and enhancements
23 to our IVR system.

1 *Customer Connect*

2 The Company recently implemented its new customer information system
3 platform, Customer Connect. As further described by Witness Retha Hunsicker,
4 this platform enables the Company to deliver a customer experience that
5 simplifies, strengthens, and advances our ability to serve our customers. It
6 provides a modern, configurable billing engine and is based on a customer-
7 centric data model that gives customers a more personalized experience.
8 Customers are now taking advantage of more automated processes and
9 enhanced billing and payment options using new or enhanced self-service
10 capabilities.

11 *Interactive Voice Response*

12 In October 2019, a new advanced language IVR system was launched,
13 transitioning from touchtone to voice, with technology focused on transforming
14 the caller's experience. The new IVR design reflects learnings from customer
15 feedback and industry best practices, including: 1) proactively identifying
16 customers and the reason for their call; 2) a tailored customer experience similar
17 to what they receive from other consumer product companies; and 3) fewer
18 menu options to complete their request in the IVR. Additionally, customers can
19 complete a post-call survey that is utilized to continually enhance the service
20 experience. The call prediction functionality predicts the reason the customer
21 is calling the Company. For example, "I see you have a pending service order
22 scheduled for tomorrow. Is this why you are calling?"

1 We recognize customers want the ability to self-serve while navigating
2 seamlessly through the IVR. Existing self-service functionality, such as
3 requesting a payment arrangement and reporting a power outage, was improved
4 via voice activated prompts, helping to provide a more positive customer
5 experience.

6 New self-serve options through the IVR include allowing customers the
7 ability to enroll in, or withdraw from, Budget Billing, add their card information
8 to SpeedPay Wallet for easy access, update their phone number, and request
9 their account number. Another added feature is called First-in-Line, which
10 allows customers to either remain on hold or select a call back number in busier
11 than normal call volumes, where they can be reached when a service
12 representative becomes available.

13 With the capabilities now available through Customer Connect and the
14 improved IVR, we can better connect with customers through texting
15 experiences. Prior to the technology enhancements, we were limited to sending
16 web links to static forms that still required manual processing. The new
17 capabilities allow for more dynamic URLs to process the requests, thus
18 reducing the need for intervention. For example, if a customer calls into the
19 IVR for a start service request, we can offer to text them a link to start service
20 page, and if the customer prefers, they can complete their request from their
21 device, allowing them to self-serve. Customers can receive texts with
22 additional options and links, such as bill reminders and confirmations, tree
23 trimming information, payment locations, street light repair, and others.

1 We have also enabled another new texting feature in July 2022 - two-
2 way texting. Two-way texting allows customers to respond to certain messages
3 and reminders. For example, if a bill reminder is texted, and a customer
4 responds saying they are not able to pay by the due date, the system can
5 recognize that message and provide options or a link to set up an installment
6 plan. These texting capabilities provides yet another channel for customers to
7 interact with the Company and to self-serve.

8 **V. ENHANCEMENTS TO CUSTOMER OFFERINGS**

9 **Q. HOW HAVE THE COMPANY’S RECENT DIGITAL ENHANCEMENTS**
10 **LED TO BETTER SERVICE FOR CUSTOMERS?**

11 A. Our digital transformation efforts help deliver exceptional customer benefits,
12 streamline previously manual processes, and deliver long-term efficiencies.
13 After listening to customer feedback, we improved our website by making key
14 interaction options easier to locate in January 2022. Additionally, we have
15 added several enhancements to our digital and web-based offerings, including
16 an interactive Transmission Map that details transmission projects planned
17 across North Carolina, a planned vegetation management map, a feature
18 alerting customers to estimated call wait times, the ability for customers to start
19 and stop service online, a digital, self-service enrollment option for payment
20 arrangements, and a way to be directed to agency assistance support when
21 needed.

22 Since implementing these changes, customers are reporting higher
23 satisfaction with their web experience and improved ease when completing

1 tasks including “accessing their online account” and “requesting a payment
2 arrangement.”

3 **Q. HOW HAS THE COMPANY’S DIGITAL ENHANCEMENTS MADE IT**
4 **EASIER FOR CUSTOMERS TO REPORT CONCERNS WITH**
5 **SERVICE OUTAGES?**

6 A. Outage reporting was enhanced to make it easier for customers to report service
7 interruptions through our website or mobile app. A web form was launched that
8 allows customers to provide greater detail about their outage, along with an
9 option to enter free form comments to allow for more detail on the situation.
10 We have seen the adoption rate of the new outage forms grow with the success
11 rate moving from approximately 55% with the legacy forms to now 87%. This
12 change has helped equip the Company with more detail around the potential
13 cause of the outage. For example, a customer can report hearing a loud noise,
14 which may point to a potential transformer failure. We continue to proactively
15 communicate with customers experiencing outages, providing updates to
16 customers, via text or email, and up-to-date information on the new outage
17 maps, without a customer having to call. Improvements were also made to the
18 mobile app to ensure key outage data points were more visible to customers
19 during active outages.

20 A new Street and Area Light Repair platform was launched on the
21 Company webpage in March 2021. This platform allows both customers and
22 call center specialists to easily report streetlight issues. The tool enables
23 reporting of detail for the exact problem, improving operational efficiencies on

1 repairs. Additionally, customers can select to receive email or text updates on
2 the progress of their requested repair. Chartwell, a company that works with
3 utilities to improve customer experience, satisfaction, and operational
4 efficiency, recently awarded one of its 2022 Best Practices Awards in Outage
5 Restoration to Duke Energy for this Street & Area Light Repair tool.

6 **Q. WHAT OTHER EFFICIENCIES HAS THE COMPANY GAINED**
7 **THROUGH DIGITAL ENHANCEMENTS?**

8 A. Other examples of digital transformation efficiencies include expansion of
9 “Ping It.” The Company has updated the program to enhance its usage by the
10 Customer Care Operations and Customer Delivery teams in order to continue
11 providing excellent service. The ability to retrieve information such as voltage
12 data or meter communication status helps us troubleshoot customer issues more
13 efficiently. The Ping It program continues to be especially useful during major
14 storms. In fact, during Hurricane Ian restoration efforts from September 28th
15 through October 3rd of 2022, Ping It was used approximately 21,000 times to
16 determine the status of a customer’s service. In over 1,400 cases, we were able
17 to validate successfully that the customers’ service had been returned and close
18 outage tickets, avoiding a truck roll.

19 **Q. PLEASE DESCRIBE HOW DIGITAL ENHANCEMENTS HAVE**
20 **MADE IT POSSIBLE FOR CUSTOMERS TO MORE EASILY**
21 **MANAGE THEIR OWN ACCOUNTS AND SERVICE?**

22 A. Because of the digital enhancements that the Company has made, our customers
23 now have more information and options than ever to manage their own account

1 and services. For example, our free mobile app is available for residential and
2 small business customers to easily manage their account from anywhere in the
3 United States. The app was developed based on customers' most requested
4 features – with it, customers can: view and pay their bill; use the app to manage
5 their profiles; set reminders; schedule automatic payments; enroll in billing and
6 payment programs or view their billing history; report an outage and receive
7 restoration updates; monitor their energy use over time so they can better
8 manage it; and receive personalized offers that help them save. The app uses
9 the same log-in as the customer's current account and has an option to use
10 fingerprint or facial recognition for a fast, secure sign-in.

11 In addition, Remote Order Fulfillment through AMI meters in
12 connection with Customer Connect has enabled customers to request same-day,
13 Saturday, and digital self-service options. These enhancements have increased
14 efficiency in operations and customer satisfaction. After successfully piloting
15 the functionality with other Duke Energy utilities, DEC enabled same-day start
16 service in August 2021. Since then, over 180,000 residential customers have
17 requested same-day service, which is approximately 31% of total start service
18 requests. Additionally, a recent enhancement to the IVR system informs calling
19 customers about same-day self-service and can generate a text message to the
20 customer providing a link directly to the online form. In October 2022,
21 approximately 18% of all DEC start service orders were submitted online
22 through the digital self-service tools.

1 Our Company applications, updated website, smart meters, and
2 Customer Information System allow us to offer various programs and products
3 and to better communicate with customers. Many of our products and services
4 are available and communicated through multiple digital channels. For
5 example, Pick Your Due Date, which the Company offers through an online
6 web form and through call center enrollment, enables customers to select the
7 billing date that best aligns with their financial situation. Usage alerts, which
8 include current electricity cost and projected costs, are sent via email or text to
9 customers at the midpoint of their billing cycle, and eligible customers are
10 automatically sent payment confirmations via email or text.

11 Finally, the Company has improved our customer confirmation
12 messaging. Customers will now see dates their payment was posted. If a
13 customer's balance is paid in full, that customer will see a message stating \$0
14 remaining balance. These messages can provide other account insights, such
15 as when customer messaging indicates that the account is at risk for
16 disconnection. Also, with the rollout of Customer Connect, a bill reminder
17 message was introduced to customers that would remind them three days prior
18 to their bill due date if they had yet to pay. These changes were made to be
19 more informative when communicating with customers who choose to interact
20 digitally with us.

1 **Q. WHAT STEPS IS THE COMPANY TAKING TO ENSURE**
2 **EXCELLENT CUSTOMER SERVICE FOR ITS BUSINESS**
3 **CUSTOMERS?**

4 A. The Company established a new Business Service Center (“BSC”) focused on
5 providing a more tailored service model customized by business segment for
6 our SMB customers. By creating teams to serve each group, this new
7 organization positions us to better understand and support the many different
8 types of business customers we serve. This model allows us to build a virtual
9 account management system to more effectively and efficiently handle requests
10 and ensure customers are able to leverage all of our digital channels for their
11 unique business needs.

12 The BSC will also allow us to expand assistance to additional builders,
13 developers, and local inspecting authorities. By providing dedicated teams
14 specializing in new construction, as well as a self-service Builder Portal, we can
15 better serve this business segment of customers and provide options to better
16 suit their needs. These teams will also serve our local inspecting authorities for
17 processing inspections with customized solutions and points of contact to
18 respond to their requests.

19 The BSC aligns teams that support builders, developers, and inspecting
20 authorities, agriculture customers, multi-account customers, servicing for solar
21 installations and billing, and all our business support functions under one
22 organization.

1 **Q. HAS THE COMPANY IMPLEMENTED THE FEE-FREE PAYMENT**
2 **PROGRAM FOR RESIDENTIAL CUSTOMERS AS REQUESTED IN**
3 **ITS PREVIOUS RATE CASE?**

4 A. Yes. The Company requested and received approval to implement the
5 transaction fee-free program in its previous North Carolina general rate case
6 proceeding. Upon Commission approval, the Company began offering fee-free
7 credit and debit card payments for its residential customers.

8 The Commission approved DEC's similar request in its general rate
9 case. DEC was directed to track and report the number of payments by channel
10 per year. Refer to Quick Exhibit 1 for the transaction by channel data.

11 **Q. IS THE COMPANY PROPOSING TO EXPAND THIS PROGRAM**
12 **OFFERING TO OTHER CUSTOMERS?**

13 A. Yes. We are proposing to offer a Fee-Free Program for small and medium
14 nonresidential customers who make payments using debit, credit, prepaid, or
15 electronic check ("Card" or "Card Payment(s)") to pay their electric bills.
16 Today, a customer making a Card Payment must individually pay a surcharge
17 or convenience fee per transaction. The proposed program would allow these
18 customers to utilize Card Payments without paying a fee. Instead, the Company
19 would pay these costs to the third-party processing vendor and recover the cost
20 from all customers as part of its cost of service. The proposed adjustment is
21 described further in Witness Quynh P. Bowman's testimony.

1 **Q. PLEASE EXPLAIN HOW THE COMPANY CURRENTLY ACCEPTS**
2 **PAYMENTS FROM ITS BUSINESS CUSTOMERS.**

3 A. Currently, the Company accepts nonresidential customer payments through
4 check, money order, cash, and automated bank drafts (ACH). Customers also
5 have the ability to make Card Payments through the Company's website, mobile
6 app, IVR, or speaking with a call specialist, though these transactions would
7 incur a third-party processing fee.

8 **Q. PLEASE EXPLAIN HOW THE COMPANY PLANS TO EXPAND THE**
9 **FEE-FREE OFFERINGS.**

10 A. Currently, customers can make payments free of charge by mailing a check or
11 money order, paying with cash, check, or money order at a free pay station, or
12 using ACH drafts. The costs for the Company to offer these methods are paid
13 for by all customers through base rates and are not recovered exclusively by
14 those specific customers that use any of the above methods of payment.
15 However, nonresidential customers making a Card Payment through the
16 Company's website, mobile app, IVR, or speaking with a call specialist are
17 subject to a convenience fee of \$8.50 per payment, or for payments in excess of
18 \$10,000, the convenience fee is 2.75% of the amount paid. The convenience
19 fee is charged and collected directly from the customer by the Company's third-
20 party vendor, SpeedPay, and is applicable to Card Payments made via all
21 channels listed above including live customer service. The Company receives
22 no portion of this fee.

1 **Q. HOW IS THE COMPANY PLANNING ON MODIFYING THE CURRENT**
2 **METHODS OF PAYMENT AND ANY ASSOCIATED FEES?**

3 A. Customer Card Payments of up to \$10,000 are currently subject to an \$8.50
4 convenience fee imposed by the third-party vendor. The Company is proposing
5 to offer the Fee-Free Program for Card Payment methods for nonresidential
6 customer bill payments up to \$3,000 without the customer incurring a
7 transaction fee. Instead, the Company will pay the processing fees for these
8 types of payments and incorporate the expense into the cost of service to seek
9 recovery through the Company's base rates.

10 **Q. HOW DID THE COMPANY DETERMINE THE THRESHOLD TO USE**
11 **FOR THIS PROGRAM?**

12 A. During the 2021 test year, nonresidential customers in North Carolina used Card
13 Payment methods to pay more than \$108 million in utility bills with
14 approximately 96% of those payments being \$3,000 or less. Setting \$3,000 as
15 a threshold allows the Company to offer this program to our SMB customers
16 and limits cost exposure related to expensive payment processing costs from
17 larger payment amounts by commercial and industrial customers. While all
18 nonresidential customers are eligible, the program is focused on meeting the
19 needs of our small and medium sized customers who have often requested the
20 option to use a card without paying a fee and whose payment amounts are
21 typically much lower than larger industrial or commercial customers. These
22 customers also often handle their business accounts similar to their residential

1 accounts, which already have the fee-free option, causing frustration with
2 paying a fee for their business account payments.

3 **Q. WHY IS THE COMPANY PROPOSING TO EXPAND THESE**
4 **OFFERINGS AT THIS TIME?**

5 A. We are proposing to expand the Fee-Free program to nonresidential customers
6 based on customer feedback and requests. Customers want to leverage our
7 digital payment channels, and a fee-free Card Payment option gives them that
8 flexibility. Many of these customers often accept Card Payments at their
9 businesses and build the fee into the cost of their products or services. They
10 expect a similar experience when paying their utility bill, and they have voiced
11 this expectation. For example, in the Company's recent surveys, nonresidential
12 customers noted the following when asked what they liked least about their
13 billing and payment experience:

14 \$8 "convenience fee" no way.

15 Fee of \$8.50 is high.

16 I am not a fan of how much of an additional fee it is to
17 run a debit card versus sending a check. 8.50 each month
18 adds up for a convenience fee, I think is a bit much.

19 I switched to in person due to the convenience fee.

20 Should not have to pay processing fee when making a
21 payment.

22 **Q. HOW WOULD THE FEE-FREE OPTION BENEFIT THE COMPANY'S**
23 **BUSINESS CUSTOMERS?**

24 A. Eliminating these convenience fees would provide additional fee-free options
25 for customers to pay their bills. As described above, the option to make a Card

1 Payment without incurring a fee would lead to greater satisfaction for our
2 nonresidential customers. There are many reasons why customers prefer Card
3 Payment methods, which may include: customers view it as the most
4 convenient payment method for them, they prefer the included security
5 protections from their bank, or because Card Payment methods allow for
6 immediate payment to prevent a pending disconnection for non-pay or a late
7 payment charge. Regardless of the reason, the Company believes customers
8 would be more satisfied with the ability to pay by the method of their choice
9 without incurring additional fees.

10 **Q. WILL THE COMPANY'S CARD PAYMENT FEE STRUCTURE**
11 **CHANGE WITH THE PROGRAM?**

12 A. Yes. The table below outlines the proposed program.

Nonresidential Card Payment Structure

	<u>Fee</u>	<u>Payment Amount</u>
Current	\$8.50	up to \$10,000
Proposed	Fee-Free	up to \$3,000

13 **Q. ARE THERE OTHER UTILITIES THAT OFFER FEE-FREE CARD**
14 **PAYMENTS TO BUSINESS CUSTOMERS?**

15 A. Yes. We identified DTE Electric Company ("DTE Electric") as an investor-
16 owned utility offering fee-free Card Payments for SMB customers. One
17 particular lesson from DTE Electric informed our proposal. Initially, DTE
18 Electric offered all nonresidential customers the option to pay by credit/debit
19 card without incurring any fees, regardless of the bill amount. DTE Electric
20 revised its policy for card transactions to exclude larger commercial and

1 industrial customers from the program due to the costs related to processing
2 larger payment amounts. DTE Electric believed it to be “reasonable to expect
3 these larger, more sophisticated customers to use more common business-to-
4 business forms of payment, such as a check or electronic bank payment, that
5 result in significantly lower costs to the company and correspondingly to its
6 customers.”⁹ Our proposed fee-free program is structured similarly, with the
7 goal of satisfying a frequent business customer request by improving payment
8 experience at reasonable cost to all other customers.

9 **Q. WHY IS IT REASONABLE FOR THE COMPANY TO INCLUDE THE**
10 **COST OF FEE-FREE PAYMENTS IN “BASE RATES,” WHICH IS PAID**
11 **FOR BY ALL CUSTOMERS?**

12 A. The Company views the processing fees associated with a customer making
13 Card Payments as a typical cost of doing business that should be included in the
14 cost of service paid by all customers, similarly to how the processing costs for
15 issuing the Company’s bills are handled. With respect to issuing the Company’s
16 bills, customers that choose to receive a paper bill, as opposed to a paperless
17 option, do not incur an incremental fee.

18 As noted above, there are many reasons why a customer may choose a
19 Card Payment method to pay their utility bill. Either way, customers should
20 have the option to choose the payment method that is most convenient for them,
21 and the Company should provide customers payment flexibility by processing

⁹ *Order*, In the Matter of the Application of DTE Electric Co. for Authority to Increase its Rates, Amend its Rate Schedules and Rules Governing the Distribution and Supply of Electric Energy, and for Miscellaneous Accounting Authority, Case No. U-20561, issued May 8, 2020, at 192.

1 either payment method as an ordinary cost of business. Given the changes in
2 consumer needs, expectations, and behaviors, it is equitable and reasonable to
3 include these costs in the Company's cost of service similar to other processing
4 costs like checks or mailing out paper bills and return envelopes.

5 In the end, the more convenient the Company can make the bill paying
6 process, the more all customers benefit. Customers who self-serve, pay on time,
7 and are satisfied with the options available to them can be less expensive to
8 serve, which is a benefit to all customers. Moreover, giving customers options
9 to pay by the method of their choice without incurring additional fees can
10 increase customer satisfaction and should decrease customer complaints about
11 the payment process.

12 **Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

13 **A. Yes.**

PAYMENT COUNT	2019	2020	2021	2022*
Residential				
Electronic	8,636,969	8,896,312	9,018,184	8,830,263
Speedpay	6,011,723	5,636,465	5,685,913	5,102,223
Mail	4,458,332	4,065,603	3,611,580	2,891,077
Walk-in Pay Agent	691,439	503,017	405,890	324,878
	19,798,463	19,101,397	18,721,567	17,148,441
Non-Residential				
Electronic	1,291,799	1,390,859	1,501,227	1,522,432
Speedpay	184,945	169,687	189,233	179,341
Mail	1,949,761	1,821,854	1,630,844	1,359,908
Walk-in Pay Agent	40,937	33,154	29,421	23,302
	3,467,442	3,415,554	3,350,725	3,084,983
Total	23,265,905	22,516,951	22,072,292	20,233,424