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Feb 15 2021

February 15, 2021

VIA ELECTRONIC FILING

Ms. Kimberley A. Campbell, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

**RE: Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's
Joint Annual Report on the Customer Connect Program
Docket Nos. E-7, Sub 1146 and E-2, Sub 1142**

Dear Ms. Campbell:

Pursuant to the Commission's Order issued June 22, 2018 in Docket No. E-7, Sub 1146 and the Commission's Orders issued February 23, 2018 and June 12, 2018 in Docket No. E-2, Sub 1142, please find enclosed for filing Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's Joint Annual Report on the Customer Connect Program in the above-referenced dockets.

Please do not hesitate to contact me if you have any questions or need additional information.

Sincerely,

Kendrick C. Fentress

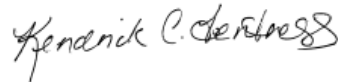
Enclosure

cc: Parties of Record

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's Joint Annual Report on the Customer Connect Program, in Docket Nos. E-7, Sub 1146 and E-2, Sub 1142, has been served by electronic mail, hand delivery, or by depositing a copy in the United States Mail, 1st Class Postage Prepaid, properly addressed to parties of record.

This the 15th day of February, 2021.



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DUKE ENERGY PROGRESS, LLC DUKE ENERGY CAROLINAS, LLC

ANNUAL REPORT ON CUSTOMER CONNECT PROGRAM DOCKET NO. E-2, SUB 1142 DOCKET NO. E-7, SUB 1146 YEAR ENDED DECEMBER 31, 2020

INTRODUCTION & SUMMARY

Ordering Paragraph No. 30 in Docket No. E-2, Sub 1142 and Ordering Paragraph No. 22 in Docket No. E-7, Sub 1146 require that Duke Energy Progress, LLC and Duke Energy Carolinas, LLC (the Companies) file a report annually for the next five years (2022), or until the Customer Connect Program is fully implemented, whichever occurs later. The Customer Connect Program (CCP) Annual Report is due by February 15 each year and will provide information on the following topics:

- 1. Program Development and Accomplishments*
- 2. Key Customer Benefits*
- 3. Program Spending*
- 4. Customer Inputs and Insights*
- 5. Any other information the Companies deem appropriate*

The Customer Connect Program fully launched in January 2018 following all approval governance milestones and significant request for proposal and contract negotiation activities throughout 2016 and 2017. Contracts were established with major vendors - SAP as the primary software vendor, Accenture as the system integrator, and EY (Ernst & Young) as the organizational change management and training partner.

The program will deliver new capabilities to customers every year of the program leading up to full deployment in 2021 and 2022 as follows:

Release 1 (R1) Analytics & Digital Marketing - The Companies will incorporate advanced analytics capabilities that will allow them to better track the interactions and relevant touch points customers are having with Duke Energy Corporation across multiple channels, such as web visits, Interactive Voice Response Unit (IVR), live voice calls, social media, etc., to build a holistic customer profile.

Release 2 (R2) Customer Engagement - The Companies will build on the holistic customer profile to begin to engage with customers in new ways. Examples of new and/or improved capabilities customers will experience include a streamlined customer service experience and more timely, relevant and valuable communications. Originally, Release 2 was planned to be fully implemented in November 2018. However, after learning more about impacts to our call centers, the decision was made to split the release into two separate deployments – November 2018 and February 2019 – as noted in the updated timeline on page 3. The functionality moved to February 2019 primarily impacts Customer Care specialists and was moved to ensure proper call center training, adoption and minimal impact to customer service level during the transition time

Release 3 (R3) Customer Engagement - The Companies will continue to build on functionality to enable more meaningful, personalized and valuable interactions with customers. The Companies will integrate with the IVR system to better predict customer intent when they are calling and expose that data to our Customer Care specialists. The Companies will further enable a holistic view of our customer.

Release 4 (R4) Universal Bill - The Companies will introduce a universal bill format to help customers more easily view and understand their bill and energy usage.

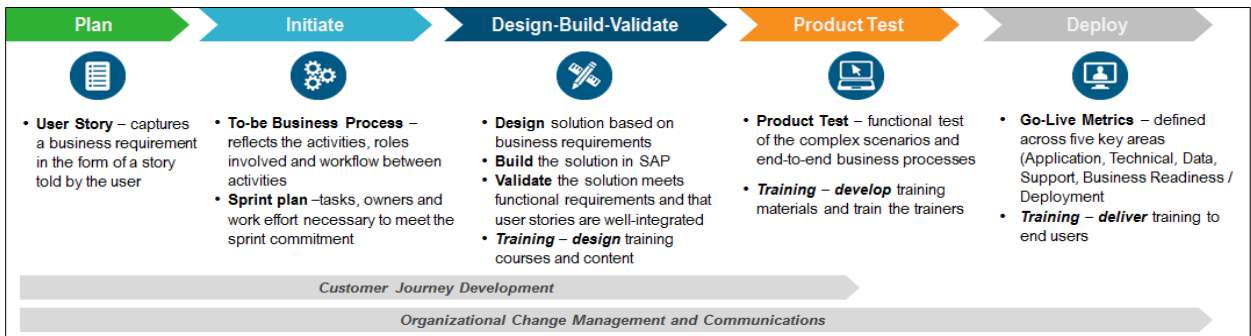
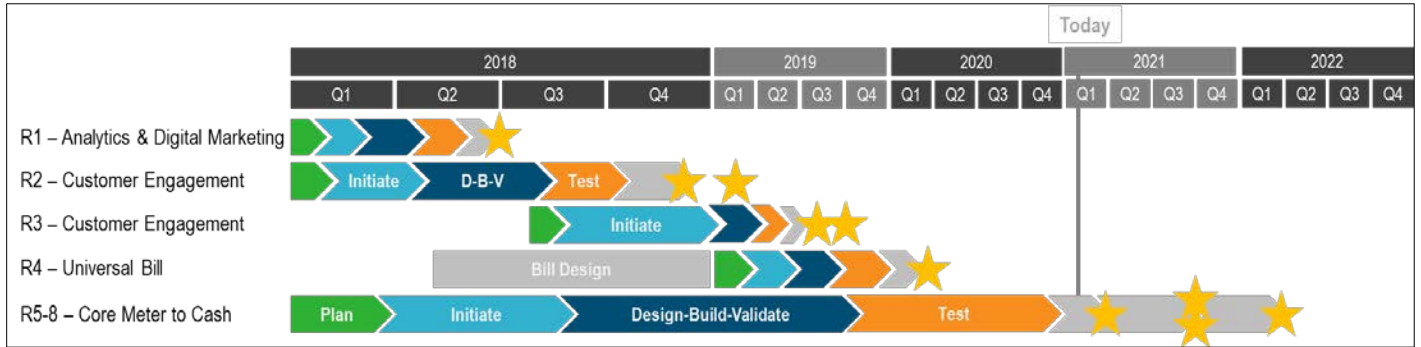
Release 5-8 (R5-8) Core Meter-to-Cash - The Companies will begin deploying the final components of the meter-to-cash solution including all meter-to-cash processes and additional self-service capabilities and portals, new rate offerings and advanced billing options. Releases 5-8 will also include prepaid capabilities, which will allow the Companies to offer new or existing products and services on a prepaid basis to customers, providing them with more choice, control and convenience in how they do business with Duke Energy Corporation.

The Companies had originally planned to implement core components of the complete meter-to-cash solution early for a subset of customers who prepay. However, after completing detailed Plan and Initiate phases, the Companies learned that complexities associated with the interfacing systems were greater than originally planned, and that this was work necessary to implement these early core components. Implementing these components early would add significant risk to the Program, and, therefore, implementing these components no longer met our key objectives to de-risk the Program, deliver value along the journey, and advance the final solution. As a result, the Companies have decided to shift these capabilities to align with core-meter-to cash solution deployments. The revised scope for Release 3 is noted above.

As stated in a letter filed with the North Carolina Utilities Commission (NCUC) on June 29, 2020 in of Docket Nos. E-2, Sub 1142 and E-7, Sub 1146, the Companies decided to accelerate the program timeline to deliver the new customer service platform five months earlier than originally reported and planned for DEP. The new time frame for Customer Connect full deployment for DEP is now November 2021. The time frame for full deployment for Customer Connect for DEC remains April 2021.

PROGRAM DEVELOPMENT & ACCOMPLISHMENTS

Program Timeline and Phases



High level program methodology - phases and key activities of each release

PROGRAM DEVELOPMENT & ACCOMPLISHMENTS

Program activities undertaken in the past 12 months

		2020											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Release 4 Universal Bill	Operational Readiness Test	█											
	Customer Communications	█											
	Training and Proficiency	█											
	Deployment and Warranty			█									
Release 5 Core Meter to Cash	Design, Build, Validate - All Jurisdictions	█											
	Product Test - All Jurisdictions	█											
	Operational Readiness Test - DEC									█			
	Mock Conversions and Dress Rehearsals	█	█		█		█			█	█		█
	Change Agent Communication and Engagement - All Jurisdictions	█											
	Training Development - All Jurisdictions	█											
										Train the Trainer - DEC			
												Instructor Led Training - DEC	

		2020			
		Q1	Q2	Q3	Q4
Release 1 Analytics & Digital Marketing	<ul style="list-style-type: none"> Release complete 	<ul style="list-style-type: none"> Release complete 	<ul style="list-style-type: none"> Release complete 	<ul style="list-style-type: none"> Release complete 	<ul style="list-style-type: none"> Release complete
Release 2 Customer Engagement	<ul style="list-style-type: none"> Release complete 	<ul style="list-style-type: none"> Release complete 	<ul style="list-style-type: none"> Release complete 	<ul style="list-style-type: none"> Release complete 	<ul style="list-style-type: none"> Release complete
Release 3 Customer Engagement, cont.	<ul style="list-style-type: none"> Release complete 	<ul style="list-style-type: none"> Release complete 	<ul style="list-style-type: none"> Release complete 	<ul style="list-style-type: none"> Release complete 	<ul style="list-style-type: none"> Release complete
Release 4 Universal Bill	<ul style="list-style-type: none"> Completed Operational Readiness Test Phase Launched Phase 2 and 3 Communication Campaign Conducted Training 	<ul style="list-style-type: none"> DEP Go-Live – May 4 DEC Go-Live -May 18 Began Warranty Phase 	<ul style="list-style-type: none"> Completed Warranty Phase 	<ul style="list-style-type: none"> Release complete 	
Releases 5-8 Core Meter to Cash	<ul style="list-style-type: none"> Completed Design-Build-Validate Phase Completed Product Test Cycle 1 Completed 2nd and 3rd Mock Data Conversions Continued Training Development 	<ul style="list-style-type: none"> Completed Product Test Cycle 2 Completed 4th and 5th Mock Data Conversion Continued Training Development 	<ul style="list-style-type: none"> Completed Product Test Cycle 3 Completed 6th Mock Data Conversion Began DEC Operational Readiness Test Phase Conducted DEC Dress Rehearsal No. 1 Continued Training Development Completed DEC Train-the-Trainer 	<ul style="list-style-type: none"> Completed Product Test Cycle 4 Continued DEC Operational Readiness Test Phase Conducted DEC Dress Rehearsal No. 2 Began DEC Instructor Led Training 	

NOTE: Activity is for all jurisdictions, unless otherwise noted

Program activities undertaken in the past 12 months (*continued*)

Core Solution Testing

The Assembly Test Phase was added to test certain functions and interfaces before Product Testing began in 2020. This phase is a best practice for customer system replacement programs of this size and complexity.

The Customer Connect program conducted four Product Test Cycles in 2020. Product testing validates functionality for all jurisdictions regardless of the release. There were over 41,000 Product Test scripts executed with a 90% pass rate.

Key Customer Impacts/Benefits Implemented

In second quarter 2020, the Companies introduced a new bill format to help customers more easily view and understand their bill and energy usage. The Companies deployed the new bill format for all customers remotely with a great customer experience. The redesigned bill provides a simplified, clear and uncluttered billing experience for all residential and non-residential Duke Energy customers. While the bill has a new look and feel, it includes the same helpful information customers value and state regulators require.

The Customer Connect program team implemented a comprehensive communications and engagement plan to generate awareness and provide general education about the new bill to customers and community agencies. A phased communications approach allowed adequate time for customers to prepare for the new bill and build a deeper understanding of the changes.

Phase 2 communications (“new bill is coming soon”) were delivered throughout Q1 2020 to provide a sneak peek at the new bill format and highlight key benefits. An online tutorial page was created for customers interested in exploring the new bill in more detail. The interactive tutorial is available for DEC and DEP and includes sample bills for both residential and business customers. A translated version of the bill tutorial is also available for our Spanish-speaking customers.

Phase 3 communications (“new bill is here”) were delivered post deployment to reinforce key messages and direct customers to the campaign page and/or bill tutorial pages for answers to frequently asked questions. Post-deployment communications also incorporated important messages about available resources to help customers during the pandemic.

As part of the Phase 2 and 3 Communication campaign about the new bill format in 2020, the following communication activities were implemented in advance of the new bill deployment and post deployment:

- Continued the New Bill campaign page with frequently asked questions
- Banners on the Duke Energy website directing customers to the campaign page or bill tutorial pages
- Bill tutorial page for the new bill (including Spanish-translated callouts) on the Duke Energy website
- A Bill message followed by a Bill insert about the new bill format
- Email and newsletters to residential and business customers
- Targeted messages added to our automated phone system to educate customers about the new bill and redirect them to the website for more information
- Video tour of the new bill format and key features

As a follow-up to community agency meetings in Q4 2019, we sent an email to inform agencies about the new bill and directed them to a dedicated resources page on the Duke Energy website. On this webpage, agencies were able to access and download the following resources to help answer customers’ questions about the new bill:

- Quick Reference Guide provided an overview of our estimated customer communications timeline, key messages and talking points
- New Bill Toolkit included a variety of residential bill samples with descriptions, helpful tips and a list of relevant programs and services for customers
- Links to customer resources: New Bill Fact Sheet, FAQ Sheet and Bill Tutorials (English and Spanish)
- Modified bill sample to reflect our temporary billing and payment policy changes due to COVID-19

Program activities planned for the next 12 months (*continued*)

Key Customer Impacts/Anticipated Benefits

As previously stated, DEC will deploy the Customer Connect platform in April 2021, and DEP will deploy it in November 2021. To allow for conversion and cutover activities needed to support the implementation of Customer Connect for DEC, there will be a period of approximately 4-6 days (beginning the evening of Tuesday, March 30, 2021 through early morning Monday, April 5, 2021) where major systems including legacy systems will have limited or no availability. Customer requests will continue to be captured and performed during the cutover period using contingency processes. In addition, many of the website features for DEC customers will have limited availability. The same will occur for DEP's implementation in November 2021.

The core implementations will include all meter-to-cash processes and will provide customers with additional self-service capabilities and portals to provide more control, convenience and choice in how the customers does business with the Companies.

The core solution customer benefits include:

- New flexible billing and payment options that let customers set up extended payment arrangements, change their due date and more
- A new usage graph and more comparison data on the monthly bill allows customers to monitor their energy use and see trends for better insight into their energy use and spending
- Enhanced or new self-service features that let customers manage their account whenever and wherever they are, from their desktop to their mobile phone

Customer Communications

The Customer Connect program team will implement a multi-faceted communications and engagement plan to address needs ranging from general awareness to building a deeper understanding of the changes.

Broad Campaign (*February 2021*)

A broad, overarching communications campaign about the new customer engagement platform and billing system will introduce and prepare residential and business customers (DEC in Q1 2021 and DEP in Q3 2021) for the improvements the Company is making to enhance our customers' experience. Such improvements include new billing and payment options, more insights and analysis and an improved digital experience.

The broad campaign will be centered around the theme of 'More' – more choices, convenience and control for customers. As part of the broad campaign, the following communication activities will be implemented in advance of targeted change management communications:

- 'More for You' and 'More for Your Business' campaign pages for residential and non-residential customers to introduce what's to come in 2021
- Email and newsletter about key enhancements coming in 2021
- Bill insert and bill message directing customers to the campaign web page for details

Individual Campaigns (*DEC February – March 2021; DEP September – October 2021*)

Following the launch of the broad campaign and leading up to deployment, individual campaign communications will be sent to customers enrolled in certain billing and payment programs and/or digital users to reinforce benefits, address specific changes impacting their program and/or digital experience and, when applicable, clearly communicate calls to action. For example, customers enrolled in the following programs and/or digital experiences may/will receive proactive communications in advance of deployment:

- Equal Payment Plan (Budget Billing)
- Auto Pay
- Paperless Billing – Email Bill Delivery
- Deferred Payment Arrangements (Installment Plan)

- Summary Billing (Collective Billing)
- Digital Portals: Business Portal, Property Manager Portal and Agency Portal

The frequency, timing and messaging of individual campaign communications will be tailored to suit the audience, level of impact and channel. When applicable, a multi-channel approach will offer multiple touchpoints with customers and provide greater assurance the message will be received. Communication channels may include:

- Informational webpages with frequently asked questions
- Email and newsletter
- Direct mail
- Outbound automated call or text
- Global alerts and banner messages on DE.com and within the digital portal experiences
- Targeted messages added to our automated phone system
- Customer Service and other customer-facing groups (e.g., Community Relations, Consumer Affairs, etc.)

Engagement Activities (*DEC February – March 2021; DEP September – October 2021*)

In certain situations – particularly customers with multi-account, multi-jurisdiction, and/or multi-portal experiences – high-touch engagement may be required to provide additional support, tools and resources. The Customer Connect program team will conduct proactive outreach to customers who fit into these unique situations to assist them with understanding the changes, timeline and any applicable calls-to-action. In addition, community agencies will be invited to participate in one of four virtual information sessions (late Q1 – DEC; early Q4 – DEP) to preview enhancements to the DEC/DEP agency portal and learn more about key changes to the customers’ experience.

Post-Deployment Communications (*DEC After April 2021; DEP After November 2021*)

Individual campaign communications will continue post-deployment to reinforce key benefits, messages and calls-to-action. Post-deployment communications will also promote new self-service options that let customers manage their account whenever and wherever they are.

CUSTOMER CONNECT PROGRAM SPENDING

I. Expenditures (by category for capital and O&M) for both internal and external services, and equipment incurred during the last calendar year.

Annual Expenditures For the year ended December 31, 2020 (dollars in thousands)						Duke Energy Progress					Duke Energy Carolinas				
	Labor		Non-labor		Grand Total	Labor		Non-labor		Grand Total	Labor		Non-labor		Grand Total
	Capital	O&M	Capital	O&M		Capital	O&M	Capital	O&M		Capital	O&M			
Release 1 - Advanced Analytics	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Release 2 - Customer Engagement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Release 3 - Customer Engagement Extended	-	11	6	12	29	-	18	10	20	48	-	18	10	20	48
Release 4 - Universal Bill	332	346	1,015	296	1,989	554	578	1,722	490	3,344	554	578	1,722	490	3,344
Release 5 - Core Meter to Cash (5-8)	6,288	1,470	16,251	3,993	28,002	10,955	3,999	27,822	8,377	51,153	10,955	3,999	27,822	8,377	51,153
Cross Release	256	1,041	886	1,436	3,619	428	1,944	1,427	9,686	13,485	428	1,944	1,427	9,686	13,485
Grand Total	\$ 6,876	\$ 2,868	\$ 18,158	\$ 5,737	\$ 33,639	\$ 11,937	\$ 6,539	\$ 30,981	\$ 18,573	\$ 68,030	\$ 11,937	\$ 6,539	\$ 30,981	\$ 18,573	\$ 68,030

Annual Expenditures For the year ended December 31, 2020 (dollars in thousands)						Duke Energy Progress - NC					Duke Energy Carolinas - NC				
	Labor		Non-labor		Grand Total	Labor		Non-labor		Grand Total	Labor		Non-labor		Grand Total
	Capital	O&M	Capital	O&M		Capital	O&M	Capital	O&M		Capital	O&M			
Release 1 - Advanced Analytics	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Release 2 - Customer Engagement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Release 3 - Customer Engagement Extended	-	10	5	11	26	-	14	8	15	37	-	14	8	15	37
Release 4 - Universal Bill	295	308	903	263	1,770	427	445	1,326	377	2,575	427	445	1,326	377	2,575
Release 5 - Core Meter to Cash (5-8)	5,596	1,308	14,463	3,554	24,922	8,435	3,079	21,423	6,450	39,388	8,435	3,079	21,423	6,450	39,388
Cross Release	228	926	789	1,278	3,221	330	1,497	1,099	7,458	10,383	330	1,497	1,099	7,458	10,383
Grand Total	\$ 6,120	\$ 2,553	\$ 16,161	\$ 5,106	\$ 29,939	\$ 9,191	\$ 5,035	\$ 23,855	\$ 14,301	\$ 52,383	\$ 9,191	\$ 5,035	\$ 23,855	\$ 14,301	\$ 52,383

CUSTOMER CONNECT PROGRAM SPENDING

II. Project-to-date expenditures (by category for capital and O&M) for both internal and external services, and equipment incurred through the last calendar year.

Project-to-date Expenditures Calendar years 2016-2020 (dollars in thousands)	Duke Energy Progress					Duke Energy Carolinas				
	Labor		Non-labor		Grand Total	Labor		Non-labor		Grand Total
	Capital	O&M	Capital	O&M		Capital	O&M	Capital	O&M	
Release 1 - Advanced Analytics	179	245	1,524	378	2,326	296	405	2,496	624	3,821
Release 2 - Customer Engagement	1,175	792	3,676	2,022	7,665	1,939	1,351	6,038	3,338	12,666
Release 3 - Customer Engagement Extended	639	551	2,451	1,843	5,484	1,054	911	3,943	3,043	8,951
Release 4 - Universal Bill	601	850	3,300	1,246	5,997	998	1,412	5,422	2,057	9,889
Release 5 - Core Meter to Cash (5-8)	11,013	3,774	36,687	9,487	60,961	18,803	7,974	61,411	17,459	105,647
Cross Release	651	5,631	6,257	4,055	16,594	1,074	9,553	10,394	15,229	36,250
Grand Total	\$ 14,258	\$ 11,843	\$ 53,895	\$ 19,031	\$ 99,027	\$ 24,164	\$ 21,606	\$ 89,704	\$ 41,750	\$ 177,224

Project-to-date Expenditures Calendar years 2016-2020 (dollars in thousands)	Duke Energy Progress - NC					Duke Energy Carolinas - NC				
	Labor		Non-labor		Grand Total	Labor		Non-labor		Grand Total
	Capital	O&M	Capital	O&M		Capital	O&M	Capital	O&M	
Release 1 - Advanced Analytics	159	218	1,356	336	2,070	228	312	1,922	480	2,942
Release 2 - Customer Engagement	1,046	705	3,272	1,800	6,822	1,493	1,040	4,649	2,570	9,753
Release 3 - Customer Engagement Extended	569	490	2,181	1,640	4,881	812	701	3,036	2,343	6,892
Release 4 - Universal Bill	535	757	2,937	1,109	5,337	768	1,087	4,175	1,584	7,615
Release 5 - Core Meter to Cash (5-8)	9,802	3,359	32,651	8,443	54,255	14,478	6,140	47,286	13,443	81,348
Cross Release	579	5,012	5,569	3,609	14,769	827	7,356	8,003	11,726	27,913
Grand Total	\$ 12,690	\$ 10,540	\$ 47,967	\$ 16,938	\$ 88,134	\$ 18,606	\$ 16,637	\$ 69,072	\$ 32,148	\$ 136,462

III. Deferred Account balance as of the previous calendar year

Customer Connect Regulatory Asset Balance as of December 31, 2020 (dollars in thousands)	Duke Energy Progress		Duke Energy Carolinas
	Account No.	Balance as of 12/31/2020	Balance as of 12/31/2020
NC CustomerConnect Deferral	0182524	\$ 25,862	\$ 46,048

IV. Any noteworthy impacts to the costs and schedule to the Customer Connect Program, if applicable.

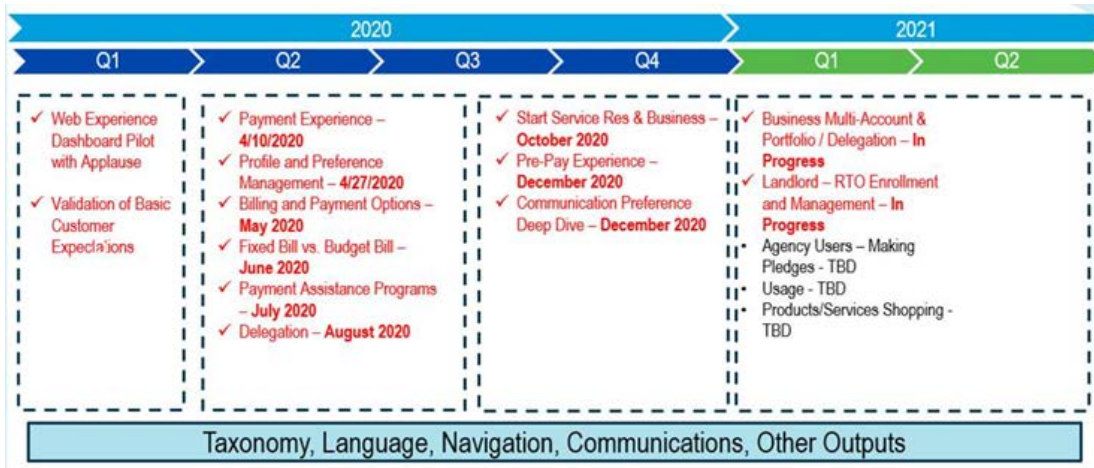
CUSTOMER INPUTS AND INSIGHTS

Communication material to customers, customer satisfaction indexes, customer engagement

In an effort to evaluate newly designed processes and self-service features being delivered as part of the Customer Connect program, a series of both moderated and unmoderated customer experience studies were executed during 2020. Ten studies were completed that focused on ensuring experiences and processes are simple, intuitive, engaging, and consistent. Studies included features such as the payment experience, billing and payment program enrollments and collateral, and payment assistance enrollment and management. Leveraging simulated customer experiences through prototypes of the self-service solution as well as actual testing environments, participants were able to engage in task-based studies where behaviors were analyzed to understand what worked successfully in the experience and where opportunities to improve existed. Overall, results were favorable and indicated that customers were overwhelmingly satisfied and find value in the features and processes explored. Opportunities identified to further enhance the solution were prioritized and evaluated for timing of implementation. Critical areas explored as part of each study, included the following:

- Self-service features, navigation, and language
- Customer transactional communications
- Marketing and digital collateral
- Billing outputs and program management
- Overall process and customer experience

Studies primarily included residential customers, but non-residential customers were engaged in studies such as the business start service experience. Further non-residential as well as landlord and property management customer studies will occur in first quarter 2021.



ADDITIONAL INFORMATION

Any other information The Company believes to be appropriate

The design of the Customer Connect core solution is nearly complete, and many new capabilities have been incorporated to improve the customer experience. As such, the Companies will submit regulatory filings with the NCUC.

DUKE ENERGY CAROLINAS, LLC

DOCKET NO. E-7, SUB 1146

INTRODUCTION & SUMMARY

Per the Commission's order in Docket No. E-7, Sub 1146, the Customer Connect Annual Report shall clearly describe the status of efforts to effectively provide energy consumption data to customers and the precautions taken to ensure data remains secure.

CUSTOMER ACCESS TO ENERGY USAGE DATA UPDATE

On March 2, 2020, the Companies notified the Commission and interested parties that the Companies had implemented customer data access functionality similar to the access provided by Green Button: Download My Data functionality. The Companies' customers with smart meters can now access their usage data with that functionality via their accounts on the Duke Energy websites. The notification was filed in Docket Nos. E-100, Sub 157 and E-7, Sub 1146.