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Feb 15 2022

February 15, 2022

**VIA ELECTRONIC FILING**

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

**RE: Duke Energy Carolinas, LLC 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. Dunston

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 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,

Kathleen H. Richard

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, 1<sup>st</sup> Class Postage Prepaid, properly addressed to parties of record.

This the 15<sup>th</sup> day of February, 2022.



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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, 2021

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### INTRODUCTION & SUMMARY

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*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 delivered 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 incorporated 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 built 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 continued 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 introduced 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 began deploying the final components of the meter-to-cash<sup>1</sup> 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.

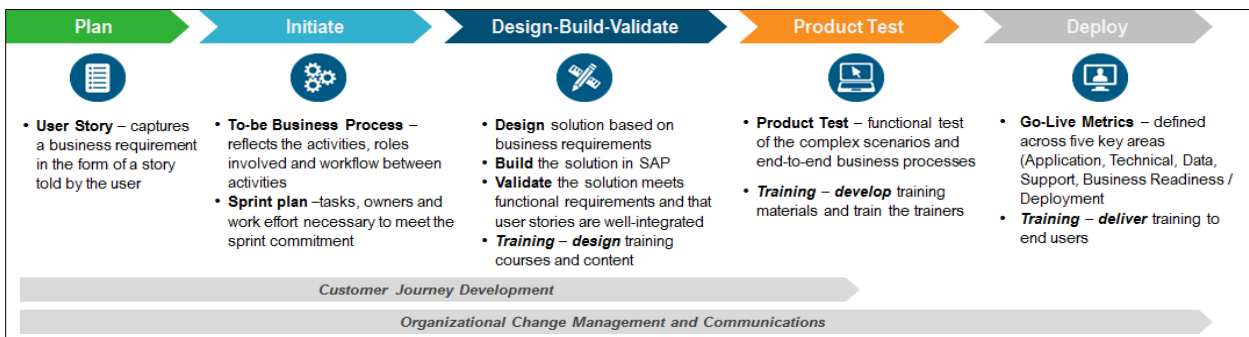
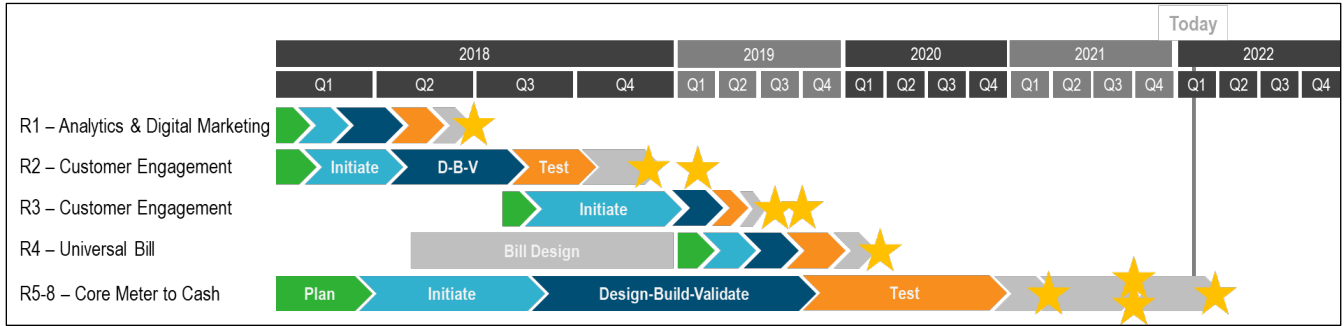
As stated in a letter filed with the North Carolina Utilities Commission (NCUC) on June 29, 2020 in of Docket Nos. E-2, Sub 1142 and E-7, Sub 1146, the Companies decided to accelerate the program timeline to deliver the new customer service platform five months earlier than originally reported and planned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

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<sup>1</sup> Meter-to-cash refers to the billing and accounts receivables components of the Customer Connect program/new system.

# PROGRAM DEVELOPMENT & ACCOMPLISHMENTS

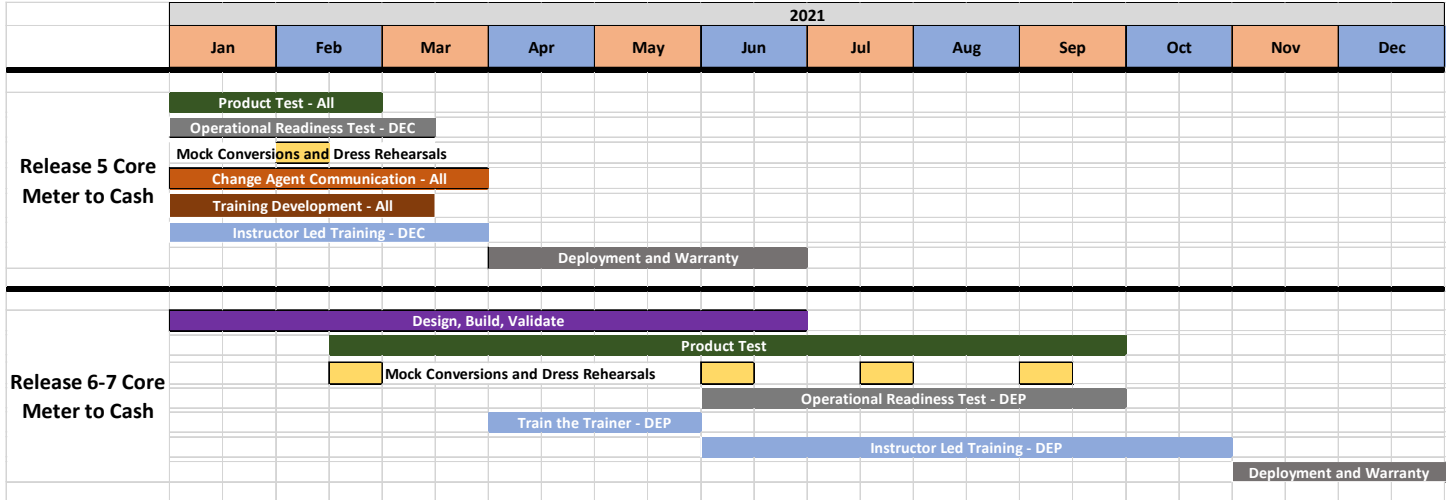
## Program Timeline and Phases



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

## PROGRAM DEVELOPMENT & ACCOMPLISHMENTS

### Program activities undertaken in the past 12 months



		2021			
		Q1	Q2	Q3	Q4
<b>Release 1 Analytics &amp; Digital Marketing</b>	<ul style="list-style-type: none"> <li>Release complete</li> </ul>	<ul style="list-style-type: none"> <li>Release complete</li> </ul>	<ul style="list-style-type: none"> <li>Release complete</li> </ul>	<ul style="list-style-type: none"> <li>Release complete</li> </ul>	<ul style="list-style-type: none"> <li>Release complete</li> </ul>
<b>Release 2 Customer Engagement</b>	<ul style="list-style-type: none"> <li>Release complete</li> </ul>	<ul style="list-style-type: none"> <li>Release complete</li> </ul>	<ul style="list-style-type: none"> <li>Release complete</li> </ul>	<ul style="list-style-type: none"> <li>Release complete</li> </ul>	<ul style="list-style-type: none"> <li>Release complete</li> </ul>
<b>Release 3 Customer Engagement, cont.</b>	<ul style="list-style-type: none"> <li>Release complete</li> </ul>	<ul style="list-style-type: none"> <li>Release complete</li> </ul>	<ul style="list-style-type: none"> <li>Release complete</li> </ul>	<ul style="list-style-type: none"> <li>Release complete</li> </ul>	<ul style="list-style-type: none"> <li>Release complete</li> </ul>
<b>Release 4 Universal Bill</b>	<ul style="list-style-type: none"> <li>Release complete</li> </ul>	<ul style="list-style-type: none"> <li>Release complete</li> </ul>	<ul style="list-style-type: none"> <li>Release complete</li> </ul>	<ul style="list-style-type: none"> <li>Release complete</li> </ul>	<ul style="list-style-type: none"> <li>Release complete</li> </ul>
<b>Releases 5-8 Core Meter to Cash</b>	<ul style="list-style-type: none"> <li>Completed Two DEC Dress Rehearsals</li> <li>Completed DEC Operational Readiness Test Phase</li> <li>Completed DEC Performance Test Phase</li> <li>Completed DEC Instructor Led Training</li> <li>Began DEC Deployment</li> <li>Completed DEP Mock Data Conversion</li> </ul>	<ul style="list-style-type: none"> <li><b>DEC Go-Live – April 5</b></li> <li>Began &amp; Completed DEC Warranty Phase</li> <li>Completed Design-Build-Validate Phase Exceptions</li> <li>Completed DEP Mock Data Conversion</li> <li>Completed One DEP Dress Rehearsal</li> <li>Completed DEP Train-the-Trainer</li> <li>Began DEP Instructor Led Training</li> <li>Began DEP Operational Readiness Test Phase</li> </ul>	<ul style="list-style-type: none"> <li>Completed DEP Performance Test Phase</li> <li>Completed DEP Operational Readiness Test Phase</li> <li>Completed Two DEP Mock Data Conversions</li> <li>Completed Two DEP Dress Rehearsals</li> </ul>	<ul style="list-style-type: none"> <li>Completed DEP Instructor Led Training</li> <li><b>DEP Go-Live – November 5</b></li> <li>Began DEP Warranty Phase</li> </ul>	

*NOTE: Activity is for all jurisdictions, unless otherwise noted*

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

### Key Customer Impacts/Benefits Implemented

On April 5, 2021, Customer Connect successfully transitioned all of DEC customer account data from its legacy billing system to the new, Systems, Applications and Products in Data Processing (SAP) billing system. The program successfully converted more than 6 billion records including balancing nearly \$400M in accounts receivable.

DEC successfully implemented rates changes on June 1, 2021, with the Customer Connect platform the rate change process was completed in six weeks.

On November 5, 2021 Customer Connect successfully transitioned all DEP customer account data from its legacy billing system to the new SAP billing system. The program successfully converted more than 3.6 billion records including balancing nearly \$314M in accounts receivable.

A number of lessons learned were leveraged from the DEC deployment to improve the customer experience for the DEP deployment. These will be further discussed in the DEP deployment report, to be filed 120 days after implementation, which details the experience of the first 90 days (see *Order Granting Limited Waivers with Conditions*, issued March 24, 2021 in Docket Nos. E-2, Sub 1271 and E-7, Sub 1251). Areas of improvement include: contingency processes, hypercare processes, training, customer communications, and improvements in universal design/processes.

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 implemented a multi-faceted communications and engagement plan to address needs ranging from general awareness to building a deeper understanding of the changes.

#### **Broad Campaign** (*DEC: February 2021; DEP: September 2021*)

A broad, overarching communications campaign about the new customer engagement platform and billing system introduced and prepared residential and business customers for the improvements the Company was making to enhance our customers' experience. Such improvements included new billing and payment options, more insights and analysis and an improved digital experience.

The broad campaign centered around the theme of 'More' – more choices, convenience, and control for customers. As part of the broad campaign, the following communication activities were 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 were 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 received proactive communications in advance of deployment:

- Equal Payment Plan (Budget Billing)
- Auto Pay/Automatic Draft
- Paperless Billing – Email Bill Delivery
- Deferred Payment Arrangements (Installment Plan)
- Summary/Consolidated Billing (Collective Billing)
- Preference Pay (DEP only)
- Electrical Inspections Process (DEP only)
- Purchase Power (DEP only)
- Prepaid Advantage (DEC only)
- )Digital Portals: Business Portal, Property Manager Portal and Agency Portal

The frequency, timing and messaging of individual campaign communications were tailored to suit the audience, level of impact and channel. When applicable, a multi-channel approach offered multiple touchpoints with customers and provided greater assurance the message was received. Communication channels included:

- 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 was required to provide additional support, tools, and resources. The Customer Connect program team conducted 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 were invited to participate in one of four virtual information sessions (late March – DEC; October – DEP) to preview enhancements to the DEC/DEP agency portal and learn more about key changes to the customers’ experience. DEC held four virtual sessions with approximately 460 attendees, and DEP held six virtual sessions with approximately 245 attendees.

#### **Post-Deployment Communications** (*DEC: April/May 2021; DEP: November/December 2021*)

Individual campaign communications continued post-deployment to reinforce key benefits, messages, and calls-to-action. Post-deployment communications also promoted new self-service options that let customers manage their account whenever and wherever they are. As part of these communications, we provided quick start guides for each of the online experiences (residential, business, agency, and landlord) to help users navigate the new/enhanced portals.

#### **Program activities planned for the next 12 months**

DEP will complete the Warranty Phase of the project in Q1 2022, which includes a hyper focus on system stabilization immediately following go-live. No other activities are planned for 2022.



## 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, 2021 (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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Release 4 - Universal Bill	-	12	-	-	12	-	19	1	-	20	-	-	-	-	-
Release 5 - Core Meter to Cash (5-8)	7,653	2,546	16,441	5,281	31,921	12,105	2,549	22,220	7,007	43,881	12,105	2,549	22,220	7,007	43,881
Cross Release	230	2,277	747	25,756	29,010	383	4,851	1,218	27,143	33,595	383	4,851	1,218	27,143	33,595
<b>Grand Total</b>	<b>\$ 7,883</b>	<b>\$ 4,835</b>	<b>\$ 17,188</b>	<b>\$ 31,037</b>	<b>\$ 60,943</b>	<b>\$ 12,488</b>	<b>\$ 7,419</b>	<b>\$ 23,439</b>	<b>\$ 34,150</b>	<b>\$ 77,496</b>	<b>\$ 12,488</b>	<b>\$ 7,419</b>	<b>\$ 23,439</b>	<b>\$ 34,150</b>	<b>\$ 77,496</b>

Annual Expenditures For the year ended December 31, 2021 (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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Release 4 - Universal Bill	-	11	-	-	11	-	15	1	-	15	-	-	-	-	-
Release 5 - Core Meter to Cash (5-8)	6,811	2,266	14,632	4,700	28,410	9,321	1,963	17,109	5,395	33,788	9,321	1,963	17,109	5,395	33,788
Cross Release	205	2,027	665	22,923	25,819	295	3,735	938	20,900	25,868	295	3,735	938	20,900	25,868
<b>Grand Total</b>	<b>\$ 7,016</b>	<b>\$ 4,303</b>	<b>\$ 15,297</b>	<b>\$ 27,623</b>	<b>\$ 54,239</b>	<b>\$ 9,616</b>	<b>\$ 5,713</b>	<b>\$ 18,048</b>	<b>\$ 26,296</b>	<b>\$ 59,672</b>	<b>\$ 9,616</b>	<b>\$ 5,713</b>	<b>\$ 18,048</b>	<b>\$ 26,296</b>	<b>\$ 59,672</b>

**CUSTOMER CONNECT PROGRAM SPENDING**

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**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. Additional project spend will continue through early 2023, as previously shared in this docket.

Project-to-date Expenditures Calendar years 2016-2021 (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	862	3,300	1,246	6,009	998	1,431	5,423	2,057	9,909
Release 5 - Core Meter to Cash (5-8)	18,666	6,320	53,128	14,768	92,882	30,908	10,523	83,631	24,466	149,528
Cross Release	881	7,928	7,015	29,853	45,677	1,457	14,443	11,612	42,374	69,886
<b>Grand Total</b>	<b>\$ 22,141</b>	<b>\$ 16,698</b>	<b>\$ 71,094</b>	<b>\$ 50,110</b>	<b>\$ 160,043</b>	<b>\$ 36,652</b>	<b>\$ 29,064</b>	<b>\$ 113,143</b>	<b>\$ 75,902</b>	<b>\$ 254,761</b>

Project-to-date Expenditures Calendar years 2016-2021 (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	767	2,937	1,109	5,348	768	1,102	4,176	1,584	7,630
Release 5 - Core Meter to Cash (5-8)	16,613	5,625	47,284	13,144	82,665	23,799	8,103	64,396	18,839	115,137
Cross Release	784	7,056	6,243	26,569	40,653	1,122	11,121	8,941	32,628	53,812
<b>Grand Total</b>	<b>\$ 19,705</b>	<b>\$ 14,861</b>	<b>\$ 63,274</b>	<b>\$ 44,598</b>	<b>\$ 142,438</b>	<b>\$ 28,222</b>	<b>\$ 22,379</b>	<b>\$ 87,120</b>	<b>\$ 58,445</b>	<b>\$ 196,166</b>

**III.** Deferred Account balance as of the previous calendar year

Customer Connect Regulatory Asset Balance as of December 31, 2021 (dollars in thousands)	Duke Energy Progress		Duke Energy Carolinas
	Account No.	Balance as of 12/31/2021	Balance as of 12/31/2021
NC CustomerConnect Deferral	0182524	\$ 41,924	\$ 37,540

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

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## CUSTOMER INPUTS AND INSIGHTS

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*Communication material to customers, customer satisfaction indexes, customer engagement*

The Companies have seen customers taking advantage of the fully automated, enhanced self-service options deployed by the Customer Connect program including start and stop service, and enrollment in billing and payment programs. Additional detail is available in each Company's Implementation Experience Report filed in Docket Nos. E-7, Sub 1251 (Aug. 3, 2021) and E-2, Sub 1271 (to be filed March 2022).

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## ADDITIONAL INFORMATION

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*Any other information the Companies believe to be appropriate.*

# DUKE ENERGY CAROLINAS, LLC

## DOCKET NO. E-7, SUB 1146

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### INTRODUCTION & SUMMARY

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*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.*

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### CUSTOMER ACCESS TO ENERGY USAGE DATA UPDATE

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Consistent with the Companies' March 2, 2020 notifications to the Commission and interested parties that the Companies had implemented Download My Data functionality, the Companies provided customers with smart meters access their usage data with that functionality via their accounts on the Duke Energy websites. In 2021, there were a total of approximately 22,300 total clicks of the Download My Data Button with slightly over 36% of those clicks coming from unique users (single click per session).