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VIA ELECTRONIC FILING

Mr. Adam J. Teitzman, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket 20240025-EI, Petition for Rate Increase by Duke Energy Florida, LLC

Dear Mr. Teitzman,

Attached for filing on behalf of Duke Energy Florida, LLC's ("DEF") in the above-referenced docket is the Direct Testimony of Lesley Quick.

Thank you for your assistance in this matter. Please feel free to call me at (727) 820-4692 should you have any questions concerning this filing.

(Document 21 of 40)

Respectfully,

/s/ Dianne M. Triplett

Dianne M. Triplett

DMT/mw

Attachment

CERTIFICATE OF SERVICE

Docket No. 20240025-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail this 2nd day of April, 2024, to the following:

/s/ Dianne M. Triplett
Dianne M. Triplett

| | |
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**In re: Petition for Rate Increase by
Duke Energy Florida, LLC**

**Docket No. 2024025-EI
Submitted for filing: April 2, 2024**

DIRECT TESTIMONY

OF

LESLEY G. QUICK

On behalf of Duke Energy Florida, LLC

1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Lesley G. Quick. My business address is 525 South Tryon Street, Charlotte,
4 North Carolina 28202.

5
6 **Q. By whom are you employed and in what capacity?**

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

10
11 **Q. Please describe your educational background and professional experience.**

12 A. I have a bachelor’s degree in financial management from Clemson University. I started
13 with Duke Energy two weeks after graduation from Clemson in 2002, and I have remained
14 an employee for the past 21 years. Since 2002, I have worked for Duke Energy in a variety
15 of roles, each with increasing responsibility. I have worked in Finance, Rates and
16 Regulatory Compliance, Corporate Strategy, Customer Solutions Products and Services,
17 Revenue Services, and Customer Services. I assumed my current position in Customer
18 Experience and Services in July 2022.

19
20 **Q. Please describe your duties and responsibilities as Vice President of Customer
21 Advocacy, Regulatory Engagement and Support within Customer Services.**

1 A. My responsibilities include the oversight, leadership, integration, and implementation of
2 strategic business planning governance, change management, audit and compliance
3 requirements, customer technology support, digital experience transformation, and
4 enhanced customer communications. I provide direction and leadership in the development
5 of organizational business plans to ensure alignment and achievement of objectives,
6 regulatory compliance and reporting, key performance indicators, and operational metrics.
7 Additionally, I lead the Customer Advocacy division. Customer Advocacy is responsible
8 for enhancing support for our customers by expanding outreach with local, state, and
9 federal agency partners to improve access to assistance funding.

10
11 **Q. What is the purpose of your testimony?**

12 A. The purpose of my testimony is to highlight DEF's service to our customers and to describe
13 how we have improved and plan to continue to improve our customer service. I outline
14 some of the steps the Company is taking to continue improving the experience and
15 satisfaction of our customers when they engage with us.

16
17 **Q. Do you sponsor or co-sponsor any schedules of the Company's minimum filing
18 requirements?**

19 A. Yes. I am a co-sponsor supporting the costs and/or investments related to Customer
20 Operations in the following Minimum Filing Requirements ("MFRs"): B-7, B-8, B-9, B-
21 10, B-11, B-13, C-6, C-8, C-9, C-11, C-12, C-15, C-16, C-35, C-36, C-37, C-41, and D-6.
22 They are true and accurate, subject to being updated during the course of this proceeding.

1 **Q. Do you have any other exhibits to your testimony?**

2 A. No. I do not have any exhibits to my testimony.

3

4 **Q. Please summarize your testimony.**

5 A. DEF considers customer service a top priority and works to provide a customer experience
6 that is informed by both customer and employee feedback. As I demonstrate in my
7 testimony, DEF accomplishes this by engaging customers across multiple platforms and
8 offering robust customer care centers with dedicated support for residential and
9 commercial customers across the Company's diverse customer base. My testimony
10 describes the digital enhancements underway that provide customers with more
11 information and options than ever to manage their own account and services, and I
12 elaborate on the ways in which DEF utilizes and tracks customer feedback and survey
13 reporting to tailor customer offerings and continuously improve its support.

14

15 **II. SUPPORTING OUR CUSTOMERS**

16 **Q. How does the Company view customer service?**

17 A. DEF strives to exceed customer expectations by building genuine connections with all
18 customers, soliciting customer feedback, taking note of evolving customer expectations,
19 anticipating customer needs, leveraging emerging technologies, and offering dynamic
20 solutions to customer issues. Providing our customers with the service they need drives our
21 policies, programs, and decisions.

22

1 **Q. Please provide an overview of the Company’s customer experience and services**
2 **functions.**

3 A. DEF’s Customer Experience and Services functions are comprised of multiple departments
4 responsible for developing and executing policies, processes, and procedures to
5 successfully engage with our customers across multiple communication channels. The
6 primary channels our customers use to interact with the Company are phone, email, social
7 media (Facebook, Instagram, LinkedIn, and Twitter/X), a mobile application, DEF’s
8 website, and face-to-face interactions. Our organization includes customer care operations,
9 large account management, assistance agency support, customer experience, customer
10 technology, metering field services, complaint resolution, billing and payment processes,
11 and credit and collections activities.

12
13 **Q. Please describe the operation of the customer care centers.**

14 A. Our customer care operations are designed and continuously enhanced to ensure that
15 customer inquiries are answered promptly and accurately. There are several locations and
16 numerous remote agents that handle inbound and outbound calls, as well as emails, web
17 inquiries, mailed letters, faxes, and social media inquiries. Over 1,200 Duke Energy
18 representatives are available and ready to process and support work in response to Florida
19 customer inquiries. The Company also utilizes vendor call centers to supplement internal
20 Duke Energy customer care specialists.

21
22 Customer calls are either processed in our Interactive Voice Response (“IVR”) system,
23 allowing customers to self-serve, or by a call center specialist. In 2023, DEF received an

1 average of 634,000 phone calls per month to the IVR system, of which approximately 58%
2 were handled completely within the IVR (i.e., successfully self-served), with the remaining
3 callers speaking with a customer care specialist.
4

5 **Q. Does the Company consider the diverse needs of the DEF customer base when**
6 **providing service?**

7 A. Yes. The Company understands that its customers have diverse service needs and strives
8 to recognize and accommodate those diverse needs when possible. For example:

- 9 • Account managers are assigned to our large, complex customer accounts to answer
10 questions, resolve issues, and manage the customer relationship.
- 11 • The Business Service Center (“BSC”) is focused on providing a more tailored
12 service model for our SMB customers, customized by business segment. This
13 model allows us to build a virtual account management system to handle requests
14 and ensure customers can leverage all our digital channels for their unique business
15 needs more effectively and efficiently.
- 16 • A variety of billing and payment choices are offered to make paying bills simple,
17 secure, and convenient, such as paperless billing, Pick Your Due Date, Fixed Bill,
18 and Budget Billing.
- 19 • An award-winning free mobile app for residential and small business customers
20 allows those customers to easily manage their account from anywhere in the United
21 States.
- 22 • Important information is shared with customers through monthly bill inserts, text,
23 email, or the Company’s website.

- Communication and customer service practices are available to address language, cultural, and disability barriers.
- Customer care specialists are available to provide 24/7 service for emergency and outage-related requests.

Q. Please describe how DEF's social media program has evolved to keep pace with evolving customer expectations.

A. With the rise in the use of social media in recent years, DEF has seen an increased number of customers contacting the Company for account-related questions through social media. The Duke Energy enterprise social media channels continue to grow, with more than 730,000 followers on its Facebook, Twitter/X, Instagram, and LinkedIn pages. The Company uses these channels to inform customers about reliability updates in their area and changes that could impact their bills. Further, in an emergency or major storm, social media is used to communicate important information to customers. This allows DEF to make proactive posts providing warnings and safety information to quickly reach as many customers and stakeholders as possible, engage with customers who have storm- or outage-related questions, and monitor how messages are being received and answered. Moreover, the Company has posted updates, including videos detailing storm restoration progress and photos of significant damage to infrastructure, to show customers the scale of repairs underway.

1 **III. TRANSFORMING THE CUSTOMER EXPERIENCE**

2 **Q. Is the Company continuing to make digital enhancements to better serve its**
3 **customers?**

4 A. Yes. The Company makes strategic, value-based investments for the benefit of our
5 customers. Some examples of the benefits to customers are discussed below.

6
7 **Q. How is the Company improving interactions with customers?**

8 A. Examples of improved interactions with customers include: the deployment of Customer
9 Connect, enhancements to our IVR system, and online portal enhancements.

10
11 *Customer Connect*

12 The Company implemented a new customer information system platform, Customer
13 Connect, in November 2021. Customer Connect helps the Company deliver a customer
14 experience that simplifies, strengthens, and advances our ability to serve customers. It
15 provides a modern, configurable billing engine and is based on a customer-centric data
16 model that provides a more personalized experience for customers. To that end, customers
17 are now taking advantage of more automated processes and enhanced billing and payment
18 options using new or enhanced self-service capabilities.

19
20 *Interactive Voice Response (“IVR”)*

21 Since launching the advanced language IVR system in 2019, the Company has learned that
22 customers want the ability to self-serve while navigating seamlessly through the IVR.
23 Existing self-service functionality, such as requesting a payment arrangement and
24 reporting a power outage, was improved via voice activated prompts, helping to provide a

1 more positive customer experience. From 2021 to 2023, the IVR has increased its
2 containment rate from 54.7% to 58%. This means that a higher percentage of customers
3 that utilized the voice channel were able to self-serve, thus substantiating the effectiveness
4 and efficiency of the IVR's self-service options.

5
6 New self-serve options through the IVR include allowing customers to enroll in or
7 withdraw from Budget Billing, securely add their card information for easy access to make
8 a payment, update their phone number, and request their account number. Another added
9 feature is called First-in-Line, which allows customers, during busier-than-normal periods
10 of call volume, to either remain on hold or select a call back number where they can be
11 reached when a service representative becomes available. During 2023, approximately
12 300,000 DEF customers were offered a call back option through the First-in-Line feature,
13 with over 115,000 accepting the offered call-back thus relieving customers from long wait
14 times.

15
16 In addition to the capabilities now available through Customer Connect and the improved
17 IVR, DEF can better connect with customers through texting experiences. Prior to these
18 technology enhancements, the Company was limited to sending web links to static forms
19 that still required manual processing. The new capabilities allow for more dynamic URLs
20 to process requests, thereby reducing the need for manual intervention. For example, when
21 a customer calls into the IVR for a start service request, we can offer to text them a link to
22 the start service page, and if the customer prefers, they can complete their request from
23 their device, allowing them to self-serve. Customers can also receive texts with additional

1 options and links, such as bill reminders and confirmations, tree trimming information,
2 payment locations, street light repair, and others.

3
4 In 2022, DEF enabled another new texting feature, two-way texting, which allows
5 customers to respond to certain messages and reminders. For example, if a bill reminder is
6 sent via text message, and a customer responds indicating that they are unable to pay by
7 the due date, the system can recognize that message and provide relevant options or a link
8 to set up an installment plan. These texting capabilities provide yet another avenue for
9 customers to interact with the Company and to self-serve.

10
11 *Web Portal*

12 As of December 31, 2023, DEF's live chat functionality within the MyAccount portal has
13 handled approximately 12,000 successful live chat sessions, primarily related to billing and
14 payments. The chat icon is visible to customers during customer service business hours
15 when a specialist is available. Upon identifying their account, the customer will be routed
16 to a specialist. Based on activity seen and positive feedback received during the four-month
17 pilot, the Company made live chat a permanent option for customers in February 2024. In
18 addition, the functionality of live chat was recently enhanced to automatically identify
19 account information based on web login credentials and to include frequently asked
20 questions.

21
22 **Q. How have the Company's digital enhancements made it easier for customers to report**
23 **concerns with service outages?**

1 A. Outage reporting was enhanced to make it easier for customers to report service
2 interruptions through our website or mobile app. An internet form was launched that allows
3 customers to provide greater detail about their outage, along with an option to enter free
4 form comments to allow for more detail on the situation. The adoption rate of the new
5 outage forms has grown, with the success rate increasing from approximately 55% with
6 the legacy forms to 87% with the new forms. This indicates that more customers are staying
7 on the internet to complete the submission rather than leaving the internet to call in the
8 outage report.

9
10 This increased outage reporting information further allows the Company to digitally collect
11 more detailed data about outage tickets, providing important information to our outage
12 management system. For example, a customer can use the form to report downed wires or
13 loud booms from the area, and our distribution control centers and crews see that detail.
14 This provides more direct information of the immediate situation and field conditions at
15 the scene of the outage.

16
17 The Company continues to proactively communicate with customers experiencing outages,
18 providing updates to customers, via text or email, and up-to-date information on the new
19 outage maps, without a customer having to call. Improvements were also made to the
20 mobile app to ensure key outage data points were more visible to customers during active
21 outages.
22

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

10 **Q. What other efficiencies has the Company gained through digital enhancements?**

11 A. Other examples of digital transformation efficiencies include the expansion of “Ping It.”
12 Ping It is a tool that utilizes Advanced Metering Infrastructure (“AMI”) to remotely
13 diagnose customer reported issues. This allows the Company to check the status of a smart
14 meter in lieu of sending a technician to the premises, which is especially useful during
15 major storm event restoration. The elimination of field visits reduces overall costs and
16 allows DEF to focus resources on actual outages and improve overall service. Since 2022,
17 the Company has updated the program to enhance its usage by the Customer Care
18 Operations and Customer Delivery teams. The ability to retrieve information such as
19 voltage data or meter communication status helps troubleshoot customer issues more
20 efficiently. In 2022, the utilization of Ping It enabled DEF to close 23,000 outage tickets
21 without a field visit, saving \$2.4 million through 52.5% fewer field visits. In 2023, DEF
22 avoided over 8,400 outage tickets and closed approximately 17,000 outage tickets without
23 a field visit, thus saving approximately \$2.6 million.

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The Ping It program continues to be especially useful during major storms. In fact, during Hurricane Ian in September 2022, Ping It was used approximately 36,000 times to determine a customer’s service. In over 6,100 cases, Ping It successfully validated that the customers’ service had been returned and closed associated outage tickets, avoiding the need to dispatch technicians. During the most recent storm, Idalia, in September 2023, Ping It was used approximately 36,000 times and resolved more than 2,000 cases without the need to dispatch technicians.

Additionally, the Company has developed the Usage Alert program, which utilizes AMI technology and data to send customers timely, accurate, and easy to understand usage information to provide transparency into their estimated electricity costs and help them stay on budget and in control of their usage. In 2023, Customer Services brought the digital production and distribution of usage alerts in-house rather than utilizing an outside vendor’s services. This change generates financial savings, creates an enriched usage experience across platforms, and ultimately provides a more personalized experience to a larger group of customers. This decision will provide \$1.4 million in net annual savings to the Duke Energy enterprise and further leverage the functionality of DEF’s AMI meters.

Finally, as outlined above and described further below, customer usage of self-service options continues to increase. Since 2021, DEF call volume has dropped by 21%, while the number of website and mobile application customer sessions increased 52%.

1 **Q. Please describe how digital enhancements have made it possible for customers to**
2 **manage their own accounts and service more easily?**

3 A. The Company's digital enhancements provide customers more information and options
4 than ever to manage their own account and services. For example, Duke's free mobile app
5 allows residential and small business customers to easily manage their account from
6 anywhere in the United States. The app was developed based on customers' most requested
7 features – with it, customers can: view and pay their bill; use the app to manage their
8 profiles; set reminders; schedule automatic payments; enroll in billing and payment
9 programs or view their billing history; report an outage and receive restoration updates;
10 monitor their energy use over time so they can better manage it; and receive personalized
11 offers that help them save. The app uses the same login as the customer's current online
12 account and has an option to use fingerprint or facial recognition for a fast, secure sign-in.
13 The mobile app has been well received by our customers, with user registrations increasing
14 over 200% since the app was originally offered in 2019.

15
16 In April 2023, a chatbot feature was added to the mobile app to help customers navigate
17 the site more easily, answer frequently asked questions or navigate to other features outside
18 of the mobile app (e.g., directs customers to the Company's full website for additional
19 information or into the authenticated space for certain account specific features). Since its
20 implementation, approximately 214,000 users have interacted with the chatbot across all
21 Duke Energy utilities. In April 2023, the Company was recognized for the success of the
22 chatbot through winning the gold Chartwell award for the chatbot's functionality.
23

1 In addition, in November 2021, Remote Order Fulfillment (“ROF”) enabled same day start
2 service through AMI meters in connection with Customer Connect. Customers can request
3 same-day, Saturday, and digital self-service options. This enhancement has increased
4 efficiency in operations and customer satisfaction. Since the enablement, over 309,000
5 residential customers have requested same-day service, which is approximately 35% of
6 total start service requests. Additionally, a recent enhancement to the IVR system informs
7 calling customers about same-day self-service and can generate a text message to the
8 customer with a direct link to the online form. During 2023, approximately 30% of all DEF
9 start service orders were submitted online through the digital self-service tools. By
10 coupling ROF with remote meter reading capabilities, DEF has been able to redistribute
11 resources to advance other strategic investments.

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

1 Finally, the Company has improved our customer payment confirmation messaging.
2 Customers will now see the dates their payment was posted. If a customer’s balance is paid
3 in full, the customer will see a message stating \$0 remaining balance. These messages can
4 provide other account insights to the customer, such as indicating that an account is at risk
5 for disconnection. Also, with the deployment of the new customer information system, a
6 bill reminder message was introduced, which reminds customers three days prior to a bill
7 due date if they had not yet paid. These changes were made to be more informative when
8 communicating with customers who choose to interact digitally with us.
9

10 **IV. CUSTOMER SATISFACTION AND COMPLAINT RESOLUTION**

11 **Q. How does the Company measure customer satisfaction?**

12 A. DEF recognizes that customer expectations continuously evolve and that it is critical to
13 hear and understand the “Voice of the Customer” to improve overall customer satisfaction
14 (“CSAT”). To that end, the Company operates a robust CSAT program, which includes
15 both national benchmarking studies and proprietary relationship and transactional CSAT
16 studies. The Company analyzes results from these studies in monthly data review sessions,
17 with findings driving improvements to processes, technology, and behaviors – all to
18 continuously improve the customer experience.
19

20 DEF measures overall customer satisfaction and perceptions about the Company through
21 an ecosystem of measurement tools designed to understand what is working well from a
22 customer perspective and to identify opportunities to improve the customer experience. In
23 2018, the Company launched the CX Monitor, a randomized, census-based survey that
24 measures overall customer sentiment and the ongoing perceptions of the customer

1 experience. The CX Monitor survey is sent annually via an email with an embedded online
2 survey link to all residential customers; small, and medium business (“SMB”) customers;
3 and large business customers for whom we have a valid email address. Customers are asked
4 to give feedback on their overall sentiment and satisfaction with key experiences, such as
5 billing and payment, power quality and reliability, that they have had with us over the past
6 year. Customers can rate overall sentiment and key experience satisfaction on a 0-10 scale
7 and also provide open-ended comments detailing the primary reason(s) for their score.

8
9 Since its implementation in 2018, the CX Monitor has collected more than 798,000
10 residential electric customer surveys and over 8,500 SMB customer surveys for DEF. As
11 of December 2023, DEF has seen an improvement in overall customer sentiment since
12 2018 as data-driven enhancements continue to improve the customer experience. Further,
13 DEF customers reported some of the highest monthly scores to date during the COVID-19
14 pandemic, a particularly challenging time that led to significant financial hardship for many
15 of our customers and communities. In response, DEF launched a sweeping series of
16 unprecedented steps to help our customers, including suspending disconnections for
17 nonpayment, suspending late-payment fees and credit card payment fees, offering flexible
18 payment arrangements to customers with past-due balances, and connecting customers to
19 federal funding to help those in need of economic assistance. The Company’s ability to
20 pivot and to do so quickly was recognized by our customers and resulted in the highest
21 customer satisfaction ratings the Company has experienced in several years. Customer
22 sentiment remains high today, at or above pre-pandemic levels.

1 In addition to our CX Monitor survey, the Company uses “Fastrack 2.0,” a proprietary,
2 post-transaction CSAT measurement program. Fastrack 2.0 measures customer satisfaction
3 with recent Company interactions. Fastrack 2.0 was intentionally designed to complement
4 the CX Monitor survey, provide greater insight into experiences that matter to our
5 customers, and offer near-real time feedback to our front line, customer-facing employees.
6 The survey questions cover the customer’s experience regarding completed field work,
7 including requests to start and transfer electric service, repair outdoor lights, and restore
8 outages. Analysis of these ratings helps identify specific service strengths and opportunities
9 that drive overall satisfaction and provides guidance for the implementation of process and
10 performance improvement efforts. In the past year alone, DEF has collected more than
11 33,000 residential and SMB Fastrack 2.0 surveys, with 60-87% of customers regularly
12 providing the highest satisfaction ratings (9 or 10 on a 10-point scale).

13
14 The Company also implemented “Reflect,” a post-contact survey that offers customers the
15 opportunity to provide immediate feedback after they contact the Company by web or
16 phone call (either to the automated system or to a live agent). This tool provides critical
17 feedback to help improve the channel’s customers’ use when interacting with the
18 Company. In 2023, Reflect collected more than 88,000 responses from DEF customers,
19 with 65-80% of customers regularly providing the highest satisfaction ratings (9 or 10 on
20 a 10-point scale).

21
22 **Q. How does a customer bring an issue to the Company’s attention?**

1 A. DEF customers have numerous avenues to voice an issue, including through our customer
2 care team, social media platforms or website, email, our employees, or our Ethics line. In
3 addition, as I previously mentioned, CX Monitor and Fastrack are two key proprietary
4 surveys DEF uses on an ongoing basis to track customer feedback. At the end of each
5 survey, customers can provide additional comments regarding any outstanding questions
6 that still need to be answered or issues that still need to be resolved. These comments are
7 converted into high priority “Hot Alerts” and forwarded to the Consumer Affairs team to
8 resolve, and a member of our customer service staff directly contacts the customer to ensure
9 satisfactory resolution to the customer’s question or issue. Separately, a Hot Alert may be
10 triggered by an automated key word software review of survey statements, which may
11 indicate customer frustration or a poor experience, even if the customer did not directly ask
12 for follow up.

13
14 In addition, customers can raise issues and inquiries directly with our employees. Our
15 employees can then use the “I Can Help” tool to report the concern and immediately begin
16 the process of resolving the issue, as well as track the issue’s resolution. Thus, while the
17 Company continues to seek feedback from customers through its various survey
18 instruments, we are also making it easier for customers to proactively contact us, receive
19 follow-up, and resolve issues. Most importantly, the Company is using innovative tools to
20 reduce customer complaints and the need for customers to escalate an issue. At the end of
21 2023, the average number of complaints per 10,000 customers continued to trend
22 downward since 2019.

23

1 **V. CHANGING FEE-FREE PAYMENT OPTIONS**

2 **Q. What changes has the Company implemented to the fee-free payment program for**
3 **residential customers as approved in its previous rate case?**

4 A. The Company continuously seeks opportunities to lower costs for customers and to meet
5 the growing need for affordable payment options for customers. In 2023, Duke Energy
6 worked with third-party payment processing vendors to amend contract terms to be more
7 favorable to customers. The amended contract will lower the residential transaction fee
8 from \$1.50 to \$1.25 per transaction. This lowered fee is estimated to yield an average
9 savings of approximately \$100,000 per month based on average transaction volume.

10
11 **Q. Were there other changes to the contract beyond the residential fee noted above?**

12 A. Yes. The amended contract will offer free ACH transactions to non-residential customers
13 who pay their monthly bills via ACH. Based on average transaction volumes, these
14 customers are expected to save \$374,000 annually. Additionally, non-residential credit
15 card transaction fees will be 2.75% of the transaction amount rather than the \$8.50 per
16 transaction currently charged. The Company anticipates that the majority of small business
17 customers paying via card will experience cost savings from this amendment.

18
19 **Q. Please describe the Company's efforts to support its low-income customers.**

20 A. There are multiple programs and assistance options designed to support our low-income
21 customers. For example, in 2023, DEF connected approximately 46,000 customers with
22 assistance agencies that administer the Low-Income Energy Assistance Program
23 ("LIEAP") and Elderly Home Energy Assistance Program ("EHEAP") and collected

1 approximately \$27 million in pledges towards customer electricity bills. Additionally,
2 Duke Energy’s Share the Light Fund assists customers struggling to pay their energy bills.
3 In 2023, Duke Energy employees, customers and shareholders contributed approximately
4 \$512,000 to the Share the Light Fund, plus a Company match of \$706,000 from the Duke
5 Energy Foundation. Since 2020, Duke Energy and our foundation have funded more than
6 \$27.5 million in charitable giving across the state of Florida.¹

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

18
19 **VI. CUSTOMER EXPERIENCE AND SERVICES O&M EXPENSE**

20 **Q. Please provide an overview of Customer Experience and Services’ O&M expenses.**

21 A. Customer Experience and Services’ O&M expense is driven by several key activities
22 including billing, payment processing, customer care, credit and collections, and various

¹ Charitable giving from the Duke Energy Foundation is not recovered from customers.

1 field and support activities to serve DEF customers. While there will always be necessary
2 expenses to serve our customers, the Company continually looks for ways to efficiently
3 use resources. For example, the Company has found cost savings related to digital solutions
4 that customers adopt rapidly, such as IVR self-service, Ping-It, usage alerts, and online
5 self-service options. These examples allowed the Company to manage its overall customer
6 service O&M expenses.

7
8 **Q. How do the Customer Accounts, Customer Service & Information, and Sales**
9 **functional areas of O&M expenses for the 2025-2027 test years compare to the**
10 **Commission’s O&M benchmarks (MFR C-41, O&M benchmark variance by**
11 **function)?**

12 A. The Customer Accounts (FERC Accounts 901 through 905) 2025 through 2027 Test Year
13 O&M expenses are significantly below the Commission’s O&M benchmark thresholds for
14 that functional area, by approximately \$50 million. The Customer Service & Information
15 (FERC Accounts 908 through 910) 2025 Test Year O&M expenses are only \$1 million
16 above the Commission’s O&M benchmark threshold in 2025 (due to new and expanded
17 groups that are focused on growth and improving the customer experience) and very
18 slightly over the benchmark for 2026 and 2027. The Sales (FERC Accounts 911-916) 2025
19 Test Year O&M expenses are slightly above the Commission benchmark thresholds (due
20 to an increase in economic development expense consistent with Rule 25-6.0426, F.A.C.)
21 and below the thresholds for 2026 and 2027.

22
23 **Q. Are there any specific expense categories that the Company is monitoring?**

1 A. Yes. One expense category, Uncollectible Expense, has been trending higher since 2022.
2 The higher account write-off trends are primarily a result of the Company's proactive
3 measures to support our customers when they faced a time of uncertainty during and after
4 the COVID-19 pandemic. Together with other Florida investor-owned electric utilities,
5 DEF temporarily suspended disconnections for several months in 2020. When the
6 Company began to return to more normal billing practices, we continued to provide
7 additional flexibility and assistance needed by many customers, particularly vulnerable
8 populations. When setting payment arrangements, the Company offered terms that
9 included no down payments, extended durations of offers (e.g., up to 6 months), and
10 restructured defaulted agreements without penalty. These customer-focused policy
11 changes gave customers the support they needed to ensure every opportunity to maintain
12 their electric service through an unprecedented time; however, these additional support
13 measures resulted in higher uncollectible expenses in the years following when compared
14 to pre-COVID levels.

15
16 In the last 12-18 months, the Company has made several changes to gradually move closer
17 to pre-COVID credit policies to help alleviate the impact to uncollectible expenses.
18 However, the effects of such changes will take time to be fully realized. For example, the
19 Company's standard payment plan offer was reduced in early 2023 to only 2 months, the
20 option to restructure after a default was removed, and customer deposits are now evaluated
21 annually to ensure ample account security is held. The Company will continue to monitor,
22 assess, and adjust credit policies as necessary to balance the needs of all customers.
23

1 Finally, in addition to COVID-era customer support impacting the Company's
2 uncollectible expenses, increases driven by higher fuel costs (i.e., natural gas) in the past
3 few years spurred higher bills, leading to larger unpaid balances.
4

5 **VII. CONCLUSION**

6 **Q. Does this conclude your direct testimony?**

7 A. Yes.
8