

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1300

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

I. INTRODUCTION AND PURPOSE

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

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

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

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

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

11 A. I have a bachelor’s degree in Financial Management from Clemson University.
12 I started with Duke Energy two weeks after my graduation from Clemson in
13 2002, and I have remained an employee for the past 20 years. Since 2002, I
14 have worked for Duke Energy in a variety of roles, each with increasing
15 responsibility. I have worked in Finance, Rates and Regulatory Compliance,
16 Corporate Strategy, Customer Solutions Products and Services, Revenue
17 Services and Customer Services. I assumed my current position in Customer
18 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; and Customer Advocacy is
16 responsible for enhancing support for our customers by expanding outreach
17 with local, state, and federal agency partners to improve access to assistance
18 funding.

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

20 A. No. I have, however, previously 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 DEP'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 propose expanding residential fee-free payment options to our non-residential
14 small and medium business customers, which will provide them with more
15 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 DEP, 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, DEP 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 DEP 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. DEP'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, DEP received an average of 627,000 phone calls per month
17 to the IVR system, of which approximately 56% were handled completely
18 within the IVR, with the remaining callers speaking with a customer care
19 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
4 accounts to answer questions, resolve issues, and manage the customer
5 relationship to enhance customer satisfaction;
- 6 • A new Builder Concierge Portal Application was developed and
7 launched improving the experience of builders and developers when
8 submitting work orders, requesting status updates, or seeking online
9 support; a variety of billing and payment choices are offered to make
10 paying bills simple, secure and convenient, such as paperless billing,
11 Pick Your Due Date, equal payment plans and a free mobile app for
12 residential and small business customers to easily manage their account
13 from anywhere in the United States. The app was developed based on
14 customers' most requested features – with it, customers can: view and
15 pay bills, report an outage, enroll in billing and payment programs, view
16 billing history, monitor energy usage, receive personalized offers, and
17 receive restoration updates. The app also provides links to some of our
18 most-used features, such as Start, Stop, and Move service. The app uses
19 the same log-in as the customer's current account and has an option to
20 use fingerprint or facial recognition for a fast, secure sign-in if their
21 device supports biometrics.
- 22 • Important information is shared with customers through monthly bill
23 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-
- 4 income 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 DEP'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, DEP 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 681,000 followers on its Facebook,
14 Twitter, Instagram, and LinkedIn pages as of August 2022. The Company uses
15 these channels to inform customers about reliability updates in their area and
16 changes that could impact their bill. Further, in an emergency or major storm,
17 social media is used to communicate important information to customers. This
18 allows DEP to make proactive posts providing warnings and safety information
19 to 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. DEP 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 DEP 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. One example is the Neighborhood
10 Energy Saver Program, where neighborhoods with 50% of households at or
11 below 200% of Federal Poverty Guidelines (“FPG”) are designated as eligible
12 for this program. Eligible customers can work with energy specialists who
13 conduct a free walk-through energy assessment designed to educate customers
14 about their electric use and ways to lower their bill. Customers can receive up
15 to 16 free energy-saving products at no cost, which include energy-efficient
16 lightbulbs, weatherstripping and water heater wraps. Additional details on this
17 program may be found in Docket No. E-2, Sub 952.

18 Additionally, the Company filed its proposed Residential Income-
19 Qualified Energy Efficiency and Weatherization Program for approval in
20 Docket No. E-2, Sub 1299. More details on this program may be found in that
21 docket. Although this proposed program was still pending at the time I was
22 finalizing my testimony, I note that the North Carolina Justice Center, North

1 Carolina Housing Coalition, Southern Alliance for Clean Energy, and Southern
2 Environmental Law Center filed jointly in support of this program.

3 As stated above we support programs that help income-qualified
4 customers reduce expenses through the installation of energy conservation
5 measures in their homes. The customer's qualifying agency conducts an in-
6 home assessment to determine the eligibility. Typical services include
7 insulation installation, air leak and ductwork sealing, and heating/cooling
8 system repairs.

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

21 Additionally, Duke Energy's Share the Light Fund assists customers
22 struggling to pay their energy bills. Duke Energy employees, customers and
23 shareholders contribute to the Share the Light Fund, which is matched up to

1 \$375,000 annually from the Duke Energy Foundation. The fund partners with
2 agencies and may be used in combination with other federal, state, and local
3 assistance.

4 **Q. YOU MENTIONED INCOME-QUALIFIED CUSTOMERS. WHAT**
5 **DOES DEP MEAN BY THAT?**

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

11 **Q. HOW HAS DEP SPECIFICALLY FOCUSED ON ADDRESSING THE**
12 **AFFORDABILITY CHALLENGES FACED BY LOW-INCOME**
13 **CUSTOMERS?**

14 A. In DEP's last general rate case in Docket No. E-2, Sub 1219, DEP witness
15 Stephen De May, the President of Duke Energy's utility operations in North
16 Carolina, testified that additional low-income energy assistance programs could
17 be offered to aid customers in need of support. He recommended a stakeholder
18 engagement to adequately develop an appropriate suite of effective options for
19 the North Carolina Utilities Commission (the "Commission") to consider for
20 approval. In response to his and other parties' testimony on this matter, the
21 Commission established the Low-Income Affordability Collaborative

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>.

1 (“LIAC”) in its April 16, 2021 *Order Accepting Stipulations, Granting Partial*
2 *Rate Increase and Requiring Customer Notice*² and its March 31, 2021 *Order*
3 *Accepting Stipulations, Granting Partial Rate Increase, and Requiring*
4 *Customer Notice*³ (“Rate Case Orders”). In those Rate Case Orders, the
5 Commission directed the Company, Duke Energy Carolinas, LLC (“DEC”) and
6 the Public Staff - North Carolina Utilities Commission (“Public Staff”) to
7 convene a collaborative for interested stakeholders within 90 days of the Rate
8 Case Orders to address the affordability of electric service for low-income
9 customers. Numerous interested stakeholders, including various state agencies
10 and low-income customer advocates, participated in the LIAC virtual meetings
11 and LIAC virtual sub-team meetings, which occurred over the course of the last
12 year.

13 The Public Staff, DEP and DEC filed their Joint North Carolina Low-
14 Income Affordability Collaborative Final Report on August 12, 2022 (“Joint
15 Final Report”).⁴ The comprehensive Joint Final Report, reflecting the robust
16 and detailed discussions of the LIAC, is currently pending before the
17 Commission.

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

19 A. The LIAC completed three main activities: 1) an analytical assessment of
20 current affordability challenges, 2) a discussion of appropriate affordability

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

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, Sub 1213, 1214, and 1187.

1 metrics and definitions, and 3) review of current and potential new programs to
2 assist low-income customers. The Joint Final Report discusses the LIAC's
3 activities in detail, including its proposals and recommendations.

4 **Q. WHAT DID DEP CONCLUDE WITH RESPECT TO ADDRESSING**
5 **AFFORDABILITY FOR ITS CUSTOMERS AS A RESULT OF ITS**
6 **PARTICIPATION IN THE LIAC?**

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

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

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

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

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

1 implement CAP, DEP (and DEC) must request that the Commission approve
 2 using LIEAP and CIP status as eligibility criteria for receiving a bill discount.
 3 Thus, through this effort, the Company will partner with DHHS to ensure
 4 eligible customers participate. To facilitate this partnership, the Company
 5 respectfully requests that the Commission expressly approve using LIEAP and
 6 CIP status as eligibility criteria for receiving a bill discount under CAP as
 7 proposed.

8 **Q. WHAT IS THE COMPANY PROPOSING IN THIS PROCEEDING**
 9 **RELATED TO CAP?**

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

Estimated Expenditures for CAP	Year 1	Year 2	Year 3
Technical Delivery	\$ 454,000	\$ 22,000	\$ 23,000
IT System (Capital)	432,000	0	0
IT Admin/Software (O&M)	22,000	22,000	23,000
Customer Care (O&M)	253,000	261,000	269,000
Total Costs	\$ 707,000	\$ 283,000	\$ 292,000

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. We want to ensure the full range of program and assistance options is made
9 available to meet customers' unique needs. The Payment Navigator concept
10 has been tested with customers seeking support in paying their electric utility
11 bills to learn more about how they want to engage with the Company. The
12 program tested proactive messaging to customers who meet specific criteria
13 (e.g., arrearages and payment history), inviting them to speak with a Payment
14 Navigator, an agent specializing in these more complex calls/requests. Upon
15 contact, their account is reviewed with this partner who can empathetically
16 listen and use information available, such as account and usage data, to best
17 diagnose why a customer may have fallen behind on their bill. Based on the
18 situation, the Payment Navigator then tailors a unique set of recommendations
19 to assist the customer in becoming current on payments and provides longer-
20 term guidance for how to ease their electric energy burden, e.g., connecting
21 customers to assistance funding, referring customers to energy efficiency or
22 demand-side management options, or enrolling in programs like Budget
23 Billing.

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

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

7 A. Yes. We received positive feedback and gained valuable insights from
8 customers to help inform the program and some of its offerings. We tested
9 customer contact preference through communicating via email, text, and phone
10 call. Based on the interactions with customers, text was the most successful
11 channel for outreach as it resulted in 75% of customer interactions. As customer
12 contacts were made, we were able to leverage the available programs to try and
13 help find the best solution for the customer's needs. Of the contacts made, we
14 were able to refer customers to agencies for assistance, help enroll customers
15 on deferred payment arrangements, and we also had success in recommending
16 customers a flexible billing program such as Budget Billing, Pick Your Own
17 Due Date and more.

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

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

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

4 **Q. HOW WILL PAYMENT NAVIGATOR AND CAP COMPLEMENT**
5 **EACH OTHER?**

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

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

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

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

23 A. We propose that Payment Navigator Program be approved, and the associated
24 incremental operating and maintenance costs be deferred as described in

1 Witness Jiggetts testimony. Any capital expenditures associated with the
2 program will not be deferred.

3 To properly implement and operate Payment Navigator, the Company
4 anticipates spending approximately three million dollars over the next three
5 years. The table below shows the estimated expenditures associated with
6 Payment Navigator.

Estimated Expenditures for Payment Navigator	Year 1	Year 2	Year 3
Technical Delivery	\$ 170,000	\$ 10,000	\$ 11,000
IT System (Capital)	138,000	-	-
IT Admin/Software (O&M)	32,000	10,000	11,000
Communications (O&M)	1,000	1,000	1,000
Customer Care (O&M)	1,135,000	878,000	904,000
Total	\$ 1,306,000	\$ 889,000	\$ 916,000

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

9 A. At the outset of the COVID–19 pandemic, we took swift and unprecedented
10 action to assist its customers and to provide reliable electric service during the
11 pandemic. Just three days after Governor Cooper declared a State of
12 Emergency on March 10, 2020, the Company announced it was voluntarily
13 suspending service disconnections for unpaid bills to ensure that its customers
14 would not have the additional worry of having their electric utility service
15 disconnected for non-payment during that time of uncertainty. The Company
16 also suspended fees for card payments, walk-in pay location payments, late
17 payment charges, and insufficient funds to further extend relief for customers.
18 Throughout the pandemic, we worked with customers, assistance agencies, and
19 advocates to provide protection from disconnection for nonpayment to our low-

1 income customers, offered deferred payment plans to assist customers in paying
2 off arrears accumulated during the pandemic, and connected customers to
3 assistance funding when possible.

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

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

16 As customer needs changed stemming from the COVID-19 pandemic,
17 utility assistance agencies served as a critical channel for customers to receive
18 support. We realized that a more tailored experience was needed to provide
19 more efficient service for those agencies providing customer assistance
20 funding. To streamline and efficiently apply pledges to our customers’
21 accounts, our Centralized Agency Team became the single point of contact for
22 utility assistance agencies. In addition to the Centralized Agency Team, a new
23 digital, self-service portal was developed. The portal provides agencies a

1 confidential and secure way to view customer account details, process agency
2 commitments, and make payments. Agencies can conveniently and more
3 efficiently view pledge history on customer accounts to make more informed
4 pledge decisions and receive notification of pledge expiration to ensure their
5 commitments are satisfied.

6 We recognize the economic impacts from the COVID-19 pandemic are
7 deep and full recovery will take time. During 2020 and 2021, Duke Energy and
8 our Foundation funded more than \$43.9 million in charitable giving across the
9 state of North Carolina. Some examples of our philanthropy include more than
10 \$1 million in feeding programs due to customer hardships from the effects of
11 the pandemic, over \$6 million in customer utility bill payment assistance to the
12 Share the Light Fund, and more than \$100,000 to support 211 services in North
13 Carolina to connect customers with assistance for food, utilities, and rent.

14 **Q. HOW DID THE COMPANY CONTINUE TO WORK WITH**
15 **CUSTOMERS WITH PAST-DUE ACCOUNTS AFTER THE**
16 **COMMISSION'S DISCONNECTION MORATORIUM EXPIRED IN**
17 **SEPTEMBER 2020?**

18 **A.** As soon as the Commission issued its order lifting the disconnection
19 moratorium and directing the utilities to offer deferred payment arrangements
20 to customers in July 2020, the Company began proactively contacting
21 customers with past-due balances to offer them the opportunity to enroll in a
22 deferred payment arrangement of up to 14 months (two months more than
23 required by the Commission at that time) in advance of any return-to-normal

1 operations. The Company communicated with customers and updated the Duke
2 Energy COVID-19 website linked to duke-energy.com to notify customers that
3 the Commission had lifted the disconnection moratorium. Furthermore, the
4 Company sent emails, bill inserts, credit notification inserts, and bill messages
5 to customers so that they would understand their options given the resumption
6 of billing practices, including payment arrangements and how to contact
7 assistance agencies. The Company continues to urge eligible customers to take
8 advantage of available financial support using the funding available through
9 statewide community action agencies.

10 In addition to direct-to-customer communications, the Company
11 communications were shared in both English and Spanish and sent to municipal
12 leadership, community stakeholders, Chambers of Commerce, and state
13 agencies to have these entities share through their networks and websites the
14 resources available to help customers. The Company also contacted
15 organizations, such as food banks and churches, that were already helping our
16 customers to include pre-printed, bilingual flyers in assistance packages. The
17 approaches varied, but our overall goal was to find ways to communicate the
18 message that “Duke Energy is here to help. Please reach out to us.” – through
19 direct and indirect means.

20 Although disconnections for nonpayment restarted in 2020,
21 disconnections are the very last step in a lengthy process, and it is a step we
22 want to avoid altogether. To that end, between March 2020 and June 2022, we
23 helped North Carolina customers with approximately 380,000 customized,

1 interest-free payment plans meeting their specific needs with managing their
2 utility bills and avoiding disconnection. We are proud of our action in assisting
3 customers and providing reliable electric service during this unprecedented
4 time.

5 **Q. PLEASE DESCRIBE THE LATE FEE MORATORIUM IMPOSED BY**
6 **THE COMMISSION AND BY GOVERNOR COOPER'S EXECUTIVE**
7 **ORDERS IN RESPONSE TO THE COVID-19 PANDEMIC.**

8 A. On March 19, 2020, in response to the State of Emergency declared by
9 Governor Cooper on March 10, 2020, the Commission issued its *Order*
10 *Suspending Utility Disconnections for Non-Payment, Allowing Reconnections,*
11 *and Waiving Certain Fees* in Docket No. M-100, Sub 158. In that order, the
12 Commission, among other things, suspended utility disconnections for non-
13 payment and ordered the public utilities subject to its jurisdiction to waive late
14 payment fees on arrearages accumulated during the State of Emergency.

15 Soon after, Governor Cooper issued Executive Order No. 124 ("EO
16 124"), in which, among other things, he prohibited public utilities from
17 applying late payment fees to any customer arrearages accumulated until EO
18 124 expired on May 30, 2020. On May 30, 2020, Executive Order No. 142
19 ("EO 142") extended the May 30, 2020 expiration date of EO 124 until July 29,
20 2020. EO 142 also directed that no late fees should be imposed on arrearages
21 accumulated while EO 142 was in effect.

22 On July 29, 2020, the Commission issued its *Order Lifting*
23 *Disconnection Moratorium and Allowing Collection of Arrearages Pursuant to*

1 *Special Repayment Plans*, in which it clarified that, even after the moratorium
2 on disconnections had been lifted, the Late Fee Moratorium would continue in
3 effect “through the end of the State of Emergency or until further order of the
4 Commission.”⁵ The Commission reiterated the same in its February 23, 2021
5 *Order Suspending Disconnections and Providing for Extended Special*
6 *Repayment Plans for Certain Vulnerable Customers and Requiring Door*
7 *Hanger Notices*.⁶ Governor Cooper lifted the State of Emergency on August
8 15, 2022; accordingly, at that time, the Late Fee Moratorium expired.

9 **Q. HOW DID THE COMPANY COMPLY WITH THE LATE FEE**
10 **MORATORIUM?**

11 A. Consistent with the Commission’s orders and Governor Cooper’s EOs, the
12 Company waived late fees on any late payments by customers during the more
13 than two-year State of Emergency. As a result, the Company did not collect
14 approximately \$21 million in late payment fees as of June 30, 2022. These late
15 fees were included in the COVID deferral approved by the Commission in
16 Docket No. E-2, Sub 1258. The Company is seeking recovery of the COVID
17 deferral in this case as discussed in the testimony of Witness Jiggetts.

18 In preparation for the expiration of the State of Emergency, the
19 Company committed to the Commission by letter dated August 5, 2022, that, as
20 the Commission had directed, DEP would not impose any late payment fees on

⁵ *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.

⁶ *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 any arrearages accumulated during the March 10, 2020 - August 15, 2022 State
2 of Emergency. Additionally, the Company reported that it would resume late
3 payment fees for services rendered on or after September 1, 2022. The
4 Company notified customers of the resumption of late payment fees through a
5 bill message in customers' September bills and also updated its website
6 accordingly.

7 **Q. PLEASE EXPLAIN THE COMPANY'S WAIVER OF THE**
8 **COLLECTION OF OTHER FEES DUE TO THE COVID-19**
9 **PANDEMIC.**

10 A. As I mentioned earlier, in response to the uncertainty caused by the COVID-19
11 pandemic, the Company requested the Commission to allow it to suspend fees
12 for card payments, walk-in pay location payment, and insufficient funds to
13 further extend relief for customers. The Commission granted the Company's
14 request in its March 20, 2020 *Order Allowing Additional Temporary Waivers of*
15 *Specific Provisions of Commission Rules*. On July 29, 2020, the Commission
16 issued an order allowing the Company to resume application of those fees for
17 services rendered on or after September 1, 2020. From September to December
18 2020, the Company began reinstating fees as we returned to normal operations.
19 In sum, the Company waived approximately \$2.9 million of the fees described
20 above.

1 **Q. HOW DID THE COMPANY SPECIFICALLY EXPAND ITS**
2 **ASSISTANCE TO THE COMPANY’S MORE VULNERABLE**
3 **CUSTOMERS DURING THE PANDEMIC?**

4 A. Under normal circumstances, pursuant to the Commission’s rules, the
5 Company’s residential customers may qualify for a moratorium on
6 disconnections for nonpayment from November 1 to March 31 if: (i) they are
7 certified by the local social service office, which administers the Energy Crisis
8 Assistance Program or other similar programs, as being eligible to receive
9 assistance under such programs (e.g., LIEAP eligible), (ii) they are suffering
10 financial hardship that prevents them from being able to afford their bills or a
11 6-month payment arrangement, and (iii) they have a household member who is
12 handicapped and/or elderly (65 or older) or both. This requirement is typically
13 referred to as the “winter moratorium.” In February 2021, working with DHHS,
14 DEP expanded eligibility for the winter moratorium to include all LIEAP and
15 CIP beneficiary customers. Subsequently, the Commission included customers
16 that were eligible for assistance from NC HOPE in the winter moratorium. The
17 Company voluntarily further extended the “winter moratorium” to prevent
18 disconnections for nonpayment for these vulnerable customers from April 1,
19 2021 until June 30, 2021, and then two more times, resulting in the expiration
20 of the “winter moratorium” in March 2022. The Company’s efforts protected
21 more than 48,000 of its vulnerable customers from disconnection during the
22 initial and subsequent COVID-19 waves.

1 **IV. CUSTOMER SATISFACTION MEASURES**

2 **Q. HOW DOES THE COMPANY MEASURE CUSTOMER**
3 **SATISFACTION AND IMPROVE EXCELLENCE IN CUSTOMER**
4 **SERVICE?**

5 A. We recognize that customer expectations continuously evolve and that it is
6 critical we hear and understand the “Voice of the Customer” to improve overall
7 customer satisfaction (“CSAT”). To that end, we operate a robust CSAT
8 program, which includes both national benchmarking studies and proprietary
9 relationship and transactional CSAT studies. We analyze results from these
10 studies in vigorous monthly data review sessions, with findings driving
11 improvements to processes, technology, and behaviors – all to continuously
12 improve the customer experience.

13 We measure overall customer satisfaction and perceptions about the
14 Company through an ecosystem of measurement tools intentionally designed to
15 understand what is working well from a customer perspective and to identify
16 opportunities to improve the customer experience. In 2018, we launched the
17 CX Monitor, a randomized, census-based survey that measures overall
18 customer sentiment and the ongoing perceptions of the customer experience via
19 an email invitation with an embedded online survey link. The CX Monitor
20 survey is sent annually to all residential, small and medium business (“SMB”)
21 customers, and large business customers for whom we have a valid email
22 address. Customers are asked to provide feedback regarding their overall
23 sentiment as well as satisfaction with key experiences they have had with us

1 over the past 12 months. Examples of these experiences include billing and
2 payment and power quality and reliability. Customers rate overall sentiment
3 and key experience satisfaction on a '0-10' scale while also providing open-end
4 verbatim comments detailing the primary reason(s) for their score.

5 Since the CX Monitor survey launched in 2018, DEP alone has collected
6 more than 415,000 residential electric customer surveys and over 6,600 SMB
7 customer surveys. We have seen a significant improvement in overall customer
8 sentiment since 2018 as data-driven enhancements continue to improve the
9 customer experience. Further, DEP customers reported the highest monthly
10 scores to date during a particularly challenging time when the COVID-19
11 pandemic led to significant financial hardship for many of our customers and
12 communities. As previously stated, we launched a sweeping series of
13 unprecedented steps to help our customers, including suspending
14 disconnections for nonpayment, suspending late payment fees and credit card
15 payment fees, offering flexible payment arrangements to customers with past-
16 due balances, and connecting customers to federal funding to help those in need
17 of economic assistance. The ability to pivot and to do so quickly was
18 recognized by our customers and resulted in the highest customer satisfaction
19 ratings the Company has experienced in several years, surpassing our internal
20 target that measures customer satisfaction by nearly 15%.

21 In addition to our CX Monitor survey, we use "Fastrack 2.0", a
22 proprietary, post-transaction CSAT measurement program. Fastrack 2.0
23 measures customer satisfaction with recent interactions customers have had

1 with the Company. Fastrack 2.0 was intentionally designed to complement the
2 CX Monitor survey and provide greater insight into experiences that matter to
3 our customers and near real time feedback to our front line, customer-facing
4 employees. The survey questions cover the customer's experience regarding
5 completed field work including requests to start and transfer electric service,
6 repair outdoor lights, and restore outages. Analysis of these ratings helps to
7 identify specific service strengths and opportunities that drive overall
8 satisfaction and to provide guidance for the implementation of process and
9 performance improvement efforts. Since 2019, DEP alone has collected more
10 than 72,000 residential and SMB Fastrack 2.0 surveys, with 70-85% of
11 customers regularly providing the highest satisfaction ratings ('9' or '10' on a
12 '0-10' point scale). We also implemented "Reflect" a post-contact survey that
13 offers customers the opportunity to provide immediate feedback after they
14 contact us by web, call to the automated system, or call to a live agent. This
15 tool provides critical feedback to help improve the channels customers use
16 when interacting with us. Since 2020, the Reflect program has collected more
17 than 200,000 responses, with 70-80% of customers regularly providing the
18 highest satisfaction ratings ('9' or '10' on a '0-10' point scale).

19 Finally, while we have focused internally on our proprietary Voice-of-
20 Customer data to inform areas of focus and our actions, we continue to rely on
21 J.D. Power to provide a benchmark of our performance compared to other
22 utilities as J.D. Power's Customer Satisfaction Index is a critical measure of a
23 company's success. DEP has seen impressive results since implementing the

1 new CSAT program in 2018, recognized by J.D. Power as one of the biggest
2 ‘movers’ over the past 3 years in its annual residential customer satisfaction
3 study – outgaining the industry. DEP was also recognized as a top quartile
4 performer among all large utilities nationally in 2020 and 2021.

5 **Q. HOW DOES A CUSTOMER BRING AN ISSUE TO THE COMPANY’S**
6 **ATTENTION?**

7 A. Our customers have numerous avenues to voice an issue, including through our
8 customer care team, social media platforms or website, email, our employees,
9 or our Ethics line. In addition, as I previously mentioned, CX Monitor and
10 Fastrack are two key proprietary surveys we use on an ongoing basis to track
11 customer feedback. At the end of each survey, customers have the opportunity
12 to provide additional comments regarding any outstanding question(s) they
13 have for us that still need to be answered or issue(s) that still need to be resolved.
14 These comments are converted into high priority “Hot Alerts” and forwarded to
15 the Consumer Affairs team to resolve, with a member of our customer service
16 staff directly contacting the customer to ensure satisfactory resolution to the
17 customer’s question or issue. Separately, a Hot Alert may be triggered by an
18 automated key word software review of survey statements, which may indicate
19 customer frustration or a poor experience, even if the customer did not directly
20 ask for follow up.

21 In addition, customers can raise issues and inquiries directly with our
22 employees. Our employees can then use the “I Can Help” tool to report the
23 concern and immediately begin the process of resolving the issue, as well as

1 track to resolution. Thus, while the Company continues to seek feedback from
2 customers through various survey instruments, we are also making it easier for
3 customers to contact us, receive follow-up and close the loop. But most
4 importantly, as I describe, we are using innovative tools to reduce complaints
5 and the need for customers to escalate an issue.

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

8 A. At Duke Energy, our mission is to provide safe and reliable service, enhance
9 the customers' experience, modernize the energy grid, and achieve a smarter,
10 more efficient energy future - all while continuing to be a good corporate citizen
11 and keeping costs as low as reasonably possible. We are a well-run company,
12 and we believe that customers see and experience the benefits of our efforts
13 every day. Here are just a few of the many recognitions Duke Energy has
14 received in the past three years across the enterprise:

- 15 • Duke Energy was honored in 2019 with the SAP Industry
16 Innovation Award for excellence in customer service.
- 17 • For 17 consecutive years, Duke Energy has been on Site
18 Selection magazine's list of "Top Utilities in Economic
19 Development."
- 20 • Duke Energy was named to Fortune magazine's 2022 "World's
21 Most Admired Companies" list for the fifth year in a row.
- 22 • Forbes magazine included Duke Energy in its 2021 "America's
23 Best Employers for Women" and its "Best Employers for
24 Diversity" lists for the third year in a row.
- 25 • For the 16th consecutive year, Duke Energy was named to the
26 Dow Jones Sustainability Index for North America.

1 Further, I believe the robust team of customer care center
2 representatives and customer field service personnel, our IVR options, and
3 processes and procedures heavily influence our customers' satisfaction. I also
4 believe the multiple options our customers have to communicate with and
5 receive information from us, including through digital channels and social
6 media, improves the customers' overall communication experience. The
7 Company's ability to keep our customers' lights on reliably, efficiently, and
8 affordably all while being a good corporate citizen also contributes to positive
9 customer perceptions.

10 We have proudly served our communities through charitable giving and
11 employee volunteerism. We are also committed to helping our customers and
12 communities with programs to help our low-income customers become more
13 energy efficient and to assist customers in need. Our internal customer
14 assistance funds bring together the Company, shareholders, customers,
15 employees, and the community to help customers who need assistance paying
16 their bills.

17 Duke Energy recently unveiled the Share the Light Fund, its updated
18 customer assistance fund, with a new strategy to unify and strengthen certain
19 legacy programs that existed prior to mergers. For DEP customers, the program
20 was formerly known as Energy Neighbor Fund. The new fund is more effective
21 and efficient at implementing multistate marketing campaigns and has
22 increased outreach and communications to employees and customers who wish
23 to donate to customers in need. Employees can make a one-time contribution

1 or contribute via payroll deduction during the Company's annual Power of
2 Giving campaign.

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

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

1 **Q. IS THE COMPANY WORKING TO FURTHER IMPROVE THE LEVEL**
2 **OF CUSTOMER SERVICE?**

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

7 **Q. HOW IS THE COMPANY IMPROVING CUSTOMER INTERACTIONS**
8 **WITH THE CUSTOMER CARE OPERATIONS?**

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

11 *Customer Connect*

12 The Company recently implemented its new customer information system
13 platform, Customer Connect. As further described by Witness Retha Hunsicker,
14 this platform enables the Company to deliver a customer experience that
15 simplifies, strengthens, and advances our ability to serve our customers. It
16 provides a modern, configurable billing engine and is based on a customer-
17 centric data model that gives customers a more personalized experience.
18 Customers are now taking advantage of more automated processes and
19 enhanced billing and payment options using new or enhanced self-service
20 capabilities.

21 *Interactive Voice Response*

22 In October 2019, a new advanced language IVR system was launched,
23 transitioning from touchtone to voice, with technology focused on transforming

1 the caller's experience. The new IVR design reflects learnings from customer
2 feedback and industry best practices, including: 1) proactively identifying
3 customers and the reason for their call; 2) a tailored customer experience similar
4 to what they receive from other consumer product companies; and 3) fewer
5 menu options to complete their request in the IVR. Additionally, customers can
6 complete a post-call survey that is utilized to continually enhance the service
7 experience. The call prediction functionality predicts the reason the customer
8 is calling the Company. For example, "I see you have a pending service order
9 scheduled for tomorrow. Is this why you are calling?"

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

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

22 With the capabilities now available through Customer Connect and the
23 improved IVR, we can better connect with customers through texting

1 experiences. Prior to the technology enhancements, we were limited to sending
2 web links to static forms that still required manual processing. The new
3 capabilities allow for more dynamic URLs to process the requests, thus
4 reducing the need for intervention. For example, if a customer calls into the
5 IVR for a start service request, we can offer to text them a link to start service
6 page, and if the customer prefers, they can complete their request from their
7 device, allowing them to self-serve. Customers can receive texts with
8 additional options and links, such as bill reminders and confirmations, tree
9 trimming information, payment locations, street light repair, and others.

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

V. ENHANCEMENTS TO CUSTOMER OFFERINGS

17 **Q. HOW HAVE THE COMPANY'S RECENT DIGITAL ENHANCEMENTS**
18 **LED TO BETTER SERVICE FOR CUSTOMERS?**

19 A. Our digital transformation efforts help deliver exceptional customer benefits,
20 streamline previously manual processes, and deliver long-term efficiencies.
21 After listening to customer feedback, we improved our website by making key
22 interaction options easier to locate in January 2022. Additionally, we have

1 added several enhancements to our digital and web-based offerings, including
2 an interactive Transmission Map that details transmission projects planned
3 across North Carolina, a planned vegetation management map, a feature
4 alerting customers to estimated call wait times, the ability for customers to start
5 and stop service online, a digital, self-service enrollment option for payment
6 arrangements, and a way to be directed to agency assistance support when
7 needed.

8 Since implementing these changes, customers are reporting higher
9 satisfaction with their web experience and improved ease when completing
10 tasks including “accessing their online account” and “requesting a payment
11 arrangement.”

12 **Q. HOW HAS THE COMPANY’S DIGITAL ENHANCEMENTS MADE IT**
13 **EASIER FOR CUSTOMERS TO REPORT CONCERNS WITH**
14 **SERVICE OUTAGES?**

15 A. Outage reporting was enhanced to make it easier for customers to report service
16 interruptions through our website or mobile app. A web form was launched that
17 allows customers to provide greater detail about their outage, along with an
18 option to enter free form comments to allow for more detail on the situation.
19 We have seen the adoption rate of the new outage forms grow with the success
20 rate moving from approximately 55% with the legacy forms to now 87%. This
21 change has helped equip the Company with more detail around the potential
22 cause of the outage. For example, a customer can report hearing a loud noise,
23 which may point to a potential transformer failure. We continue to proactively

1 communicate with customers experiencing outages, providing updates to
2 customers, via text or email, and up-to-date information on the new outage
3 maps, without a customer having to call. Improvements were also made to the
4 mobile app to ensure key outage data points were more visible to customers
5 during active outages.

6 A new Street and Area Light Repair platform was launched on the
7 Company webpage in March 2021. This platform allows both customers and
8 call center specialists to easily report streetlight issues. The tool enables
9 reporting of detail for the exact problem, improving operational efficiencies on
10 repairs. Additionally, customers can select to receive email or text updates on
11 the progress of their requested repair. Chartwell, a company that works with
12 utilities to improve customer experience, satisfaction, and operational
13 efficiency, recently awarded one of its 2022 Best Practices Awards in Outage
14 Restoration to Duke Energy for this Street & Area Light Repair tool.

15 **Q. WHAT OTHER EFFICIENCIES HAS THE COMPANY GAINED**
16 **THROUGH DIGITAL ENHANCEMENTS?**

17 **A.** Other examples of digital transformation efficiencies include expansion of
18 “Ping It.” The Company has updated the program to enhance its usage by the
19 Customer Care Operations and Customer Delivery teams in order to continue
20 providing excellent service. The ability to retrieve information such as voltage
21 data or meter communication status helps us troubleshoot customer issues more
22 efficiently. The Ping It program continues to be especially useful during major
23 storms. In fact, during the winter storms Izzy and Jasper in January 2022, Ping

1 It was used approximately 11,000 times to determine the status of a customer's
2 service. In over 500 cases, we were able to validate successfully that the
3 customers' service had been returned and close outage tickets, avoiding a truck
4 roll.

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

8 A. Because of the digital enhancements that the Company has made, our customers
9 now have more information and options than ever to manage their own account
10 and services. For example, our free mobile app is available for residential and
11 small business customers to easily manage their account from anywhere in the
12 United States. The app was developed based on customers' most requested
13 features – with it, customers can: view and pay their bill; use the app to manage
14 their profiles; set reminders; schedule automatic payments; enroll in billing and
15 payment programs or view their billing history; report an outage and receive
16 restoration updates; monitor their energy use over time so they can better
17 manage it; and receive personalized offers that help them save. The app uses
18 the same log-in as the customer's current account and has an option to use
19 fingerprint or facial recognition for a fast, secure sign-in.

20 In addition, Remote Order Fulfillment through AMI meters in
21 connection with Customer Connect has enabled customers to request same-day,
22 Saturday, and digital self-service options. These enhancements have increased
23 efficiency in operations and customer satisfaction. After successfully piloting

1 the functionality with other Duke Energy utilities, DEP enabled same-day start
2 service in November 2021. Since then, over 63,000 residential customers have
3 requested same-day service, which is approximately 27% of total start service
4 requests. Additionally, a recent enhancement to the IVR system informs calling
5 customers about same-day self-service and can generate a text message to the
6 customer providing a link directly to the online form. In July 2022,
7 approximately 26% of all DEP start service orders were submitted online
8 through the digital self-service tools.

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

19 Finally, the Company has improved our customer confirmation
20 messaging. Customers will now see dates their payment was posted. If a
21 customer's balance is paid in full, that customer will see a message stating \$0
22 remaining balance. These messages can provide other account insights, such
23 as when customer messaging indicates that the account is at risk for

1 disconnection. Also, with the rollout of Customer Connect, a bill reminder
2 message was introduced to customers that would remind them three days prior
3 to their bill due date if they had yet to pay. These changes were made to be
4 more informative when communicating with customers who choose to interact
5 digitally with us.

6 **Q. WHAT STEPS IS THE COMPANY TAKING TO ENSURE**
7 **EXCELLENT CUSTOMER SERVICE FOR ITS BUSINESS**
8 **CUSTOMERS?**

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

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

1 The BSC aligns teams that support builders, developers, and inspecting
2 authorities, agriculture customers, multi-account customers, servicing for solar
3 installations and billing, and all our business support functions under one
4 organization.

5 **Q. HAS THE COMPANY IMPLEMENTED THE FEE-FREE PAYMENT**
6 **PROGRAM FOR RESIDENTIAL CUSTOMERS AS REQUESTED IN**
7 **ITS PREVIOUS RATE CASE?**

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

12 The Commission also approved DEC's similar request in its general rate
13 case. With respect to that request, DEC agreed to track and report the number
14 of payments by channel per year. Similarly, we have tracked the number of
15 payments to DEP by channel which is provided in Quick Exhibit 1.

16 **Q. IS THE COMPANY PROPOSING TO EXPAND THIS PROGRAM**
17 **OFFERING TO OTHER CUSTOMERS?**

18 A. Yes. We are proposing to offer a Fee-Free Program for small and medium
19 nonresidential customers who make payments using debit, credit, prepaid, or
20 electronic check ("Card" or "Card Payment(s)") to pay their electric bills.
21 Today, a customer making a Card Payment must individually pay a surcharge
22 or convenience fee per transaction. The proposed program would allow these
23 customers to utilize Card Payments without paying a fee. Instead, the Company

1 would pay these costs to the third-party processing vendor and recover the cost
2 from all customers as part of its cost of service. The proposed adjustment is
3 described further in Witness Jiggetts' testimony.

4 **Q. PLEASE EXPLAIN HOW THE COMPANY CURRENTLY ACCEPTS**
5 **PAYMENTS FROM ITS BUSINESS CUSTOMERS.**

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

11 **Q. PLEASE EXPLAIN HOW THE COMPANY PLANS TO EXPAND THE**
12 **FEE-FREE OFFERINGS.**

13 A. Currently, customers can make payments free of charge by mailing a check or
14 money order, paying with cash, check, or money order at a free pay station, or
15 using ACH drafts. The costs for the Company to offer these methods are paid
16 for by all customers through base rates and are not recovered exclusively by
17 those specific customers that use any of the above methods of payment.
18 However, nonresidential customers making a Card Payment through the
19 Company's website, mobile app, IVR, or speaking with a call specialist are
20 subject to a convenience fee of \$8.50 per payment, and for payments in excess
21 of \$10,000, the convenience fee is 2.75% of the amount paid. The convenience
22 fee is charged and collected directly from the customer by the Company's third-
23 party vendor, SpeedPay, and is applicable to Card Payments made via all

1 channels listed above including live customer service. The Company receives
2 no portion of this fee.

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

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

12 **Q. HOW DID THE COMPANY DETERMINE THE THRESHOLD TO USE**
13 **FOR THIS PROGRAM?**

14 A. During the 2021 test year, nonresidential customers in North Carolina used Card
15 Payment methods to pay more than \$83 million in utility bills with
16 approximately 96% of those payments being \$3,000 or less. Setting \$3,000 as
17 a threshold allows the Company to offer this program to our SMB customers
18 and limits cost exposure related to expensive payment processing costs from
19 larger payment amounts by commercial and industrial customers. While all
20 nonresidential customers are eligible, the program is focused on meeting the
21 needs of our small and medium sized customers who have often requested the
22 option to use a card without paying a fee and whose payment amounts are
23 typically much lower than larger industrial or commercial customers. These

1 customers also often handle their business accounts similar to their residential
2 accounts, which already have the fee-free option, causing frustration with
3 paying a fee for their business account payments.

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

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

15 Who wants to pay \$8.50 for processing fee...

16 It's an easy system to use. Only complaint is the
17 convenience fee.

18 Paying by credit card should not incur a fee. I hate that.
19 It lowers my opinion of Duke each and every time.

20 On our business account there is a service fee for using
21 credit card. I don't agree with that fee especially as much
22 as we pay each month to Duke.

23 Would like to pay by credit card but you charge a fee.

1 **Q. HOW WOULD THE FEE-FREE OPTION BENEFIT THE COMPANY’S**
2 **BUSINESS CUSTOMERS?**

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

14 **Q. WILL THE COMPANY’S CARD PAYMENT FEE STRUCTURE**
15 **CHANGE WITH THE PROGRAM?**

16 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

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

19 A. Yes. We identified DTE Electric Company (“DTE Electric”) as an investor-
20 owned utility offering fee-free Card Payments for SMB customers. One

1 particular lesson from DTE Electric informed our proposal. Initially, DTE
2 Electric offered all nonresidential customers the option to pay by credit/debit
3 card without incurring any fees, regardless of the bill amount. DTE Electric
4 revised its policy for card transactions to exclude larger commercial and
5 industrial customers from the program due to the costs related to processing
6 larger payment amounts. DTE Electric believed it to be “reasonable to expect
7 these larger, more sophisticated customers to use more common business-to-
8 business forms of payment, such as a check or electronic bank payment, that
9 result in significantly lower costs to the company and correspondingly to its
10 customers.”⁷ Our proposed fee-free program is structured similarly, with the
11 goal of satisfying a frequent business customer request by improving payment
12 experience at reasonable cost to all other customers.

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

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

⁷ *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 As noted above, there are many reasons why a customer may choose a
2 Card Payment method to pay their utility bill. Either way, customers should
3 have the option to choose the payment method that is most convenient for them,
4 and the Company should provide customers payment flexibility by processing
5 either payment method as an ordinary cost of business. Given the changes in
6 consumer needs, expectations, and behaviors, it is equitable and reasonable to
7 include these costs in the Company's cost of service similar to other processing
8 costs like checks or mailing out paper bills and return envelopes.

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

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

17 **A. Yes.**

Duke Energy Progress, LLC
Payments by Channel
As of August 31, 2022*

Quick Exhibit 1
Docket No. E-2, Sub 1300
Page 1 of 1

PAYMENT COUNT <i>(in thousands)</i>	2019	2020	2021	2022*
Residential				
Electronic	6,620	6,901	7,065	4,971
Speedpay	3,512	3,367	3,925	2,236
Mail	2,929	2,756	2,553	1,480
Walk-in Pay Agent	1,132	818	667	328
	14,192	13,842	14,210	9,014
Non-Residential				
Electronic	1,071	1,125	1,161	852
Speedpay	154	132	149	89
Mail	1,212	1,152	1,069	647
Walk-in Pay Agent	92	67	54	27
	2,529	2,477	2,432	1,614
Total	16,721	16,319	16,643	10,628

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Oct 06 2022