FILED July 2, 2019 INDIANA UTILITY REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF DUKE ENERGY INDIANA, LLC)
PURSUANT TO IND. CODE §§ 8-1-2-42.7 AND)
8-1-2-61, FOR (1) AUTHORITY TO MODIFY)
ITS RATES AND CHARGES FOR ELECTRIC)
UTILITY SERVICE THROUGH A STEP-IN OF)
NEW RATES AND CHARGES USING A)
FORECASTED TEST PERIOD; (2) APPROVAL) CAUSE NO. 45253
OF NEW SCHEDULES OF RATES AND)
CHARGES, GENERAL RULES AND)
REGULATIONS, AND RIDERS; (3))
APPROVAL OF A FEDERAL MANDATE)
CERTIFICATE UNDER IND. CODE § 8-1-8.4-1;)
(4) APPROVAL OF REVISED ELECTRIC)
DEPRECIATION RATES APPLICABLE TO)
ITS ELECTRIC PLANT IN SERVICE; (5))
APPROVAL OF NECESSARY AND)
APPROPRIATE ACCOUNTING DEFERRAL)
RELIEF; AND (6) APPROVAL OF A)
REVENUE DECOUPLING MECHANISM FOR)
CERTAIN CUSTOMER CLASSES)

VERIFIED DIRECT TESTIMONY OF RETHA I. HUNSICKER

On Behalf of Petitioner, DUKE ENERGY INDIANA, LLC

Petitioner's Exhibit 30

July 2, 2019

DUKE ENERGY INDIANA 2019 BASE RATE CASE DIRECT TESTIMONY OF RETHA I. HUNSICKER

DIRECT TESTIMONY OF RETHA I. HUNSICKER VICE PRESIDENT CUSTOMER CONNECT-SOLUTIONS DUKE ENERGY BUSINESS SERVICES LLC ON BEHALF OF DUKE ENERGY INDIANA, LLC BEFORE THE INDIANA UTILITY REGULATORY COMMISSION

1		I. <u>INTRODUCTION</u>
2	Q.	PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.
3	A.	My name is Retha I. Hunsicker, and my business address is 400 South Tryon
4		Street, Charlotte, North Carolina.
5	Q.	BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?
6	A.	I am employed as Vice President Customer Connect-Solutions for Duke Energy
7		Business Services LLC, a service company subsidiary of Duke Energy
8		Corporation ("Duke Energy"), and a non-utility affiliate of Duke Energy Indiana,
9		LLC ("Duke Energy Indiana" or "Company").
10	Q.	PLEASE DESCRIBE YOUR RESPONSIBILITIES AS VICE PRESIDENT
11		CUSTOMER CONNECT-SOLUTIONS.
12	A.	I have executive management oversight for the customer information system
13		("CIS") consolidation project known as Customer Connect, including the
14		planning, execution and deployment. This program is responsible for the
15		successful deployment of a new customer platform that will enable the functional
16		capabilities needed to meet our strategic purpose of powering the lives of our
17		customers by transforming how we serve them.
18	Q.	PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL
19		BACKGROUND.

1	A.	I hold a Bachelor of Science degree in Business Administration from Indiana
2		Wesleyan University. Since 1981, I have been employed by, and worked for,
3		companies under what is now Duke Energy. I began my career with Public
4		Service Indiana, the predecessor to Duke Energy Indiana, as an accounting
5		assistant. Since then, I have held positions with increasing levels of
6		responsibility. More recently, the roles I've held include Director, Business
7		Standards and Integration, and General Manager, Smart Energy Systems &
8		Processes. In 2012, I took the position of Regional Director, Customer Services,
9		leading our Midwest contact centers, before promoting to Vice President,
10		Customer Contact Operations in 2013. I assumed my current role as Vice
11		President Customer Connect-Solutions in 2015.
12	Q.	WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS
13		PROCEEDING?
13 14	A.	PROCEEDING? The purpose of my testimony is to discuss the CIS used by Duke Energy Indiana
	A.	
14	A.	The purpose of my testimony is to discuss the CIS used by Duke Energy Indiana
14 15	A.	The purpose of my testimony is to discuss the CIS used by Duke Energy Indiana and explain why it is necessary to convert that CIS into a modern customer
14 15 16	А. Q.	The purpose of my testimony is to discuss the CIS used by Duke Energy Indiana and explain why it is necessary to convert that CIS into a modern customer service platform.
14 15 16 17		The purpose of my testimony is to discuss the CIS used by Duke Energy Indiana and explain why it is necessary to convert that CIS into a modern customer service platform. II. <u>DUKE ENERGY'S CURRENT CIS</u>
14 15 16 17 18	Q.	The purpose of my testimony is to discuss the CIS used by Duke Energy Indiana and explain why it is necessary to convert that CIS into a modern customer service platform. II. <u>DUKE ENERGY'S CURRENT CIS</u> PLEASE EXPLAIN THE PURPOSE OF A CIS.
14 15 16 17 18 19	Q.	The purpose of my testimony is to discuss the CIS used by Duke Energy Indiana and explain why it is necessary to convert that CIS into a modern customer service platform. II. <u>DUKE ENERGY'S CURRENT CIS</u> PLEASE EXPLAIN THE PURPOSE OF A CIS. A CIS manages the billing, accounts receivable, and rates for the Company and is

1		disconnections, outages and trouble requests. A CIS also manages customer
2		profiles and integration of data to provide a holistic view of the customer and
3		should enable expected customer capabilities.
4	Q.	PLEASE PROVIDE A GENERAL DESCRIPTION OF THE COMPANY'S
5		EXISTING CIS.
6	А.	The current CIS for Duke Energy Indiana was developed more than thirty years
7		ago, beginning in 1987, and was put in service in 1993. The current CIS was
8		designed as a premise-based system, meaning it was developed to communicate
9		with the meter attached to a premise, without regard to who may be consuming
10		the services provided through that meter or how they may be consuming those
11		services. Similarly, the Company's business processes have not kept up with
12		customers changing needs and expectations; they are inefficient and outdated.
13		Although state-of-the-art nearly thirty years ago, the current CIS was not
14		designed to efficiently support new capabilities, including personalized
15		experiences for customers, advanced pricing structures and billing options, and
16		tools for customers to better manage their energy consumption. The Company
17		has added functions and new technologies to the legacy system to try to meet the
18		evolving customer needs and expectations. This is limited in current state due to
19		technical and regulatory constraints. This adds complexity to the current system,
20		thereby leading to more CIS disruptions and longer time to recover from outages.
21		Moreover, certain functions are not compatible with the current CIS.

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Q. PLEASE DESCRIBE SOME OF THE LIMITATIONS CUSTOMERS ARE EXPERIENCING.

3 A. Because of existing design limitations with the current CIS, customers with 4 complex billing arrangements, including those with net metering, receive bills that 5 are calculated manually. The Company's current systems were not designed to 6 enable automated billing for these scenarios and were not designed to produce a 7 credit bill. These manual interventions are not desirable for a variety of reasons, 8 including inefficiency. Furthermore, as the number of customers with these 9 billing arrangements increases, there is an understandable impact on the 10 Company's ability to provide timely and accurate bills. And, it must be accepted 11 that injecting manual intervention into what should be an entirely automated 12 process creates an opportunity for unintended consequences. 13 Additionally, the current CIS does not enable ready access to account 14 histories that can be important when a customer is seeking to relocate within the 15 Duke Energy jurisdictions. Consequently, a long-standing customer with a history of consistently paying bills on time and in full could be required to pay a 16 17 security deposit as a condition of receiving service in a new home; a situation that 18 could be avoided with improved access to account histories. 19 The current CIS does not enable the Company to identify a customer's 20 preferred method of communication. Thus, a customer who consistently opts out

22 customer service representative must continue to go through, for them, an

21

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of the interactive voice response ("IVR") system in order to speak directly with a

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1		irritating process to obtain answers or information related to their utility service.
2		Much of our customer base favors more modern communication channels, where
3		information is almost immediately available. The current CIS does not enable
4		these customers to employ their preferred methods of communication.
5	Q.	PLEASE EXPLAIN HOW DUKE ENERGY INDIANA HAS MODIFIED
6		THE WAY IT INTERACTS WITH CUSTOMERS IN RECENT YEARS?
7	A.	Duke Energy Indiana has made incremental improvements as described below;
8		however, the Company is limited in the design, build, and execution of new
9		programs and offerings given the constraints of the current CIS, Commission
10		rules, and associated processes. For example, where Advanced Metering
11		Infrastructure ("AMI") meters are available, the Company provides usage alerts to
12		customers during the month so they can better track their energy usage in
13		comparison to historical consumption. Customers with AMI meters also have the
14		ability to choose a due date that meets their needs. Additionally, the Company is
15		utilizing technology to provide more notice to customers facing disconnection
16		using phone and text messaging, as further described in the testimony of Duke
17		Energy Indiana witness Ms. Lesley G. Quick. These changes, while positive for
18		customers, are limited in nature and the ability to truly transform the customer
19		experience is not possible without a new, modern customer service platform –
20		Customer Connect.
21	Q.	CAN DUKE ENERGY INDIANA SIMPLY RELY ON CONTINUED
\mathbf{r}		MODIFICATIONS OF THE EXISTING CIS TO MEET FUTURE NEEDS?

22 MODIFICATIONS OF THE EXISTING CIS TO MEET FUTURE NEEDS?

1	A.	No. As a practical matter, the current limitations discussed above cannot be
2		remedied with continued modifications, nor is continuous investment in an
3		antiquated technology platform practical or sustainable. Duke Energy Indiana's
4		current system must be replaced to provide a more stable platform, greater
5		flexibility, ease of configuration, and ability to offer more advanced rates and
6		billing structures, as well as services to customers, than what is currently possible.
7		CISs, like any other software solution, are subject to obsolescence, and like other
8		technology and software, upgrades must be periodically made to deliver on
9		capabilities required by business operations, and more importantly, customers.
10		III. IMPLEMENTATION OF CUSTOMER CONNECT
11	Q.	PLEASE DISCUSS HOW A MODERN CIS WILL BENEFIT DUKE
12		ENERGY INDIANA CUSTOMERS.
12 13	A.	ENERGY INDIANA CUSTOMERS. Through the consolidation of the old CIS into Customer Connect, Duke Energy
	A.	
13	A.	Through the consolidation of the old CIS into Customer Connect, Duke Energy
13 14	A.	Through the consolidation of the old CIS into Customer Connect, Duke Energy Indiana will be able to deliver a customer experience that will simplify, strengthen
13 14 15	A.	Through the consolidation of the old CIS into Customer Connect, Duke Energy Indiana will be able to deliver a customer experience that will simplify, strengthen and advance our ability to serve customers. Key benefits of Customer Connect
13 14 15 16	A.	Through the consolidation of the old CIS into Customer Connect, Duke Energy Indiana will be able to deliver a customer experience that will simplify, strengthen and advance our ability to serve customers. Key benefits of Customer Connect and associated customer experience implications include the following:
13 14 15 16 17	A.	 Through the consolidation of the old CIS into Customer Connect, Duke Energy Indiana will be able to deliver a customer experience that will simplify, strengthen and advance our ability to serve customers. Key benefits of Customer Connect and associated customer experience implications include the following: Modern, Configurable Billing Engine – With the Company's existing
 13 14 15 16 17 18 	A.	 Through the consolidation of the old CIS into Customer Connect, Duke Energy Indiana will be able to deliver a customer experience that will simplify, strengthen and advance our ability to serve customers. Key benefits of Customer Connect and associated customer experience implications include the following: Modern, Configurable Billing Engine – With the Company's existing CIS, many new rates are time consuming to implement due to the
 13 14 15 16 17 18 19 	A.	 Through the consolidation of the old CIS into Customer Connect, Duke Energy Indiana will be able to deliver a customer experience that will simplify, strengthen and advance our ability to serve customers. Key benefits of Customer Connect and associated customer experience implications include the following: Modern, Configurable Billing Engine – With the Company's existing CIS, many new rates are time consuming to implement due to the antiquated architecture of the system and the complexity of coding and

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1	(e.g., net metering, time-of-use, etc.) are pre-built into the system
2	because of the software's experience being leveraged in Europe and
3	other advanced markets.
4	• Customer-Centric Data Model – Customer Connect will have a
5	customer-centric data model to enable a "one customer" view across
6	Duke Energy, enabling the Company to know the customer better and
7	provide a more streamlined, personalized experience.
8	Holistic Customer Profile – Customer Connect will store basic
9	customer attribute information, like the current system, and more. The
10	new platform will gather all relevant touchpoints that customers are
11	having with Duke Energy in real time – web visits, phone calls, power
12	outages, outbound communications, product and service participation,
13	etc. – to build out a holistic view of customers that can be leveraged to
14	better serve them and personalize their experiences.
15	• Integrated Analytics – Customer profile data will be leveraged by the
16	integrated analytics capabilities of the new platform to personalize
17	experiences and better serve customers through every channel. For
18	example, the new platform will predict the intent of customers when
19	they call Duke Energy, thereby improving their experience in the IVR
20	and routing them to the customer care representative best suited to
21	meet their needs. This same capability can be leveraged to prioritize
22	what information is conveyed to the customer and in the medium

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1		preferred by the customer, whether it is via the website, email or other
2		channels, to ensure it is timely, relevant and valuable to them. These
3		are just two examples of the multiple opportunities to leverage real-
4		time analytics to improve our customers' everyday experience with
5		Duke Energy.
6		• Multi-Company – In current state, customers exist as separate entities
7		across jurisdictions. When a customer moves from one jurisdiction to
8		another, all information about that customer is lost – account numbers,
9		communications preferences, payment and credit history, product and
10		service participation, etc. Customers do not understand why this
11		happens and are frustrated by the experience. In the future, these types
12		of account attributes remain at the customer level throughout the
13		experience with Duke Energy as they move between locations and
14		jurisdictions.
15	Q.	PLEASE EXPLAIN HOW CUSTOMER EXPECTATIONS HAVE
16		OUTPACED DUKE ENERGY INDIANA'S PRACTICES AND
17		OBLIGATIONS UNDER COMMISSION RULES.
18	A.	A key objective for Customer Connect is to simplify experiences for customers.
19		To do that the Company needed to better understand the challenges customers
20		experience when interacting with Duke Energy. The program team researched
21		customer survey data and verbatims and conducted a thorough review of the
22		Company's business processes and associated Commission rules. This research

1		and analysis, combined with industry best practices, expected customer journeys,
2		and capabilities of the new system determined how the Company needed to
3		interact with its customers moving forward. A number of opportunities to
4		improve the customer experience have been identified, many of which will be
5		easily implemented when the new system is fully launched in late 2022 for Duke
6		Energy Indiana, while others will require Commission approval before all
7		customer benefits can be realized. Customers want to employ their preferred
8		method of communication when interacting with Duke Energy. Customer
9		Connect will allow customers to choose how and when they want to receive
10		communications; however, existing Commission rules do not allow for such a
11		personalized experience. An update is needed, as customers have come to expect
12		communications tailored to their specific desires, such as modern forms of
13		communication, like text messages and email. This is just one example of how
14		customers' expectations have outpaced the regulatory construct.
15	Q.	PLEASE DESCRIBE HOW THE COMPANY IS INCORPORATING
16		CUSTOMER NEEDS AND EXPECTATIONS INTO THE DESIGN AND
17		IMPLEMENTATION OF CUSTOMER CONNECT.
18	A.	Based on the collective experiences with its current CIS, the Company knew the
19		selected platform would need to meet the following core needs:
20		(1) configurability; (2) adaptability; and (3) a customer-centric platform, not
21		simply a meter-to-cash replacement. As a result of the extensive procurement
22		process, the Company is confident the SAP platform selected meets these

1	requirements. The selected platform has been implemented by more than 760
2	utilities globally, including utilities that have already implemented things such as
3	renewable generation and AMI, and are using its full capabilities. By selecting
4	the SAP platform, the Company and its customers will get the benefit of the
5	technology as well as the ability to leverage best practices from other utilities.
6	Further, because this platform is being used globally by utilities and retailers, the
7	SAP platform is constantly evolving and being updated to accommodate the latest
8	technologies and user interfaces to help ensure that customers continue to derive
9	benefits from the system.
10	The Company recently completed the Plan and Initiate (<i>i.e.</i> , Analysis and
11	Design) phase for the Customer Connect platform. As such, the Company has
12	leveraged industry research to generally understand customer expectations and
13	has and will continue to leverage these insights in our functional and technical
14	design. Industry research confirms that customer expectations are changing and
15	are more fluid as consumers benchmark us against other customer service
16	companies such as Amazon and FedEx, where transparency and awareness are
17	part of the processes. For example, as customers we have come to expect the
18	capability to track our packages and see, at any given moment, where the package
19	is and when it is projected to arrive at our home. Duke Energy understands its
20	customers have come to expect the same thing from all service providers,
21	including their utility, and is confident the SAP platform provides the technology
22	required to meet this expectation. To that end, during the design phase, the

1		Company redesigned outdated business processes that have been in place for
2		more than 20 years. For example, when completing a request to start or stop
3		service, the Company's current CIS requires customer care specialists to obtain
4		information such as directions to a customer's home and the location of the meter.
5		With the deployment of AMI meters, as well as common technologies, like GPS,
6		obtaining this information is no longer necessary. Although this information is no
7		longer needed for service orders, the Company's system and internal processes
8		have not evolved to allow for these efficiencies. The Company firmly believes
9		this platform provides an opportunity to further shape its future for the benefit of
10		its customers.
11		Finally, the Company has and will continue to survey customers to
12		understand the value they are receiving from the new platform. For example, the
13		Company has performed consumer testing to gather customer feedback on the
14		design of the new bill format, as discussed more below.
15	Q.	IS DUKE ENERGY INDIANA SEEKING A WAIVER OF ANY OF THE
16		COMMISSION RULES IN ORDER TO SUCCESSFULLY IMPLEMENT
17		CUSTOMER CONNECT?
18	A.	Yes, the Company is seeking the following waivers in this case:
19		• Self-service aspects of Customer Connect require a waiver of rule 170
20		IAC 4-1-16(c)(2) as it relates to the signature requirements for payment
21		agreements.

1	• The manner in which usage is displayed on a customer's bill requires a
2	waiver of rule 170 IAC 4-1-13(a)(1) as it relates to providing the
3	beginning and ending meter readings, specifically for certain interval-
4	billed rates, to allow the Company to provide usage information only on
5	the customer's bill. The inclusion of meter readings was more
6	meaningful under traditional rate structures; however, with interval usage
7	the beginning and ending meter readings are no longer relevant to the
8	customer. They will receive information regarding usage that occurred
9	during relevant bill periods such as on/off-peak, shoulder and demand.
10	The waiver would apply to the following Company rates: Low Load
11	Factor (LLF), High Load Factor (HLF), Special Contracts, and the
12	dynamic pricing pilot rates proposed in the testimony of Duke Energy
13	Indiana witness Mr. Jeffrey R. Bailey.
14	• A waiver of rule 170 IAC 4-1-16(e) is needed to allow the Company to
15	enable all customers' preferred method of communication as it relates to
16	their energy bill. The Company plans to provide all customer bills in the
17	manner the customer has designated. In 2022, with the full
18	implementation of Customer Connect, customers who have elected to
19	receive their bill electronically, or "Paperless Billing," will receive all
20	bills, including those with a disconnect date for non-payment of a
21	previous bill, via their preferred channel. By continuing to provide the
22	bill in a format other than the customers' preferred method of

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1		communication, there is an increased risk for messages regarding arrears		
2		and pending disconnection of service to go unseen.		
3		• A waiver of rule 170 IAC 4-1-15 is needed specifically for landlords or		
4		property owners who enroll in the Revert to Owner program. For these		
5		customers, the Company is proposing to hold a standard \$50 deposit per		
6		unit or property owned, as this aligns to the minimum average bill		
7		incurred when service is in the landlord's name between tenants. There		
8		are a number of benefits for property owners to enroll in the new Revert		
9		to Owner program that will be implemented for Duke Energy Indiana in		
10		2022 as it will allow these customers to easily manage their properties via		
11		a new digital portal. Here, landlords will be able to see all properties in		
12		their name, the service status, and administer billing/payment for one or		
13		multiple properties conveniently from the site. Additionally, the move		
14		in/move out process will be simplified and will eliminate repetitive credit		
15		checks and other deposit-related activities that would be traditionally		
16		experienced when applying for or disconnecting electric service at a		
17		location.		
18	Q.	WHY IS DUKE ENERGY INDIANA SEEKING WAIVERS FOR		
19		CUSTOMER CONNECT WHEN IT WILL NOT BE FULLY DEPLOYED		
20		UNTIL 2022?		
21	A.	The Customer Connect Program is unique in that the Company is completing a		
22		universal design for all of Duke Energy's regulated utilities, and have		

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1		incorporated many of the out-of-the box and modern capabilities. To ensure the		
2		new system and associated business processes comply with Commission rules, it		
3		is necessary to request these waivers well in advance of the implementation to		
4		allow sufficient time to complete the "build" phase of the Program and complete		
5		robust testing prior to the first deployment in early 2021.		
6	Q.	WILL THE NEW SYSTEM ALLOW FOR MORE FLEXIBLE RATE		
7		DESIGN AND OTHER RATE OFFERINGS?		
8	A.	Yes. As mentioned above, Duke Energy Indiana's current system requires		
9		significant coding to implement new rates and pricing. The system changes tend		
10		to be complex, expensive and time-consuming. Indeed, the system is so		
11		burdensome that the Company has consulted with outside vendors to manage		
12		billing for new rate structures. New modern CISs are more configurable,		
13		reducing the amount of time to test and implement pricing changes and offerings.		
14	Q.	HOW LONG WILL IT TAKE TO FULLY IMPLEMENT THE SYSTEM		
15		FOR DUKE ENERGY INDIANA?		
16	A.	The Customer Connect Program is projected to be fully implemented for Duke		
17		Energy Indiana in the fall of 2022.		
18	Q.	WILL THERE BE ANY BENEFICIAL IMPROVEMENTS FOR		
19		CUSTOMERS PRIOR TO FULL DEPLOYMENT FOR DUKE ENERGY		
20		INDIANA?		
21	A.	Yes. The Company began deploying new capabilities this year and will continue		
22		every year leading up to full deployment in 2022. With this phased deployment		

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1	approach, the Duke Energy Indiana customers will benefit from increased system
2	functionalities at tiered stages throughout the implementation of the complete
3	system.

4 Q.

PLEASE ELABORATE.

A. In June 2018, Customer Connect deployed its first release, which was
foundational to the Program and to building a holistic customer profile, gathering
all relevant touchpoints that customers are having with Duke Energy, in real time,
such as web visits, phone calls, power outages, outbound communications, and
product and service participation. The Company also gained the ability to execute
automated and targeted marketing and communication campaigns to better serve
customers and personalize their experience.

12 The new platform will continue to provide real-time insights to enhance 13 the customer experience. One example of this is how the Company will use 14 information to enhance operations during significant storm events. With the new 15 platform, data can be visualized in new ways to uncover insights into customer 16 experiences across the Company's phone, web, and social media channels. The 17 Company can also leverage the automated, targeted marketing capabilities to 18 increase effectiveness of communication campaigns during major storm events 19 and for other operational needs.

In February 2019, leveraging insights from the holistic customer profile, the Company began using the new platform to predict the intent of customers when they call. This and other information has been made more readily available

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1	to customer care specialists, who are using it for context into why a customer may		
2	be calling and having more informed and productive conversations with		
3	customers.		
4	In May 2019, the Program implemented a new capability to better		
5	communicate with customers during major storms. The Company is now able to		
6	create targeted customer communication lists by leveraging attributes that are		
7	particularly relevant during major storms, such as the substation or operations		
8	center a customer is served by, or whether the customer or nearby customers are		
9	experiencing an outage. These lists will be used to send more specific		
10	communications about the specific storm-related circumstances near the		
11	customer's home or business. Additionally, in September 2019, these capabilities		
12	will be expanded to include the ability to automate these email campaigns from		
13	the Customer Connect solution and allow them to be configured in advance and		
14	quickly executed in desired circumstances.		
15	In early 2020 the Company will introduce a universal bill format to help		
16	customers more easily view and understand their bill and energy usage.		
17	Positioning this release prior to deployment not only delivers benefits to		
18	customers sooner, but also allows the Company to more efficiently respond to		
19	increased call volume that will likely result as customers become more familiar		
20	with the new bill format. Examples of the new, more customer friendly, bill		
21	format is attached as Petitioner's Exhibit 30-A (RIH).		

1		In 2021, the Company will begin deploying the final components of the		
2		core billing system. In addition to all billing and payment processes, the		
3		Company will begin providing customers with additional self-service capabilities		
4		and portals, new rate offerings and advanced billing options. Finally, using the		
5		customer data, the Company will be able to prioritize the types of information the		
6		customer prefers to receive and the methods of communication by which they		
7		wish to receive the information, including via web, email and other channels to		
8		ensure it is timely, relevant and valuable to them.		
9	Q.	WHAT ARE DUKE ENERGY INDIANA'S FORECASTED COSTS FOR		
10		THE CUSTOMER CONNECT CIS IMPROVEMENTS?		
11	A.	The total forecasted cost of the Customer Connect project is \$900 million, and the		
12		amount allocated to Duke Energy Indiana is \$90-95 million, with approximately		
13		50 percent reflecting the capital investment and the remainder O&M. As		
14		explained in the testimony of Duke Energy Indiana witness Ms. Christa L. Graft,		
15		the Company is requesting to defer depreciation expense and accrue post-in-		
16		service carrying costs for the capital portion of the project and to defer O&M		
17		incurred from 2018 and forward with carrying costs until the Company's next		
18		retail rate case wherein they will be recovered.		
19	Q.	WHY DO YOU BELIEVE THIS DEFERRAL REQUEST IS		
20		REASONABLE?		
21	A.	Customers are experiencing some of the benefits of this transition now, as we roll		
22		the program out in phases, as described above. This is a major undertaking that		

1		occurs on a very infrequent basis, as evidenced by the fact that Duke Energy
2		Indiana's existing CIS system was developed in the late 1980s. Duke Energy has
3		received similar accounting treatment in other jurisdictions and believes the
4		request is reasonable and prudent.
5	Q.	WHAT IS THE COMPANY'S CONFIDENCE LEVEL IN THE
6		FORECASTED COST?
7	А.	The Company has a high level of confidence in the forecasted costs associated
8		with the Customer Connect project. The Company has executed fixed price
9		contracts for the primary software (SAP), systems integration (Accenture) and
10		change management professional services (Ernst and Young), following an
11		extensive request for proposal process conducted in 2016. Additionally, the
12		Company has procured additional external resources to meet the staffing
13		requirements for those contracts.
14		IV. <u>CONCLUSION</u>
15	Q.	WAS PETITIONER'S EXHIBIT 30-A (RIH) PREPARED BY YOU OR
16		UNDER YOUR SUPERVISION?
17	А.	Yes, it was.
18	Q.	DOES THIS CONCLUDE YOUR PREFILED DIRECT TESTIMONY?
19	A.	Yes, it does.

PETITIONER'S EXHIBIT 30-A (RIH) Duke Energy Indiana 2019 Base Rate Case

Page 1 of 5

page 1 of 2



Billing summary

Previous amount due	\$ 59.65	
Payment received	- 59.65	
Current electric charges	72.85	
Taxes	5.10	
Total amount due Jan 2	\$ 77.95	

Your usage snapshot



	Current Month	Dec 2017	12-Month Usage	Average Monthly Usage
Electric	517	756	7,094	591
12-Mont	h usage based on n	nost recent history	,	

Current electric usage for meter number 999999999Actual reading on Dec 7600Previous reading on Nov 6- 83

Previous reading on Nov 6 - 83 517 kWh

Please return this portion with your payment. Thank you for your business



P.O. Box 1326 Charlotte NC 28201-1326 Account number **999 999 999**



Sally Sample 123 Main St Floyds Knob IN 47119-9003 Your Energy Bill

Service address 123 Main St Floyds Knob IN 47119 Bill date Dec 10, 2018 For service Nov 6 – Dec 7 31 days

Account number 999 999 999

\$

Thank you for your on-time payment.

Your current rate is Residential Service (RSN0).

For a complete listing of all IN rates and riders, visit duke-energy.com/home/billing/rates.

Our community is stronger when neighbors help neighbors. Help a neighbor in need stay warm this winter with a contribution to Helping Hand. To donate, see the enclosed bill insert or go to duke-energy.com/Help.

A kilowatt-hour (kWh) is a measure of the energy used by a 1,000-watt appliance in one hour. A 10-watt LED lightbulb would take 100 hours to use 1 kWh.

Mail your payment at least 7 days before the due date or pay instantly at *duke-energy.com/billing*. Late payments are subject to a 3% late charge.

Amount due \$ 77.95 by Jan 2 After Jan 2, the amount due will increase to \$80.14. To help others with a contribution to Helping Hand Fund, add here. \$ Amount enclosed

P.O. Box 1326 Charlotte NC 28201-1326

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PETITIONER'S EXHIBIT 30-A (RIH) Duke Energy Indiana 2019 Base Rate Case Page 2 of 5



page 2 of 2 Account number 999 999 999

We're here for you

Report an emergency Electric outage	Online	duke-energy.com/outages 800.343.3525	
	Call	800.343.3525	
Convenient ways to p	bay your bill		
Online		duke-energy.com/billing	
Automatically from you		duke-energy.com/autodraft 800.521.2232	
Speedpay (fee applies By mail)	P.O. Box 1326	
by mail		Charlotte, NC 28201-1326	
In person		duke-energy.com/locations	
Help managing your	account		
Register for free paper		duke-energy.com/paperless	
Update your account information		duke-energy.com/my-account	
Mobile website		duke-energy.com/my-account	
Correspond with Duk	e Enerav		
P.O. Box 1326			
Charlotte, NC 28201			
Contact Duke Energy	1		
Online		duke-energy.com	
Call (7 a.m. to 7 p.m.)		800.521.2232	
For hearing impaired T	DD/TTY	7.1.1	
Request the condens	ed or detailed t	bill format	
Online		duke-energy.com/xxxx	
Call (7 a.m. to 7 p.m.)		800.521.2232	

5

mportant to know

Your next meter reading: Jan 10

Please be sure we can safely access your meter for actual readings. Don't worry if your digital meter lashes eights from time to time. That's a normal part of the energy measuring process.

our electric service may be disconnected if your payment is past due

payment for your electric service is past due, we nay begin disconnection procedures. If your service s disconnected because of a missed payment, you nust pay your past-due balance in full, plus a econnection fee, before your service will be econnected. The reconnection fee is \$25. After hours he fee is \$100. A security deposit may also be equired.

When you pay by check

We may process the payment as a regular check or convert it into a one-time electronic check payment.

PETITIONER'S EXHIBIT 30-A (RIH) Duke Energy Indiana 2019 Base Rate Case

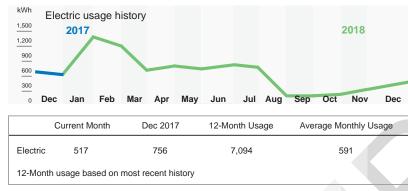
Page 3 of 5

duke-energy.com 800.521.2232

Billing summary

Total amount due Jan 2	\$ 77.95	
Current electric charges	77.95	
Payment received	- 59.65	
Previous amount due	\$ 59.65	

Your usage snapshot



Current electric usage for meter nu	mber 999999999
Actual reading on Dec 7 Previous reading on Nov 6	600 - 83
	517 kWh

V A kilowatt-hour (kWh) is a measure of the energy used by a 1,000-watt appliance in one hour. A 10-watt LED lightbulb would take 100 hours to use 1 kWh.

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Amount due	
\$ 77.95 by Jan 2	After Jan 2, the amount due will increase to \$80.14.
	To help others with a contribution
	to Helping Hand Fund, add here.
\$	Amount enclosed

P.O. Box 1326 Charlotte NC 28201-1326

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Please return this portion with your payment. Thank you for your business



P.O. Box 1326 Charlotte NC 28201-1326

09880389

Account number 999 999 999

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Sally Sample 123 Main Street Floyds Knob IN 47119-9003

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Bill date Dec 10, 2018

page 1 of 3

For service Nov 6 - Dec 7 31 days

Account number 999 999 999

\$

Thank you for your on-time payment.

Your Energy Bill

Service address

Floyds Knob IN 47119

123 Main St

Our community is stronger when neighbors help neighbors. Help a neighbor in need stay warm this winter with a contribution to Helping Hand. To donate, see the enclosed bill insert or go to duke-energy.com/Help.

PETITIONER'S EXHIBIT 30-A (RIH) Duke Energy Indiana 2019 Base Rate Case Page 4 of 5



page 2 of 3 Account number 999 999 999

We're here for you

Report an emergency Electric outage	Online Call	duke-energy.com/outages 800.343.3525
Convenient ways to pa Online Automatically from your Speedpay (fee applies) By mail In person		duke-energy.com/billing duke-energy.com/autodraft 800.521.2232 P.O. Box 1326 Charlotte, NC 28201-1326 duke-energy.com/locations
Help managing your ad Register for free paperle Update your account info Mobile website	ess billing	duke-energy.com/paperless duke-energy.com/my-account duke-energy.com/my-account
Correspond with Duke P.O. Box 1326 Charlotte, NC 28201	Energy	
Contact Duke Energy Online Call (7 a.m. to 7 p.m.) For hearing impaired TD	D/TTY	duke-energy.com 800.521.2232 7.1.1
Request the condense Online Call (7 a.m. to 7 p.m.)	d or detailed b	ill format duke-energy.com/xxxx 800.521.2232

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PETITIONER'S EXHIBIT 30-A (RIH) Duke Energy Indiana 2019 Base Rate Case Page 5 of 5

page 3 of 3 Account number **999 999 999**



Billing details – Electric

0.19 5.10	\$ 72.85 + \$ 5.10
0.19	\$ 72.85
0.19	
0.02	
3.40	-
0.33	
1.00	
0:02	
- 0.52	
1.90	
1 0.2	
1.90	
1 00	
- 0.01	
- 0.01	
1./0	
1 70	
00.1	
7 66	
8.11	
11.27	
26.73	
\$9.01	
	26.73 11.27 8.11 7.66 1.78 - 0.01 1.90 1.98 - 0.52 1.00 0.33 3.40

Your current rate is Residential Service (RSN0). or a complete listing of all IN rates and riders, visit uke-energy.com/home/billing/rates. iders are costs to cover investments in improving the nergy infrastructure or other additional expenses.

VERIFICATION

I hereby verify under the penalties of perjury that the foregoing representations are true to the best of my knowledge, information and belief.

Signed; etha Hunsicker

Dated: <u>7/2/2019</u>