

**DIRECT TESTIMONY OF JOSEPH R. THOMAS
DIRECTOR, ENHANCED CUSTOMER SOLUTIONS
ON BEHALF OF
DUKE ENERGY INDIANA, LLC
CAUSE NO. 45193 BEFORE THE
INDIANA UTILITY REGULATORY COMMISSION**

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?

A. My name is Joseph R. Thomas. My business address is 340 E. 16th Street, Charlotte, North Carolina, 28206.

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

A. I am the Director of Enhanced Customer Solutions for Duke Energy Business Services, LLC, of which Duke Energy Indiana, LLC ("Duke Energy Indiana") is an affiliate.

Q. PLEASE BRIEFLY DESCRIBE YOUR JOB DUTIES AS DIRECTOR, ENHANCED CUSTOMER SOLUTIONS.

A. As Director of Enhanced Customer Solutions, I oversee a portfolio of products and services that aim to offer Duke Energy customers more choice, flexibility, transparency, and control.

Q. PLEASE BRIEFLY DESCRIBE YOUR PROFESSIONAL AND EDUCATIONAL BACKGROUND.

A. I graduated from Miami University in Oxford, Ohio in 2001 with a Bachelors of Science in Management Information Systems. Prior to joining Duke Energy I held various roles in Information Technology and Business Operations positions for a medical billing company in Dayton, OH. I've been employed by Duke Energy since 2010 in various

JOSEPH R. THOMAS

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1 roles, each with increased accountability and oversight. My employment at Duke Energy
2 has been primarily focused on Meter Data Management implementations, Advanced
3 Metering Infrastructure (“AMI”) strategies, with the last two years focused on Enhanced
4 Customer Solutions.

5 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

6 A. I will describe Duke Energy Indiana’s proposed *Prepaid Advantage* pilot program and
7 explain how this program fits within our suite of existing payment options. I will also
8 discuss the Commission rules for which we are seeking a waiver and explain why this
9 pilot falls within the Alternative Regulation Statute, I.C. §8-1-2.5.5, and why the
10 Commission should approve this Alternative Regulatory Plan (“ARP”) presented in my
11 testimony.

12 **Q. WHAT RELIEF IS DUKE ENERGY INDIANA REQUESTING IN THIS**
13 **PROCEEDING?**

14 A. Duke Energy Indiana is requesting that the Commission approve its ARP so that it can
15 offer a pilot program that would permit customers to voluntarily enroll in a program to
16 prepay for their electricity usage. As part of its ARP, the Company is requesting that the
17 Commission waive certain rules relating to customer deposits and disconnects.

18 **II. DUKE ENERGY INDIANA’S PREPAID ADVANTAGE PROPOSAL**

19 **Q. PLEASE DESCRIBE DUKE ENERGY INDIANA’S PROPOSED *PREPAID***
20 ***ADVANTAGE* PROGRAM.**

21 A. *Prepaid Advantage* is a voluntary payment option that offers residential customers the
22 convenience of making payments at any time in any dollar amount to prepay for their

electricity usage. Because customers pay at the frequency of their choice, *Prepaid Advantage* does not require a deposit to enroll. This pilot program is designed to give customers the control and flexibility to make payments to their account before using electricity. The amount a customer pays determines how much electricity the customer uses before they need to add funds to their account. So long as a customer has a smart meter¹ and email address on file, Duke Energy Indiana makes it easy for customers to monitor their accounts and view how many days of electric usage are remaining. Customers without smart meters are not eligible for the *Prepaid Advantage* program.

Q. PLEASE EXPLAIN HOW A CUSTOMER WILL BE ABLE TO MONITOR HIS/HER ELECTRICITY USAGE.

A. Customers who enroll in the pilot program are able to log into the *Prepaid Advantage* customer portal (via desktop or smartphone) to view their electricity usage and account balance information as often as they choose. Electricity usage is updated daily See Petitioner's Exhibit 1-A for screenshots of the portal.

Q. HOW WILL DUKE ENERGY INDIANA COMMUNICATE WITH ITS CUSTOMERS REGARDING THE ACCOUNT BALANCE?

A. In addition to the *Prepaid Advantage* Customer Portal, the Company will notify customers when there are five, three and one-day(s) worth of electricity usage remaining on the account – this is the default low balance notification communication practice. However, customers may customize their low balance notifications to select different

¹ A smart meter (also called an Advanced Metering Infrastructure ("AMI") meter) provides two-way communication between Duke Energy Indiana and the customer; it enables automated meter reading, remote connects/disconnects and quicker outage detection.

1 thresholds (number of days remaining) and communications channels (*e.g.*, email, text,
2 and or phone call).

3 **Q. PLEASE EXPLAIN THE PARAMETERS OF THE PILOT.**

4 A. Duke Energy Indiana proposes to offer the program as a voluntary pilot for eighteen
5 months to a maximum of 4,000 customers. During this time, Duke Energy Indiana
6 personnel will be able to gauge customer interest and make enhancements to a permanent
7 offering, if the Company decides to offer the program to all customers.

8 **Q. WHAT CUSTOMERS ARE ELIGIBLE FOR THE *PREPAID ADVANTAGE***
9 **PROGRAM?**

10 A. The pilot will be available to customers in Duke Energy Indiana's service territory who
11 are residential customers who have Duke Energy Indiana-installed smart meters.
12 Customers enrolled in *Prepaid Advantage* may not simultaneously participate in other
13 billing programs that conflict with the *Prepaid Advantage* payment process, including,
14 but not limited to Budget Billing, Fixed Bill, Paperless Billing options, Pick Your Due
15 Date, Adjusted Due Date, Payment Agreements, Summary Billing, or automatic payment
16 options (other than those available in *Prepaid Advantage*). Customers with critical
17 electric needs, documented in Duke Energy Indiana's customer records, such as
18 customers who are listed as Medical Alert, Special Needs, Medical Certificate, Essential
19 Customers, Life Saving Device customers will not be eligible to participate in this pilot
20 program.

21 **Q. WHAT ABOUT INTERNAL OR STATUTORILY REQUIRED CUSTOMER**
22 **DISCONNECT MORATORIUMS?**

1 A. In the summer and winter months, Duke Energy Indiana reviews weather forecasts when
2 certain parameters are reached (*e.g.*, extreme weather), we initiate an internal moratorium
3 on disconnections for a limited time when weather is extremely hot or cold. Customers
4 on *Prepaid Advantage* would benefit from these internally determined moratoriums, and
5 no disconnections would occur.

6 There is also a statutory winter moratorium for disconnections in Indiana that
7 applies to customers eligible for low income heating assistance. For this pilot period, if a
8 *Prepaid Advantage* customer becomes eligible for the low-income heating assistance
9 program, Duke Energy Indiana would remove the customer from the *Prepaid Advantage*
10 tariff and reissue them a post pay account for the winter moratorium period to ensure
11 continuity of service. As such, disconnections would not occur for customers who
12 qualify for the statutory winter disconnect moratorium.

13 **Q. WHAT ARE THE TECHNICAL REQUIREMENTS FOR CUSTOMER**
14 **PARTICIPATION?**

15 A. Aside from the need to have a Duke Energy Indiana-installed smart meter, customers
16 must have internet access and an email address registered to their account.

17 **Q. WHY MUST CUSTOMERS HAVE A SMART METER TO PARTICIPATE?**

18 A. First, a smart meter enables customers and Duke Energy Indiana to monitor usage daily.
19 Second, because a customer can be disconnected and reconnected in the same day, Duke
20 Energy Indiana needs the ability to remotely connect and disconnect service.

21 **Q. HOW WILL DUKE ENERGY INDIANA MARKET THE PROGRAM?**

1 A. The Company plans to market to new and existing eligible customers through direct mail,
2 electronic mail and the Duke Energy Customer Care Center.

3 **Q. WHAT ARE THE PAYMENT REQUIREMENTS AND DISCONNECTION**
4 **PROCESS FOR THE *PREPAID ADVANTAGE* PROGRAM?**

5 A. Eligible residential customers must make an initial payment of at least \$40. Should the
6 customer exit *Prepaid Advantage* and return to a post pay account, a deposit may be
7 required, if circumstances so warrant. The Company will allow customers with
8 outstanding balances up to \$500 to participate in the pilot and will apportion 25 percent
9 of a given payment to the outstanding balance, and 75 percent of a given payment to
10 fund on-going usage until the outstanding balance is paid in full. For the pilot program,
11 there is no monthly fee to participate.

12 Based on the amount of electricity used by customers, the prepaid balance draws
13 down the account balance from the amount paid daily. The dollar amount used will be
14 calculated based on a daily meter reading. At the end of the monthly billing cycle, Duke
15 Energy Indiana will confirm that the energy charges comply with the existing rate by
16 comparing the amount charged to the amount of record in the Duke Energy customer
17 billing system. Should there be a difference, the Company would adjust the customer's
18 *Prepaid Advantage* account accordingly to ensure that the customer has paid the correct
19 tariffed amount. Our experience in offering the program in South Carolina is that the
20 majority of adjustments are less than one dollar. Customers will be able to see the
21 amount of any adjustment to their bill on their *Prepaid Advantage* usage statement via the
22 customer portal.

1 **Q. WHAT ADDITIONAL COSTS WILL A CUSTOMER INCUR WHO**
2 **PARTICIPATES IN THE *PREPAID ADVANTAGE* PILOT PROGRAM?**

3 A. If a customer pays by check, cash or bank transfer, the customer will incur no additional
4 charges; however, there will be a charge to pay by credit card if the customer makes
5 multiple payments per month.

6 Normally, if a customer chooses to pay by credit card, the customer incurs a
7 service fee of \$1.50 per transaction. However, under this proposed pilot, if a customer
8 chooses to pay by credit or debit card via the *Prepaid Advantage* customer portal, the
9 Company will waive the service fee for the first payment in a calendar month. Any
10 additional payments made in a calendar month will incur a service fee in the amount of
11 \$1.50, which is the amount customers are charged for using a credit or debit card for
12 other transactions with Duke Energy Indiana.

13 **Q. WHY IS DUKE CHARGING CUSTOMERS FOR USING A CREDIT OR DEBIT**
14 **CARD?**

15 A. These fees are typically charged by a third-party to process the transaction. The
16 Company is passing along the cost; Duke Energy Indiana does not retain the monies from
17 such fees.

18 **Q. PLEASE EXPLAIN WHAT HAPPENS WHEN A CUSTOMER HAS A ZERO**
19 **ACCOUNT BALANCE.**

20 A. When a customer registers \$0.00 on their account, Duke Energy Indiana will
21 communicate to the customer via the customer's chosen method (email, text or phone)
22 that there are no funds left in the account. The customer has the option to set up

1 automatic payments in advance. For example, the customer can indicate that when the
2 balance of electricity is at three days left, then they will automatically make a payment of
3 \$20. If the customer has set up an automatic payment for any time the account is drawn
4 down, then the Company will withdraw the preauthorized amount to fund the account. If
5 the customer has not set up an automatic payment option, then the customer will be
6 remotely disconnected the following business day after registering a zero-account
7 balance. A customer will have at least until the next business day even after the balance
8 reaches zero before they are disconnected.

9 **Q. IF CUSTOMERS ARE DISCONNECTED, WHAT IS THE PROCESS FOR**
10 **THEM TO BE RECONNECTED?**

11 A. Once a customer has added additional funds to their account, thereby registering a
12 positive balance, a reconnect order will be initiated and the reconnection will occur
13 shortly thereafter. After a customer adds funds to their *Prepaid Advantage* account, the
14 average reconnection time observed in the Duke Energy South Carolina pilot was 13
15 minutes. The Company will not charge a reconnection fee for customers who are
16 enrolled in the *Prepaid Advantage* pilot program. Because accounts must be smart meter
17 enabled, Duke Energy Indiana will be able to remotely reconnect electric service easily
18 and efficiently.

19 **Q. WHY DOES DUKE ENERGY INDIANA PROPOSE TO OFFER THIS PILOT**
20 **PROGRAM?**

21 A. In a world with ever-changing technology, we know that our customers want more
22 options. The *Prepaid Advantage* program is one more option in our existing suite of

payment options. It also provides customers with more flexibility. For example, for those customers who would otherwise be required to pay a security deposit, this program lets customers forego that requirement and establish a good credit history. It also allows customers to break free from monthly bills. Some customers may decide to pay a large sum and not worry about paying their electric bill for months at a time; other customers may decide to pay more frequently to coincide with their weekly pay schedule, for example.

Q. HOW DO YOU KNOW THAT CUSTOMERS WANT ADDITIONAL PAYMENT OPTIONS?

A. On November 7, 2018, Duke Energy Indiana worked with the Julian Group to conduct three focus groups to gauge interest and collect customer insights. The sessions were observed by Duke Energy personnel and members of the Indiana Office of Utility Consumer Counselor staff. A summary of the focus groups findings is attached as Petitioner's Exhibit 1-B.

Q. PLEASE BRIEFLY EXPLAIN THE DIFFERENT PAYMENT METHODS OFFERED BY DUKE ENERGY INDIANA.

A. Currently, customers have the following options to pay for their electricity usage:

| <u>Payment Method</u> | <u>How to Pay</u> | <u>Key Features</u> | <u>Fee</u> |
|--|--|---|--|
| Pay Online | Sign up for Paperless Billing to pay online using your checking or savings account | <ul style="list-style-type: none"> View your bill online Payment reminders Immediate payment | Free |
| Pay Using a Credit Card, Debit Card, or eCheck | Use SpeedPay® to pay online | <ul style="list-style-type: none"> Immediate payment | SpeedPay charges a \$1.50 processing fee |

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FILED FEBRUARY 1, 2019

| | | | |
|--------------------------|--|--|--|
| Pay with Automatic Draft | Online using your bank account | <ul style="list-style-type: none"> • View your bill online • Recurring automatic payment | Free |
| Pay by Mail | Mail a check or money order | <ul style="list-style-type: none"> • Mail payment directly to Duke Energy | Postage |
| Pay in Person | Make a payment in person at one of our preferred locations | <ul style="list-style-type: none"> • Immediate payment | Some locations charge a \$1.50 fee, while others do not charge a fee |

1 **Q. WHY IS IT IMPORTANT THAT CUSTOMERS HAVE DIFFERENT PAYMENT**
2 **OPTIONS?**

3 A. Customers expect to be able to pay their bills through various means and platforms, such
4 as with credit or debit cards, through various apps, through a bank transfer, with a check
5 and even cash. It is important to provide customers with a variety of choices to pay for
6 their electricity service. Customer satisfaction data tells us that customers are more
7 satisfied when they have more payment options. As a result, we continue to look for
8 options that provide customers with added convenience and choice, while helping them
9 better manage their electric utility bill.

10 **III. DECLINATION OF JURISDICTION/ALTERNATIVE REGULATORY PLAN**

11 **Q. WHY IS DUKE ENERGY INDIANA REQUESTING APPROVAL OF *PREPAID***
12 ***ADVANTAGE* PILOT PROGRAM AS AN ARP?**

13 A. The nature of the program is that the customer is no longer tied to monthly bills and that a
14 customer may be disconnected and reconnected to service in the same day. This requires

flexibility in the application of the Commission's rules regarding customer billing and disconnections.

Q. IS DUKE ENERGY INDIANA REQUESTING AN EXEMPTION FROM ANY COMMISSION RULES?

A. Yes. To offer the *Prepaid Advantage* pilot program as designed, the Company requests that the Commission approve a waiver of the following rules:

- 170 IAC 4-1-13(a) 1-11 and (c): (billing);
- 170 IAC 4-1-15: (creditworthiness of customers, deposits, refunds); and
- 170 IAC 4-1-16: (Disconnection of service; prohibited disconnections; reconnection).

Q. WHY DOES THE COMPANY NEED A WAIVER FROM 170 IAC 4-1-13(a) 1-11 AND (c).

A. This section of the rule requires a utility to render periodic bills for electric services and prescribes the information to be included on the monthly bill. Because the *Prepaid Advantage* program offers updated information daily and because customers pay in advance of their usage, there is no longer a need for a monthly bill.

Q. WHY IS THE COMPANY REQUESTING A WAIVER FROM 170 IAC 4-1-15?

A. Although this rule gives the utility latitude as to when to charge deposits, Duke Energy Indiana wants to make it clear that there are no deposit requirements for customers enrolled in the *Prepaid Advantage* program.

Q. WHY DOES THE COMPANY NEED A WAIVER FROM 170 IAC 4-1-16?

A. Because customers have prepaid and can monitor their usage, customers can be disconnected the day after their balance reaches \$0.00 and reconnected when they have a positive balance, Duke Energy Indiana requests a waiver from this rule. The rules

1 regarding connections and disconnection establish timelines and time periods for
2 disconnecting service, establishes payment plan parameters, requires 14 days written
3 notice prior to disconnection, and requires an actual company employee to personally
4 knock on the door prior to disconnecting service in certain circumstances. All of the
5 aforementioned requirements are no longer needed under the *Prepaid Advantage* pilot
6 design as it could not function appropriately with these restrictions.

7 **Q. ARE YOU FAMILIAR WITH THE ITEMS THE COMMISSION IS TO**
8 **CONSIDER IN APPROVING AN ARP UNDER I.C. §8-1-2.5 -5?**

9 A. Yes.

10 **Q. PLEASE EXPLAIN HOW TECHNOLOGICAL OR OPERATING CONDITIONS,**
11 **COMPETITIVE FORCES, OR THE EXTENT OF REGULATION BY OTHER**
12 **STATE OR FEDERAL REGULATORY BODIES RENDER THE EXERCISE, IN**
13 **WHOLE OR IN PART, OF JURISDICTION BY THE COMMISSION**
14 **UNNECESSARY OR WASTEFUL AS IT RELATES TO THE *PREPAID***
15 ***ADVANTAGE* PILOT PROGRAM.**

16 A. Technology has progressed to the point that customers can monitor their electric usage
17 during the course of a billing cycle through various electronic means, as opposed to only
18 receiving a monthly bill by mail. Specifically, customers participating in the pilot will
19 have access to the *Prepaid Advantage* customer portal where they can access
20 information, such as their energy usage and choose on-going communications
21 preferences and automated payment methods. For instance, they will have access to:

- 1 • Reports (view account balances, meter reads and status, notification status, usage
- 2 statement);
- 3 • Usage (view consumption and dollars remaining);
- 4 • Notifications (choose communication channels, times, frequency, etc.);
- 5 • Payments (select and pay by bank account, credit card, check, etc.);
- 6 • Autopay (opt-in for auto-refill account balance when preestablished parameters are
- 7 met;)
- 8 • Balance information (view account balance, meter #); and
- 9 • Support information (contacts).

10 Additionally, customers will have access to dashboards showing:

- 11 • Usage at a glance (deferred balance, average daily consumption, past payment);
- 12 • Meter status (connected, disconnected); and
- 13 • Usage info (statement snapshot, recent usage).

14 See Petitioner's Exhibit 1-A.

15 Moreover, due to the availability of near real-time data, Duke Energy Indiana can
16 remotely disconnect and reconnect a customer's power in a matter of minutes (on
17 average, customers are reconnected within 13 minutes, according to data from Duke
18 Energy's South Carolina Prepaid Advantage pilot program).

19 **Q. WILL THE COMMISSION'S DECLINING TO EXERCISE, IN WHOLE OR IN**
20 **PART, ITS JURISDICTION OR APPROVAL OF THE ARP BE BENEFICIAL**
21 **FOR THE ENERGY UTILITY, THE ENERGY UTILITY'S CUSTOMERS, OR**
22 **THE STATE?**

1 A. Yes. Granting Duke Energy Indiana a waiver from the Commission's rules, referenced
2 above relating to billing, creditworthiness and disconnections will benefit both Duke
3 Energy Indiana and its customers because it provides customers with an additional
4 payment option. Research and experience from other Duke Energy jurisdictions and
5 other utilities' prepaid bill options demonstrate that customers place value and derive
6 increased satisfaction from the availability of a prepaid bill offering. Customers
7 appreciate having the ability to choose from a variety of payment options using the
8 billing methodology that best suits them. Many customers appreciate the peace of mind
9 and convenience that comes from knowing they can monitor usage daily and make
10 multiple payments in a one-month period, or make one payment that covers multiple
11 months. Increased customer satisfaction benefits Duke Energy Indiana through
12 maintenance of a strong competitive position against alternative providers of utility
13 related services. The availability of another payment option, as well as the elimination of
14 a deposit payment benefits participating customers; non-participating customers are not
15 negatively impacted.

16 **Q. EXPLAIN HOW THE COMMISSION'S DECLINING TO EXERCISE, IN**
17 **WHOLE OR IN PART, ITS JURISDICTION OR APPROVAL OF THE ARP**
18 **WILL PROMOTE ENERGY UTILITY EFFICIENCY.**

19 A. The *Prepaid Advantage* pilot program promotes energy utility efficiency primarily in
20 back office operations. Because customers have access to near real-time data customers
21 on the *Prepaid Advantage* pilot program may have fewer questions and issues relating to
22 their electric bill over time. As a result, customers are less likely to reach out to the

1 Customer Care Center with questions and inquiries, thereby decreasing call volume and
2 improving other back office efficiencies. The elimination of deposits, eliminates the
3 administration of the funds in escrow and the costs to reimburse the deposits with interest
4 when the account is closed. The automation of disconnections and disconnect notices
5 should also result in operational efficiencies, thereby causing customers to be more aware
6 of their energy usage choices.

7 **Q. EXPLAIN HOW THE EXERCISE OF COMMISSION JURISDICTION**
8 **INHIBITS AN ENERGY UTILITY FROM COMPETING WITH OTHER**
9 **PROVIDERS OF FUNCTIONALLY SIMILAR ENERGY SERVICES OR**
10 **EQUIPMENT.**

11 A. Exercise of Commission jurisdiction over the *Prepaid Advantage* pilot program could
12 inhibit Duke Energy Indiana from competing with payment options from other providers
13 of energy. Customers have come to expect some form of prepaid offering as they have
14 increasingly become used to such offerings in the from telecommunications and other
15 media providers.

16 **IV. CONCLUSION**

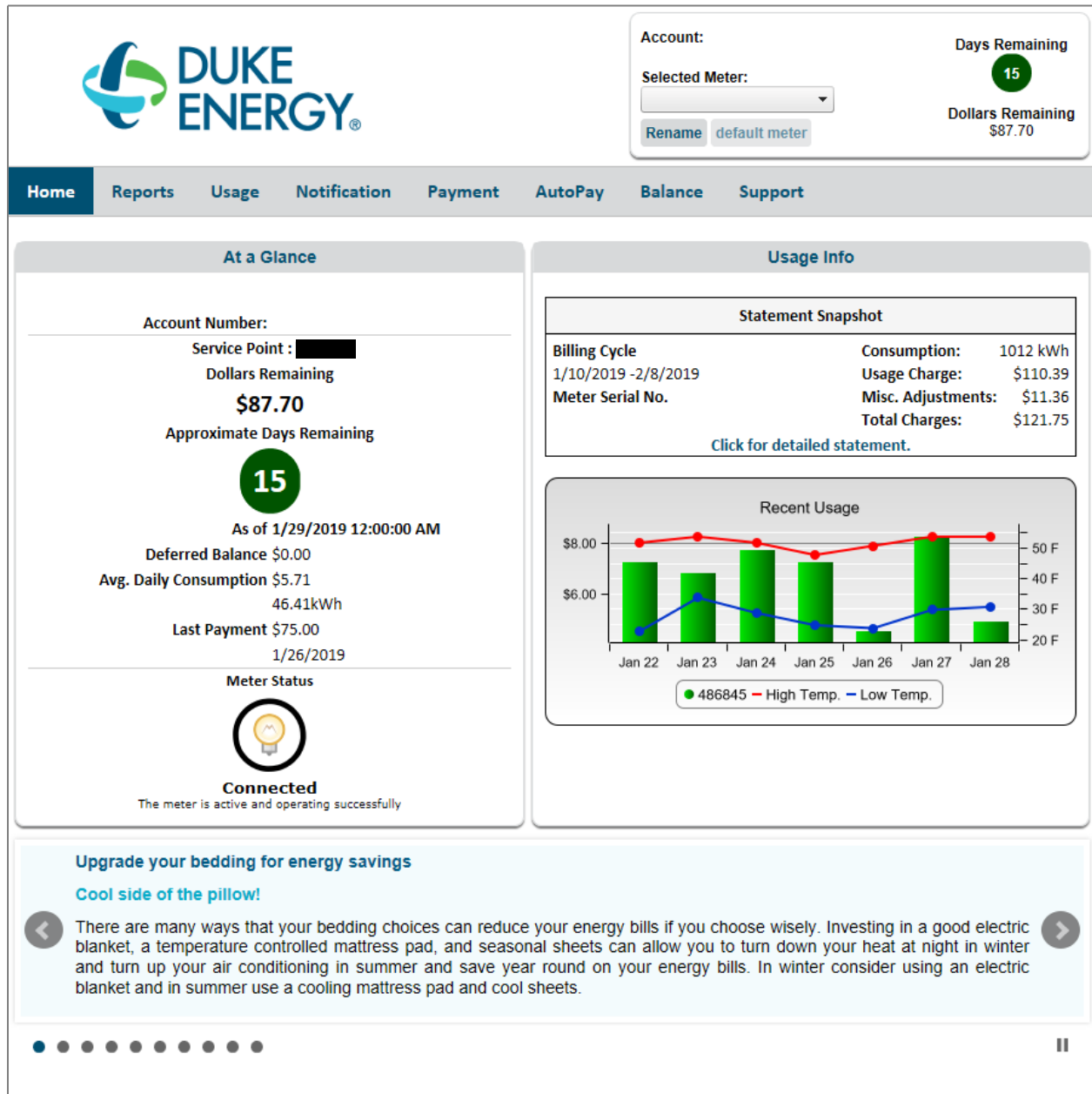
17 **Q. WERE PETITIONER'S EXHIBIT 1-A AND 1-B PREPARED BY YOU OR AT**
18 **YOUR DIRECTION?**

19 A. Yes.

20 **Q. DOES THIS CONCLUDE YOUR PREPARED DIRECT TESTIMONY AT THIS**
21 **TIME?**

22 A. Yes.

Prepaid Advantage – PayGo Portal



When customers access the Prepaid Advantage Portal they can review information and insight into their account balance, electric usage and energy saving tips. The main home page is divided into 3 sections:

1. **At a Glance** – Provides a quick review of your account information, including balance and days remaining.
2. **Usage Info** – Provides details on Consumption and Usage Charges, including the opportunity to view detailed statement along with a Usage Graph.

3. **Energy Saving Tips** – Provides tips and reminders that help you be more efficient with your usage.

The top menu bar within the Prepaid Advantage Portal allows customers to further review their usage and payment history, as well as change notification settings and setup payment automation to better control their account.

Reports – Account Balance, Meter Read & Status, Notification Status and Usage Statement

The screenshot displays the Duke Energy Prepaid Advantage Portal interface. At the top left is the Duke Energy logo. To the right, the 'Account:' section includes a 'Selected Meter:' dropdown menu with a 'Rename' button and a 'default meter' label. Further right, the 'Days Remaining' is shown as '15' in a green circle, and 'Dollars Remaining' is listed as '\$87.70'. Below this is a horizontal navigation bar with links: Home, Reports (highlighted), Usage, Notification, Payment, AutoPay, Balance, and Support. The main content area is titled 'Choose Report' and features a dropdown menu with the following options: Please Select..., Account Balance Activity, Deferred Balance Activity, Meter Read History, Meter Status History, Notification History, Processed Payments, and Usage Statement. The footer contains the text 'Copyright 2008-2019 Privacy Policy'.

DUKE ENERGY®

Account:
Selected Meter:
Rename default meter

Days Remaining
15
Dollars Remaining
\$87.70

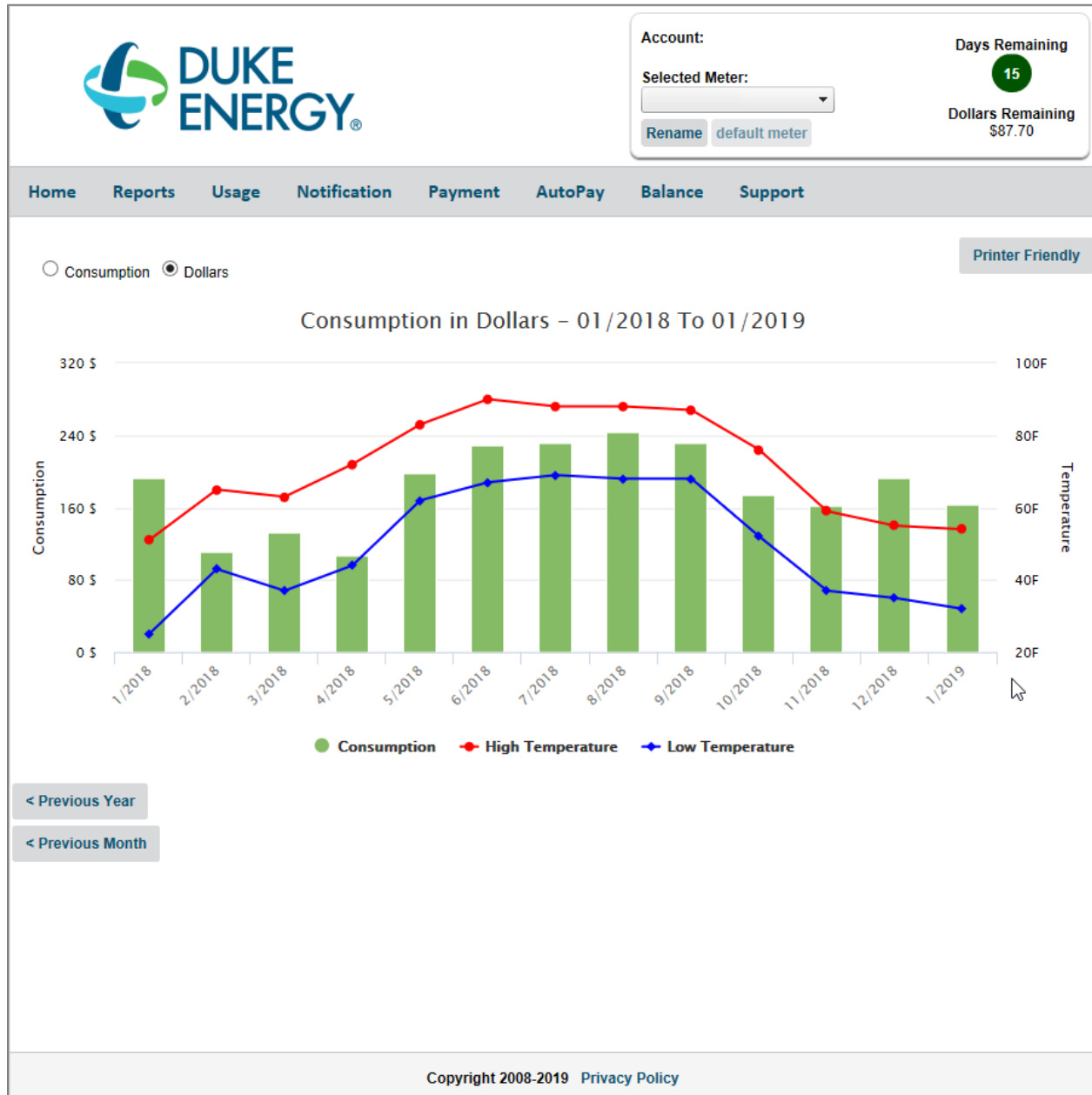
Home Reports Usage Notification Payment AutoPay Balance Support

Choose Report


- Please Select...
- Account Balance Activity
- Deferred Balance Activity
- Meter Read History
- Meter Status History
- Notification History
- Processed Payments
- Usage Statement

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Usage – View consumption & Dollars



Notification – Choose channels, times and frequency



Account:
Selected Meter:

Rename default meter

Days Remaining
15
Dollars Remaining
\$87.70

[Home](#) [Reports](#) [Usage](#) **[Notification](#)** [Payment](#) [AutoPay](#) [Balance](#) [Support](#)

Note: Data and messaging carrier charges may apply

☐ **Voice**
☐ Any time of day or night
☒ Only between 8:00 AM and 8:00 PM Eastern Standard Time

☒ **Text Msg**
☐ Any time of day or night
☒ Only between 8:00 AM and 8:00 PM Eastern Standard Time

☒ **Email**
☒ Any time of day or night
☐ Only between 12:00 AM and 12:00 AM Eastern Standard Time

Which 'Low Balance Notification' days do you wish to receive?

| | | | | | | | | | |
|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Voice (Limit 2)

Add

Text Msg (Limit 2)

Add

✓ Delete

Email (Limit 2)


Add

@gmail.com Delete

@gmail.com Delete

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AutoPay – Opt-in for auto-refill account balance when estimated 2 days remaining



Account:

Selected Meter:

Rename

default meter

Days Remaining

15

Dollars Remaining

\$87.70

Home

Reports

Usage

Notification

Payment

AutoPay

Balance

Support

Auto Pay Options

| Premise | Address | Auto Draft Amount |
|---------|---------|-------------------|
| | | <div>0.00</div> |

Save

Default Saved Account

Visa ending in 5750

VISA


Exp: 09/2021

☒ Default

Manage Accounts

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Balance – View account balance, meter number and options to move positive balance to cover deferred balance



Account:

Selected Meter:

[Rename](#) [default meter](#)

Days Remaining

15

Dollars Remaining \$87.70

[Home](#)
[Reports](#)
[Usage](#)
[Notification](#)
[Payment](#)
[AutoPay](#)
[Balance](#)
[Support](#)


You may transfer funds from your Approximate Dollars Remaining balance to the Deferred Balance by selecting the Transfer button below, however you may not transfer dollars from the Deferred Balance to the Dollars Remaining balance.

Accounts:

| Premise | Address | Meter No. | Approx Dollars Remaining | Approx Days Remaining | Avg Daily Consumption | Avg Daily Dollar Consumption | Deferred Balance | |
|---------|---------|-----------|--------------------------|-----------------------|-----------------------|------------------------------|------------------|--------------------------|
| | | | \$87.70 | 15 | 46.41 kWh | \$5.71 | \$0.00 | Transfer |

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Support – Contact information



Account:
Selected Meter:

Rename default meter

Days Remaining
15
Dollars Remaining
\$87.70

[Home](#) [Reports](#) [Usage](#) [Notification](#) [Payment](#) [AutoPay](#) [Balance](#) **[Support](#)**

Customer Support

Email: @Duke-Energy.com
Phone:
Account Information and Payments are available 24/7
Duke Energy Prepaid Advantage Support
Representatives are available
Monday - Friday 8 AM - 5 PM Eastern

Information

Duke Energy Prepaid Advantage Informational Page
(Frequently Asked Questions, Terms and Conditions, and additional program information.)
<http://www.duke-energy.com/prepaid>

Bill Inserts
<http://www.duke-energy.com/south-carolina/billing/bill-inserts.asp>

Reading Your Bill
<https://www.duke-energy.com/home/billing/reading-your-bill>

Authorized Pay Locations
<https://www.duke-energy.com/south-carolina/billing/locations.asp>

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Duke Energy Prepaid Advantage Concept Development (Indiana): Qualitative Research Topline Findings November 7, 2018

Background/Objectives

Duke Energy sought customer insights on a proposed Prepaid Advantage energy program in Indiana. The results will be used to refine the product offering and develop communications for the Prepaid Advantage pilot to maximize its acceptance with customers.

Research Objectives and Key Questions

- Understand current payment method preferences and best practices
- Define awareness, attitudes, and interest in prepayment billing program
- Determine reactions to the Prepaid concept and reaction by segments of the population to this option
- Discuss reasons consumers might not use the Prepaid program and explore opportunities to overcome barriers
- Explore the decision-making processes leading to conversion to Prepaid. How would they learn about this? How would they respond? Where would they look for information if they wanted to learn more?

Study Design and Participation

The study consisted of three 1½ -hour focus groups (5-8 people per group) at Herron Associates – The Idea Center in Indianapolis, IN.

- Group 1: Mature (ages 40-65)
- Group 2: Lower income
- Group 3: Millennials (ages 25-39)

A total of 13 females and 8 males participated. Participants were paid \$150 for their commitment to the process and travel from Duke Energy territory to Indianapolis (approximately 30 minutes). There was a mix of working and non-working residents, ages 26-69, that were from households with a mix of income levels and ethnicities.

Paula Julian moderated the groups and provided strategic direction to the project.

Top Takeaways

- Prepaid Advantage was considered a viable billing and payment option for some Indiana residents.
 - o Consumers liked the flexible pay option offered to consumers.
 - o They responded positively to the idea of not having a deposit, late payment charges and disconnect/reconnect fees. Note: Customers were confused by the word "deposit" when referenced with making an initial payment.
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- o Some customers thought being able to closely monitor one's energy usage might help identify times of higher energy usage, which would help them understand not only when, but possibly what they did to use the most energy.
 - This knowledge could help them reduce their usage and the overall cost of electric service.
 - Despite the ultimate acceptance of the Prepaid Advantage option, consumers raised some concerns about the program when first introduced.
 - o They were very confused and concerned about the idea of a \$0 balance on your account and your electricity not working.
 - This spurred visions of having to sit in the dark or in extreme heat or cold without a moment's notice.
 - Participants felt better when informed there would be a day of grace before the power was turned off, and a payment of as little as \$5 could forestall that happening.
 - However, the wording in its current form seemed harsh and was disconcerting to consumers.
 - o Customers needed more information about how many notifications they would receive when they had a dwindling account / upcoming disconnect.
 - o Several participants were concerned they would become obsessed with checking their balance, which would require too much time – more time than they were willing to devote to energy use.
 - o Customers thought the program would be more attractive if:
 - They were given any form of incentive to enroll (e.g., saving a penny by kilowatt hour, \$5 off their bill, coupons, etc.)
 - They were able to try the program out for a month before switching over completely from post pay
 - Consumers thought the payment option would be especially well-suited for:
 - o Young people just starting out who did not have money for deposits and who tended to move more often.
 - o People who lived from paycheck-to-paycheck and found it hard to access a bigger sum of money at one time.
 - o People who enjoyed the challenge of being as frugal as possible and did not mind spending time to save money.
 - They questioned if the program would work well for:
 - o Busy professionals who were not interested in monitoring usage.
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- o People who had their energy billing and payment already under control with options like budget billing and automatic draft.
- Consumers were asked for suggestions to improve the program. They offered:
 - o Be able to access Prepaid through a mobile app
 - o Provide more information on energy savings
 - o Personalize usage / portal information
 - o Offer an incentive to enroll
 - o Provide drop down with payment values (e.g., would you like to pay \$10, \$20 or \$40 this time?)
 - o Clarify the minimum initial payment and that this could help with cash flow
 - o Market the program to people who are paid on a weekly basis
 - o Make me feel like a "valued" and "regular" customer
- Consumers were asked to rate and rank a list of features about the program on their importance in influencing their decision to choose Prepaid Advantage. The following summarizes consumer ratings:

| Highly Important | Moderately Important | Unimportant (or Confusing) |
|--|---|--|
| <ul style="list-style-type: none"> There are no late payment charges, plus no disconnect or reconnect fees. This provides timely notifications when the account balance is low. You can view your balance anytime on your prepaid account page. You can use your prepaid account page to review approximate days of service remaining on existing balance. | <ul style="list-style-type: none"> This program provides choice of notification channel, time and frequency. You can use your prepaid account page to run usage reports and pull usage statements with details on consumption and dollars spent. You can review daily usage details using the graph displayed on your prepaid account page. This program requires no minimum amounts to pay. You can use your prepaid account page to setup AutoPay which allows automatic payments to take place when specific days of average usage are left on the account. | <ul style="list-style-type: none"> This program requires no deposit to start service, only a \$40 initial fund. You can transfer from a post-pay account to a prepaid account and use your deposit to cover existing balance and fund future electricity use. You can use your prepaid account page to have 1 free payment. You can transfer from a post-pay account to a prepaid account with a negative balance of up to \$500 and have your payment applied to their future use and their past debt. This program is like other prepayment programs I already use. |

- Consumers were asked to review the website portal and make comments. In general, the portal was intuitive and worked as expected.

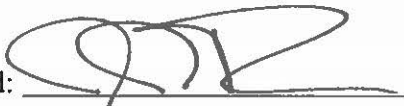


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- o They were particularly positive about the ability to track usage and make comparisons at time of day and year over year. They also liked seeing approximately how many days they still had paid for.
 - o Some thought the fonts were small, and there was some confusion about what they needed to do if they were an existing customer: Did they have to sign up again, or could they transfer the service?
- Participants were asked to decide if the program was 1) right for every household, 2) right for some households, or 3) not right for any household (and should not be pursued).
 - o The consensus was that the program was right for some households, and no participant said it should not be pursued.
- Participants were asked if the program was 1) definitely right for me, 2) might be right for me, or 3) would not be right for me.
 - o Most agreed the program might be right for them.
 - o A very few said it would definitely be right for them.
 - o Another few said the program would not be right for them, primarily because they already had a billing and payment process in place with which they were happy and would not extend an effort to make a change.
- Consumers were not sure how they would find out about the program. They thought they might find out on their bill or in mail or email. They assumed it would be offered to them as a new customer, and some thought they might find out via word of mouth.

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: 
Joseph R. Thomas

Dated: 11/31/2019