

**BEFORE**

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of	)	
Duke Energy Ohio, Inc., for an	)	Case No. 21-887-EL-AIR
Increase in Electric Distribution Rates.	)	
In the Matter of the Application of	)	
Duke Energy Ohio, Inc., for Tariff	)	Case No. 21-888-EL-ATA
Approval.	)	
In the Matter of the Application of	)	
Duke Energy Ohio, Inc., for Approval	)	Case No. 21-889-EL-AAM
to Change Accounting Methods.	)	

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**DIRECT TESTIMONY OF**

**AMY B. SPILLER**

**ON BEHALF OF**

**DUKE ENERGY OHIO, INC.**

**PUBLIC VERSION**

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<u>  X  </u>	Management policies, practices, and organization
<u>      </u>	Operating income
<u>      </u>	Rate Base
<u>      </u>	Allocations
<u>      </u>	Rate of return
<u>      </u>	Rates and tariffs
<u>  X  </u>	Other: Overview

October 15, 2021

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### **ATTACHMENTS:**

Attachment ABS-1:           J.D. Power Electric Utility Residential Trends

#### **CONFIDENTIAL**

Attachment ABS-2:           Duke Energy Ohio Customer Sentiment and  
Satisfaction Trends

Attachment ABS-3:           Public Information and Education Campaign

## **I. INTRODUCTION**

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

2   A.   My name is Amy B. Spiller, and my business address is 139 East Fourth Street,  
3       Cincinnati, Ohio 45202.

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

5   A.   I am employed by Duke Energy Business Services LLC (DEBS), as State  
6       President of Duke Energy Ohio, Inc., (Duke Energy Ohio or the Company) and its  
7       subsidiary, Duke Energy Kentucky, Inc. (Duke Energy Kentucky). DEBS  
8       provides various administrative and other services to Duke Energy Ohio and other  
9       affiliated companies of Duke Energy Corporation (Duke Energy).

10  **Q.   PLEASE BRIEFLY DESCRIBE YOUR EDUCATION AND**  
11  **PROFESSIONAL EXPERIENCE.**

12  A.   I received a Bachelor's Degree in economics and management from Albion  
13       College in Michigan and a law degree from Wake Forest University in Winston-  
14       Salem, N.C. Following law school, I spent two years working for Business Laws,  
15       Inc., a legal publishing company in northeast Ohio. Then, from 1993 to 2003, I  
16       rose from associate to partner at Wilson & Markesbery Co., L.P.A., a small  
17       insurance defense law firm in Cincinnati, Ohio.

18               I joined Cinergy Corp., (Cinergy) in 2003 as an associate general counsel,  
19       focusing on litigation matters. In 2008, following the 2006 merger between  
20       Cinergy and Duke Energy, I was promoted to deputy general counsel, assuming  
21       responsibility relative to Duke Energy's strategic planning in Ohio and Kentucky.  
22       I was also responsible for advancing Duke Energy's rate and regulatory initiatives

1 before the Public Utilities Commission of Ohio (Commission) and the Kentucky  
2 Public Service Commission. In January of 2018, I was named Vice President of  
3 Government and Community Affairs for Duke Energy Ohio, where I was  
4 responsible for managing state government and regulatory policies, strategies, and  
5 relationships affecting Duke Energy Ohio's interests and those of our Ohio  
6 customers. On June 1, 2018, I was named to my current position of State  
7 President, Duke Energy Ohio and Duke Energy Kentucky.

8 **Q. PLEASE DESCRIBE YOUR DUTIES AS STATE PRESIDENT, DUKE**  
9 **ENERGY OHIO.**

10 A. As State President, Duke Energy Ohio, I am responsible for ensuring that our  
11 customers continue to have access to adequate, efficient, and reasonable electric  
12 and natural gas service at fair, just, and reasonable rates and that these services are  
13 provided in accordance with applicable federal and state laws and regulations. I  
14 am also involved in external efforts relating to governmental and regulatory  
15 affairs, interacting with state and community leaders and regulators on matters  
16 relevant to Duke Energy Ohio's business and presence in the state. Finally, I am  
17 responsible for the Company's community relations and economic development  
18 efforts, as well as Duke Energy's charitable contributions in the Greater  
19 Cincinnati/Northern Kentucky region.

20 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC**  
21 **UTILITIES COMMISSION OF OHIO?**

22 A. Yes, I have previously testified before the Commission.

1   **Q.   WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THESE**  
2       **PROCEEDINGS?**

3   A.   My testimony provides an overview of Duke Energy Ohio's electric distribution  
4       business operations and community involvement in our southwest Ohio service  
5       territory. I discuss Duke Energy Ohio's levels of customer satisfaction and how  
6       the constructive regulatory treatment sought in these proceedings will enable the  
7       Company to meet our customers' ever-changing expectations for adequate,  
8       efficient, and reasonable service at fair, just, and reasonable rates.

9               I next provide an overview of Duke Energy Ohio's need for an increase in  
10       electric distribution rates and the reasonableness of this request. In doing so, I  
11       describe the Company's proposals to enhance our ability to meet our customers'  
12       expectations with regard to the services we provide. Without intending to provide  
13       a complete list, these proposals include: (1) resetting several existing riders, such  
14       as our Distribution Capital Investment Rider (Rider DCI), Storm Recovery Rider  
15       (Rider DSR), and Electric Service Reliability Rider (Rider ESRR) that recovers  
16       incremental vegetation management costs; (2) eliminating point of sale  
17       convenience fees for residential customers who wish to pay their utility bill by  
18       credit/debit card by placing these charges in the Company's future bad debt  
19       expense trackers; and (3) implementing a new community-driven investment  
20       mechanism (Rider CDI) to assist our communities with electric distribution-  
21       related system enhancements that advance local priorities.

22              I sponsor the Company's proposal for a Public Education and Information  
23       campaign. I also introduce the other witnesses who testify on the Company's

1       behalf and, in doing so, provide an overview of their testimony. Finally, I support  
2       and provide confirmation that Duke Energy Ohio's Management Policies,  
3       Practices and Organization documents are filed in compliance with the  
4       Commission's standard filing requirements.

## **II.           OVERVIEW OF OHIO OPERATIONS**

### **A.       COMPANY OVERVIEW**

5   **Q.   PLEASE PROVIDE AN OVERVIEW OF THE DUKE ENERGY**  
6       **CORPORATE AND BUSINESS STRUCTURE.**

7   A.   Duke Energy is one of the largest utility companies in the United States. Through  
8       a series of mergers and acquisitions, including the 2006 merger with Cinergy, the  
9       2012 merger with Progress Energy, and the more recent merger with Piedmont  
10      Natural Gas Company, Duke Energy now serves over 7 million electric customers  
11      and over 1.5 million natural gas customers, representing a population of over 24  
12      million in 7 states, comprising Ohio, Kentucky, Indiana, Florida, North Carolina,  
13      South Carolina, and Tennessee. Duke Energy Ohio provides electric service to  
14      over 700,000 customers and natural gas service to over 400,000 customers.

15 **Q.   PLEASE DESCRIBE HOW BEING A PART OF THE DUKE ENERGY**  
16       **FAMILY OF COMPANIES ASSISTS DUKE ENERGY OHIO IN**  
17       **PROVIDING SERVICE TO ITS CUSTOMERS.**

18 A.   As further explained by Duke Energy Ohio witness Jeffrey R. Setser, Duke  
19      Energy Ohio is a party to multiple Commission-approved affiliate service  
20      agreements that provide the Company with access to a vast level of resources,  
21      experience, and expertise beyond what Duke Energy Ohio could achieve as a

1 stand-alone utility. Duke Energy Ohio and, by extension, our customers, benefit  
2 from the defined pool of highly skilled attorneys, accountants, engineers,  
3 customer service representatives, and other professionals whose time and cost are  
4 shared among all utility affiliates within Duke Energy. Duke Energy Ohio and our  
5 customers benefit from the services provided by affiliated utility companies that  
6 furnish natural gas and electric service in seven states.

7 Under this structure, Duke Energy Ohio's customers have access to  
8 resources, including a highly trained and dedicated workforce from multiple  
9 jurisdictions, that are familiar with the Company's systems and are experienced in  
10 the safe operation of the Company's utility infrastructure, thereby enabling the  
11 continued and efficient operation of Duke Energy Ohio's utility system and  
12 implementation of industry-wide best practices.

13 **Q. DESCRIBE DUKE ENERGY OHIO'S ELECTRIC DISTRIBUTION**  
14 **SERVICE TERRITORY.**

15 A. Duke Energy Ohio's headquarters are in downtown Cincinnati, as has been the  
16 case for over 180 years. From our Cincinnati headquarters, Duke Energy Ohio  
17 directs the planning, construction, operation, and maintenance of our electric  
18 transmission and distribution systems. The Company's more than 700,000 electric  
19 customers are served via approximately 1,600 circuit-miles of transmission lines  
20 and 16,549 circuit-miles of distribution lines throughout our territory. Most  
21 customers continue to be served via overhead transmission and distribution lines;  
22 however, the Company is increasingly serving customers with underground  
23 facilities.

1   **Q.   HOW DOES DUKE ENERGY OHIO’S ELECTRIC DISTRIBUTION**  
2       **SYSTEM COMPARE TO THOSE OF ITS PEERS?**

3   A.   The Company is committed to providing our customers with safe, reliable, and  
4       efficient electric distribution service at reasonable rates. Most Duke Energy Ohio  
5       electric customers enjoy rates that are among the lowest in the state. Our  
6       customers also benefit from aggressive reliability commitments implemented in  
7       2019, as confirmed in the Direct Testimony of Duke Energy Ohio witness Jeffrey  
8       W. Hesse. And as I later discuss, our customers and communities are aided by the  
9       Company’s long-standing commitment to philanthropy and volunteerism.

10   **Q.   AS AN ELECTRIC DISTRIBUTION UTILITY, DOES DUKE ENERGY**  
11       **OHIO HAVE OBLIGATIONS OTHER THAN THOSE RELATED TO**  
12       **THE SAFE, RELIABLE, AND EFFICIENT DISTRIBUTION OF**  
13       **ELECTRIC SERVICE?**

14   A.   Yes. One such obligation relates to the Company’s status, by statute, as the  
15       provider of last resort for all retail electric customers in our southwest Ohio  
16       service territory. The significance of this obligation relative to these proceedings  
17       is that Duke Energy Ohio must have the infrastructure and resources to provide a  
18       firm supply of electric generation service to as many as all of our retail customers  
19       or as few as one. No other entity has this legal obligation in Duke Energy Ohio’s  
20       service territory. Consequently, Duke Energy Ohio incurs significant unavoidable  
21       costs to function as the provider of last resort for all of our retail electric  
22       customers and, as such, is entitled to full cost recovery of these unavoidable costs  
23       from them.



1   **Q.   PLEASE BRIEFLY DISCUSS THE CONTINUING INVESTMENT THE**  
2       **COMPANY HAS MADE IN ITS ELECTRIC DISTRIBUTION SYSTEM**  
3       **SINCE ITS LAST BASE DISTRIBUTION RATE CASE.**

4   A.   Duke Energy Ohio makes prudent investments in our distribution system, as  
5       needed for its continued safe, reliable, and efficient operation. And, over the  
6       years, the system has evolved, consistent with applicable standards, changes in  
7       technology, and, importantly, changes in our customers' expectations. Our  
8       investments and the manner in which they are made have thus also evolved. One  
9       such example is our targeted focus on those maintenance and replacement  
10      investments necessary to enable the continued reliable performance of our  
11      distribution system, together with the incorporation of innovative technologies  
12      Mr. Hesse discusses these investments, which are captured in Rider DCI.

13               Rider DCI was recently reapproved in 2018 as part of a comprehensive  
14      settlement<sup>1</sup> and is subject to annual rate caps. Also relevant to the investments  
15      recoverable under Rider DCI are the annual reliability performance metrics to  
16      which the Company is subject. As explained in the Direct Testimony of Duke  
17      Energy Ohio witnesses Sarah E. Lawler and Mr. Hesse, the Company is seeking  
18      to adjust the annual rate caps in these proceedings to continue to meet our  
19      aggressive reliability commitments and make those system investments necessary  
20      to providing safe and reliable electric distribution service.

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<sup>1</sup> *In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in Electric Distribution Rates*, Case No. 17-32-EL-AIR, *et al.*, Opinion and Order (December 19, 2018); The Company's ESP was consolidated and settled with the Company's electric distribution rate case.

## **B. COMMUNITY ENGAGEMENT**

1   **Q.   PLEASE GIVE AN OVERVIEW OF DUKE ENERGY OHIO'S**  
2       **ECONOMIC DEVELOPMENT ACTIVITIES.**

3   A.   Duke Energy Ohio embraces our responsibility to promote economic  
4       development in the communities in which we do business. We appreciate that  
5       access to affordable, reliable utility service is a critical factor in a company's  
6       decision about where to locate or expand its facilities. Duke Energy Ohio is well-  
7       positioned to meet our customers' energy needs and attract job-creating industries  
8       and capital investment to our service territory. However, business clients need  
9       more than reliable utility service. They also need readily available building sites,  
10      access to state and local incentives, flexible workforce training programs, and  
11      proximity to a community of customers and business partners. Duke Energy Ohio  
12      assists in meeting these needs through partnerships with our local communities  
13      and the State of Ohio.

14             In 2020, Site Selection Magazine named Duke Energy to its list of Top  
15      Utilities in Economic Development for North America for the sixteenth  
16      consecutive year. This prestigious list represents the top 1 percent of all utility  
17      providers in the country receiving this designation. Site Selection Magazine has  
18      recognized Duke Energy's "Site Readiness" program as a best practice. This  
19      program is designed to improve large tracts of industrial land in the service  
20      territory, moving them closer to being "fully marketable." Duke Energy pays for a  
21      national site consultant to conduct the site evaluation and due diligence and to  
22      prepare a robust, comprehensive report that provides recommendations on site

1 improvements and targeted industries to attract, along with labor statistics tied to  
2 the site. A local engineering firm secured by Duke Energy provides a detailed  
3 analysis of the site's streams, wetlands, topography, and soils and conceptual  
4 drawings for how many acres are actually developable. The program also helps  
5 the local community and economic development professionals hone their skills  
6 around the highly competitive process of responding to Requests for Proposals  
7 from site consultants and prospects.

8 Since 2010, Site Readiness has been conducted at sixteen sites in our  
9 Duke Energy Ohio footprint, with two additional sites slated for evaluation in late  
10 2021. Six of those sites have seen substantial development already. Although not  
11 located in Ohio, a seventh site is now the home to the Amazon Air Hub facility at  
12 the Greater Cincinnati/Northern Kentucky Airport, which will have an impact  
13 across the Greater Cincinnati region. The remaining nine sites are still being  
14 actively marketed by REDI Cincinnati, the region's economic development  
15 organization.

16 In addition to this successful program, our economic development team  
17 collaborates with local, regional, and state economic development professionals in  
18 attracting new business and jobs to our communities, whether in the field of  
19 manufacturing, technology, healthcare, logistics, distribution, or professional  
20 services.

21 Duke Energy Ohio's leadership and economic development staff actively  
22 serve on several committees of organizations in the community that promote  
23 economic development. Some of these organizations include:

- 1 • Butler Tech Business Advisory Council;
- 2 • Cincinnati Business Committee;
- 3 • Cincinnati Regional Business Committee;
- 4 • Cincinnati Center City Development Corporation;
- 5 • Cincinnati USA Regional Chamber of Commerce;
- 6 • Cintrifuse;
- 7 • Cincinnati State Technical College;
- 8 • European American Chamber of Commerce;
- 9 • Ohio Chamber of Commerce;
- 10 • REDI Cincinnati;
- 11 • SiteOhio Stakeholder Group;
- 12 • Warren County Area Progress Council; and
- 13 • Various local Chambers of Commerce in the southwest Ohio counties
- 14 that we serve.

15 **Q. PLEASE DESCRIBE DUKE ENERGY OHIO'S CHARITABLE GIVING**  
16 **PHILOSOPHY.**

17 A. Duke Energy Ohio has made good corporate citizenship a priority by giving back  
18 to the communities we serve. Since 2015 alone, Duke Energy Ohio and the Duke  
19 Energy Foundation have contributed approximately \$9.5 million in shareholder  
20 dollars to charitable organizations in Ohio. Our contributions are not only  
21 financial in nature; rather, consistent with the culture of Duke Energy, our  
22 employees and alumni and their families regularly give back to our communities  
23 by volunteering their time. Indeed, during 2019 alone, we had 309 volunteer

1 events in Ohio where employees and alumni and their families volunteered over  
2 8,622 hours of their time. During 2020, despite the impacts of and constraints due  
3 to COVID-19, Duke Energy employees and alumni collectively volunteered over  
4 2,872 hours.

5 **Q. DESCRIBE THE METHODS EMPLOYED BY DUKE ENERGY OHIO TO**  
6 **ENGAGE WITH CUSTOMERS.**

7 A. Our customers depend on the services we provide to power their lives every day.  
8 In this very diverse and dynamic environment, it is important that our customers  
9 are able to engage with Duke Energy Ohio via a variety of platforms. To enable  
10 these opportunities to interact, the Company offers the following customer service  
11 channels:

- 12 • Automated Phone Service;
- 13 • Business Service Center;
- 14 • Customer Care Centers;
- 15 • Enhanced Web Functionality for Online Services;
- 16 • Focus Groups for small/medium businesses;
- 17 • Outbound calls, emails and texts;
- 18 • Pay Agents; and
- 19 • Social Media Customer Care.

20 **Q. DO CUSTOMERS HAVE OPTIONS FOR BOTH MANAGING AND**  
21 **PAYING THEIR BILLS?**

22 A. Yes. Duke Energy Ohio has a number of programs designed to allow customers to  
23 conveniently manage their bills:

- 1                   • Adjusted Due Date: This program offers customers more control over  
2                   when they pay their energy bill by adjusting their due date forward by  
3                   up to ten business days from their original due date at no charge.
- 4                   • Budget Billing: This program provides customers with predictable  
5                   monthly payments and better control over their energy spending,  
6                   which eases planning and budgeting. Customers who sign up for the  
7                   free Budget Billing program may choose from two plans that adjust  
8                   periodically based on actual energy usage. The Annual Plan provides  
9                   eleven months of equal payments with a settle-up in the twelfth month,  
10                  while the Quarterly Plan provides a quarterly review and adjustment of  
11                  the budget billing amount, preventing a settle-up month.
- 12                 • Duke Energy Mobile App: Duke Energy has a mobile app for iPhone  
13                   and Android devices through which customers can manage their  
14                   account, pay bills, report outages, and take advantage of products and  
15                   services offered by Duke Energy.
- 16                 • Extended Payment Agreements: Customers have the option of entering  
17                   into an Extended Payment Agreement with the Company. For  
18                   example, if a customer received a disconnection notice and was unable  
19                   to pay prior to the planned disconnection date, they may set up the  
20                   account for an extended payment agreement and continue service  
21                   without interruption.
- 22                 • HeatShare: The HeatShare program is administered by the  
23                   Salvation Army and provides one-time assistance of up to \$400 to

1 eligible customers to help avoid disconnection. Funds may be used  
2 for heating or cooling bills through July 31, unless funds are  
3 depleted earlier. HeatShare is funded through a combination of  
4 shareholder contributions and employee and customer donations.  
5 Duke Energy donates \$100,000 and matches customer and  
6 employee donations dollar for dollar up to an additional \$100,000  
7 each year for the Duke Energy HeatShare program.

- 8 • High Bill and Usage Alerts: Duke Energy Ohio auto-enrolls all eligible  
9 customers not served through advanced metering infrastructure (AMI)  
10 in our High Bill Alert program. Customers in this program are alerted  
11 at mid-cycle when their bill is projected to be 30 percent and/or \$30  
12 higher than the previous month based on weather and twelve months  
13 of historical usage. Duke Energy transitions all eligible customers who  
14 receive an AMI certified meter from our High Bill Alert to our Usage  
15 Alert program, which uses interval data to calculate electricity cost.  
16 Customers on our Usage Alert program automatically receive an email  
17 at the midpoint of their billing cycle with their current electricity cost  
18 broken down by appliance and projected cost. These customers can  
19 also select a dollar amount to receive budget alerts. Eligible customers  
20 who start service at premises with an AMI-meter data management  
21 (MDM) certified meter are automatically enrolled in our Usage Alert  
22 program.

- 1           • Paperless Billing: This program allows customers to receive a bill-  
2           ready reminder via email and then view and pay their bill online at  
3           duke-energy.com or through our mobile app, negating use of our  
4           standard paper bill that is mailed to the customer.
- 5           • Payment Confirmations: All email-registered customers are  
6           automatically enrolled to receive an email when their payment is  
7           received. Customers can choose to receive payment notifications via  
8           text message by updating their online account preferences.
- 9           • Pick Your Due Date: Residential and non-residential customers with  
10          AMI-MDM meters are eligible for the Pick Your Due Date program.  
11          These customers may have their billing cycle changed to align with  
12          their desired due date free of charge.

13           Although customers can pay their bills using the United States Postal  
14          Service, they also have other options. The Company offers several convenient bill  
15          payment options, which include:

- 16          • Automatic Bank Draft: This program allows customers to have their  
17          monthly charges auto drafted from their personal checking or savings  
18          account at no cost.
- 19          • Auto Pay: The Auto Pay function is a free service for customers  
20          enrolled in Paperless Billing and provides online access to either make  
21          a one-time payment or cancel or edit any scheduled future payments.
- 22          • Card Payments via Speedpay: Customers may make a one-time, same-  
23          day payment online, via the mobile app, or by phone using a credit



1 card, debit card, prepaid card, or electronic check (collectively, “card  
2 payments”), which applies the payment to the account immediately.  
3 Currently, a transaction fee of \$1.50 is charged to residential  
4 accounts. As discussed by Duke Energy Ohio witness Lesley G.  
5 Quick, the Company is proposing to further improve the customer  
6 experience by eliminating the convenience fees associated with  
7 residential card payments that are directly charged to customers.  
8 For non-residential accounts, an \$8.50 fee per transaction up to  
9 \$10,000 applies to each payment. For payments more than  
10 \$10,000, the convenience fee is 2.75 percent of the amount paid.  
11 The charged third-party fees cover the processing cost associated  
12 with handling card payments.

- 13 • Email Bill Delivery: Residential and non-residential customers who  
14 enroll in Email Bill Delivery are provided with a secure PDF copy of  
15 their bill via email. Once enrolled, the customer receives their bill as  
16 an offline email attachment, which can be accessed and paid through  
17 any electronic device, including mobile devices. Customers do not  
18 have to be enrolled in Paperless Billing to be eligible for this program.
- 19 • Pay Agent Network: There are over 100 locations in the Duke Energy  
20 Ohio service area where customers can make cash, check, or money  
21 order payments. These locations are found in establishments where  
22 customers typically conduct other business, such as grocery stores,  
23 pharmacies, convenience stores, and larger retailers.

1   **Q.   PLEASE DESCRIBE THE ACTIONS DUKE ENERGY OHIO HAS**  
2       **TAKEN DURING THE COVID-19 PANDEMIC TO ASSIST ITS**  
3       **CUSTOMERS.**

4   A.   The Company swiftly responded to the COVID-19 pandemic in order to assist our  
5       customers and ensure that we were able to continue providing the high-quality  
6       service that they expect. These proactive, temporary actions included, but were  
7       not limited to:

- 8               •   Suspending disconnections for non-payment and assessment of late  
9               payment fees for all customers;
- 10              •   Suspending and paying the third-party credit and debit card  
11              convenience fees for customers who wished to pay their Duke Energy  
12              utility bill by credit or debit cards during initial months of the  
13              pandemic;
- 14              •   Waiving credit reviews for reconnection;
- 15              •   Offering flexible payment arrangements;
- 16              •   Outbound Text, Email, and Automated Call campaigns to offer  
17              payment arrangements to customers behind on their bills;
- 18              •   Email campaign to notify customers behind on bills of the availability  
19              of financial agency assistance available;
- 20              •   Establishing new protocols and training for employees for using  
21              personal protection equipment and for interactions with customers,  
22              including in-person health assessments prior to entering into a  
23              customer home and call-ahead appointments; and

- 1                   • Suspending in-home, non-essential work activities, such as energy  
2                   efficiency assessments, to limit contact and promote social distancing.

3                   The Company suspended residential disconnections through October 5,  
4                   2020. In connection with the resumption of normal billing practices, Duke Energy  
5                   Ohio engaged with community leaders and non-profit organizations to share  
6                   information on available sources of assistance for residential customers in need.  
7                   And the Company reinstituted our practice of communicating with customers both  
8                   two days prior to and on the day of a scheduled disconnection for nonpayment,  
9                   using call and text campaigns. This outreach continues today, with the Company  
10                  engaging with its growing network of community partners to provide information  
11                  on available avenues of assistance for our customers.

12                  Additionally, although the Company had temporarily suspended  
13                  disconnections for nonpayment for all customers, it did not similarly pause its  
14                  purchase of accounts receivable program. As a consequence, competitive  
15                  suppliers saw no adverse impact to their revenue stream insofar as Duke Energy  
16                  Ohio customers participating in electric choice were concerned.

### **C. CUSTOMER SATISFACTION**

17   **Q.   HOW DOES DUKE ENERGY OHIO MEASURE PERFORMANCE FOR**  
18   **PROVIDING HIGH QUALITY CUSTOMER SERVICE?**

19   A.   Duke Energy Ohio strives to consistently provide high quality customer service.  
20       Duke Energy has developed and implemented a comprehensive array of customer  
21       satisfaction measurement tools to understand and identify those aspects of the  
22       current customer experience that may cause difficulties or concerns for some

1 customers, as well as provide prioritized investment and improvement guidance to  
2 design new satisfying experiences. We currently measure customer satisfaction  
3 performance through a combination of internal, proprietary tools, as well as the  
4 annual J.D. Power Electric Utility Residential Customer Satisfaction Study (J.D.  
5 Power Study), which provides an overall industry benchmark.

6 **Q. PLEASE DESCRIBE THE J.D. POWER STUDIES AND DUKE ENERGY**  
7 **OHIO'S PERFORMANCE UNDER THOSE STUDIES.**

8 A. J.D. Power is a well-known measure of consumer opinion and customer  
9 satisfaction in many key industries. J.D. Power annually surveys utilities'  
10 residential customers regarding their overall satisfaction with their utility, as well  
11 as key areas of their relationship. Duke Energy Midwest (Ohio and Kentucky)  
12 participates in these annual studies.

13 The J.D. Power Study calculates overall customer satisfaction based on six  
14 performance areas: (1) power quality and reliability; (2) billing and payment; (3)  
15 price and value; (4) corporate citizenship; (5) communications; and (6) customer  
16 service. J.D. Power published the results of its 2020 Electric Utility Customer  
17 Satisfaction Study in December 2020. Duke Energy Midwest has seen steady  
18 improvements in its score – up another thirteen points in 2020 – continuing a  
19 trend of improving scores in six of the past seven years. In fact, scores are up over  
20 100 points since 2014. Attachment ABS-1 includes an excerpt from the 2020 J.D.  
21 Power Electric Residential Customer Satisfaction Study that provides a relevant  
22 summary of residential customer satisfaction for Midwest utilities, as well as  
23 Duke Energy's Midwest score trends since 2009.

1           These results highlight the improvements resulting from our internal voice  
2           of the customer program. The actions we have taken to improve customer  
3           sentiment as measured by our internal proprietary studies have also driven  
4           increases in our J.D. Power scores. We will continue to use this feedback to  
5           improve the customer experience.

6   **Q.   PLEASE DESCRIBE THE COMPANY’S PROPRIETARY CUSTOMER**  
7   **SATISFACTION MEASUREMENT PROGRAM AND PERFORMANCE.**

8   A.   As previously mentioned, the Company has built an ecosystem of customer  
9       satisfaction measurement tools:

- 10           • **CX Monitor (CXM)** is Duke Energy’s proprietary relationship study  
11           and is administered annually to all customers for whom we have a  
12           valid email address. It enables understanding of customer sentiment  
13           based on overall experience as well as key experiences that customers  
14           may have had with us in the past twelve months, including ‘Billing &  
15           Payment,’ ‘Power Quality & Reliability,’ ‘Communications,’ ‘Call,’  
16           and ‘Web.’ All customers provide a score for relevant experiences on a  
17           ‘0-10’ scale and provide open-end verbatim comments detailing the  
18           primary reason(s) for their score, enabling analysis to prioritize  
19           investment. Duke Energy Ohio has seen steady improvement in overall  
20           customer sentiment scores with strong year-over-year performance  
21           through mid-2021.
- 22           • **Fastrack 2.0** is Duke Energy’s proprietary transaction measurement  
23           program that assesses the quality of key experiences customers have

1 within 24 to 48 hours of their work requests being closed. Fastrack 2.0  
2 uses an email survey that is sent to customers for whom we have a  
3 valid email address. Satisfaction is measured on a '0-10' scale, with  
4 Net Satisfaction (Net Sat), calculated as the share of Promoters (score  
5 = 9 or 10) minus the share of Detractors (score = 0-6), serving as our  
6 key measure. Experiences being measured include 'Start/Transfer  
7 Service' and 'Outdoor Light Repair' – with Net Sat extremely strong  
8 at ~73% and ~85% respectively – and 'Outage' with Net Sat not quite  
9 as strong but still respectable at ~48% over the past 18 months.  
10 Fastrack serves as another valuable tool to understand where there may  
11 be opportunities to improve these key experiences.

- 12 • Finally, Duke Energy implemented the '**Reflect**' program (***Reflect-***  
13 ***Web*** in 2019, and ***Reflect-Call*** in mid-2020), a post-contact survey that  
14 gathers feedback after a customer contacts Duke Energy by web or  
15 call. These tools help provide critical feedback to improve key  
16 channels customers use to contact Duke Energy, with Net Sat results  
17 mostly flat (Web) or relatively high (Call-IVR and Call-Post  
18 Specialist) at ~59% and ~53% over the past year. Confidential  
19 Attachment ABS-2 contains an Overview of Duke Energy Ohio's  
20 CSAT performance.

**D.     DEVELOPMENTS SINCE THE COMPANY’S LAST ELECTRIC  
DISTRIBUTION BASE RATE CASE**

1     **Q.     PLEASE     SUMMARIZE     THE     SIGNIFICANT     OPERATIONAL**  
2           **DEVELOPMENTS     AND     INVESTMENTS     THAT     HAVE     OCCURRED**  
3           **SINCE     THE     2017     RATE     CASE.**

4     A.     Duke     Energy     Ohio     continually     makes     prudent     operational     decisions     and  
5           investments in our electric delivery system. As explained by Mr. Hesse, following  
6           our last electric distribution base rate proceeding, Duke Energy Ohio has  
7           continued to invest in the integrity, resilience, and reliability of our electric  
8           delivery system in order to deliver service in safer, more intelligent, and efficient  
9           ways. These investments were driven by the need to replace aging infrastructure,  
10          improve reliability, and support localized load growth, economic development in  
11          our communities, and distributed energy resources.

12                 Among other priorities is that related to economic development. Certain  
13          areas in our service territory are experiencing substantial growth, making the  
14          existence of adequate infrastructure and capacity critical to both our ability to  
15          provide safe, reliable, and adequate service and the region’s ability to compete for  
16          and attract new or expanding businesses.

17     **Q.     PLEASE     DESCRIBE     THE     INVESTMENTS     THE     COMPANY     IS     MAKING**  
18           **TO     FURTHER     ENHANCE     ITS     SERVICE.**

19     A.     The energy industry is incredibly dynamic, with the pace of change and customer  
20           expectation ever increasing. Duke Energy Ohio thus continually evaluates prudent  
21           investments and new technologies, with a focus on improving the service we  
22           provide to customers and the overall performance of our electric delivery system.

1 Examples of value-adding and innovative technologies that reduce and mitigate  
2 customer outages include circuit sectionalization, automation, and capacity  
3 enhancement to support two-way power flows. These technologies are more fully  
4 explained by Mr. Hesse.

5 Additionally, Duke Energy Ohio continues to work with local  
6 communities to help ensure that our energy delivery system can support key  
7 initiatives for these communities. As part of this focus, the Company is proposing  
8 in these proceedings to implement a community-driven investment program and  
9 related recovery mechanism, which I discuss below.

### **III. OVERVIEW OF DUKE ENERGY OHIO'S BASE ELECTRIC DISTRIBUTION RATE CASE**

10 **Q. WHAT ARE SOME OF THE PRIMARY REASONS FOR THE FILING OF**  
11 **THE COMPANY'S RATE CASE?**

12 A. There are several reasons contributing to the submission of the Company's  
13 Application in these proceedings. The Company's costs of providing distribution  
14 service continue to increase at a rate that exceeds growth in revenue. The  
15 Company diligently focuses on controlling costs and, despite inflationary  
16 pressures, has reduced its Operating and Maintenance (O&M) expense since our  
17 last electric distribution base rate case. However, the Company has also made  
18 significant investments since our last electric distribution base rate case in 2017,  
19 which are the primary driver of higher revenue requirements in these proceedings.  
20 The Company is proposing new rates because our present base rates are no longer  
21 sufficient to enable the Company to furnish adequate, efficient, and reasonable  
22 service or have the opportunity to earn a fair rate of return on investments.



1        Additionally, Duke Energy Ohio is proposing certain tariff changes and additions  
2        to provide substantial benefits to customers, including changes to our lighting  
3        tariffs to enable transitions and upgrades to more efficient fixtures, optional time  
4        of use offerings, and opportunities for communities to drive desired enhancements  
5        to the electric delivery system.

6        **Q.    PLEASE    GENERALLY    DESCRIBE    DUKE    ENERGY    OHIO’S**  
7        **PROPOSED RATE INCREASE.**

8        A.    Duke Energy Ohio proposes to increase our electric distribution base rates to  
9        increase our annual electric base revenues for our electric business by  
10       approximately \$55 million, which results in an approximate 3.3 percent average  
11       increase to the customer’s total bill. The Company’s rate base has increased by  
12       nearly \$800 million since our last electric distribution base rate proceeding. As  
13       more fully explained by Ms. Lawler, the requested increase has been offset by  
14       lower O&M expense. Duke Energy Ohio is using a test period that spans the  
15       twelve months beginning April 1, 2021, and ending March 31, 2022, consisting of  
16       three months of actual data and nine months of forecasted data. Rate base is  
17       calculated using actual data as of June 30, 2021 (the “date certain”). Duke Energy  
18       Ohio witness Grady “Tripp” S. Carpenter explains how the Company developed  
19       the projected financial data used in the test period. Duke Energy Ohio witnesses  
20       David G. Raiford and Danielle L. Weatherston explain how the Company  
21       developed the actual financial data used in the test period. The Company’s  
22       Application also includes, but is not limited to, the following:

- 23                •    Requested Return on Equity of 10.3 percent;

- 1                   • A 50.5 percent equity-based capital structure; and
- 2                   • Roll-in and resetting of various existing riders, including: (1) Rider
- 3                   DCI; (2) Rider ESRR; (3) Distribution Decoupling Rider (Rider
- 4                   DDR); (4) Rider DSR; (5) Electric Tax Cuts and Jobs Act Rider (Rider
- 5                   ETCJA); and (6) PowerFutures Initiative Rider (Rider PF).

6   **Q.   IS THE COMPANY PROPOSING ANY CUSTOMER-FOCUSED**  
7   **ENHANCEMENTS AS PART OF THESE PROCEEDINGS?**

8   A.   Yes. A fundamental aspect of our Application in these proceedings is born out of  
9       our focus on our customers and, more specifically, transforming their utility-  
10      related experiences. Additionally, it is readily apparent that the electric  
11      distribution business is changing and, in order to incorporate the innovation that is  
12      vital to our customers' personal and professional demands, the infrastructure on  
13      which our customers depend must also evolve. Because of our customer-centric  
14      focus, we have included in our Application proposals critical to continue  
15      advancing the technology necessary to afford our customers more control over  
16      and choices regarding their energy usage, and to provide them with the  
17      opportunity to implement programs or services that may be of significance to  
18      them. I highlight below some of the proposals in our filing that advance this  
19      objective.

- 20               • Public Information and Awareness Campaign;
- 21               • Community-Driven Investments;
- 22               • Continued development of our new Customer Connect, Customer
- 23               Management System;

- 1                   • Revisions to our Economic Development Tariff;
- 2                   • Enhancements to our GoGreen Ohio program;
- 3                   • Street Lighting LED conversions; and
- 4                   • Revisions to our Residential Time-of-Use rate.

5   **Q.   PLEASE BRIEFLY DESCRIBE THE PROPOSAL FOR A PUBLIC**  
6   **INFORMATION AND AWARENESS CAMPAIGN.**

7   A.   The proposed Public Education and Information Campaign (Campaign) aims to  
8       raise customer awareness on various topics and options related to their electric  
9       service. The awareness and education will enable customers to gain more control,  
10      choice, and convenience when it comes to their electricity use and service.

11           Duke Energy Ohio will determine Campaign topics and strategies using  
12      customer research, surveys and focus groups; community and stakeholder  
13      feedback; input from PUCO staff; and other formal feedback. The Company will  
14      also use this insight to influence the Campaign development process, including  
15      the appropriate messages and communications mediums to educate customers  
16      effectively and efficiently. Attachment ABS-3 is a summary of the Public  
17      Education and Information Campaign proposal.

18   **Q.   HOW MUCH MONEY DOES DUKE ENERGY OHIO PROPOSE FOR**  
19   **CAMPAIGN FUNDING?**

20   A.   Duke Energy Ohio is proposing \$1 million in annual revenue requirements to  
21      fund the incremental costs for the Campaign. The funding will be used for  
22      Campaign research, development, implementation and evaluation, and Duke

1 Energy Ohio commits to submitting periodic reporting as to the impact of this  
2 effort.

3 **Q. WHAT TOPICS WILL THE CAMPAIGN ADDRESS?**

4 A. Each year, Duke Energy Ohio will use various forms of customer and stakeholder  
5 feedback and research to determine the topics to emphasize as part of the  
6 Campaign. Potential Campaign topics could focus on multiple aspects of the Ohio  
7 Electric Customer Choice program, customer safety and well-being related to  
8 electricity, avoiding scams targeting utility customers, and other matters  
9 associated with customers' electric service.

10 **Q. WHAT COMMUNICATIONS STRATEGIES WOULD THE PROPOSED**  
11 **CAMPAIGN EMPLOY?**

12 A. Each strategic communications program Duke Energy Ohio pursues as part of its  
13 Campaign will undergo a formal development process by the Company's Creative  
14 Communications team. The team members and an external advertising placement  
15 agency (when necessary) will identify the appropriate messages and  
16 communications mediums for each topic.

17 Communications channels that could be used as part of the Campaign  
18 include advertising (*e.g.*, television, radio, display, search engine, out-of-home),  
19 direct mail, email, bill inserts, social media and media relations. In addition,  
20 emerging and yet-to-exist mediums will be considered depending on the specific  
21 Campaign topics.

1   **Q.   PLEASE DESCRIBE HOW THE CAMPAIGN IS NECESSARY FOR THE**  
2       **PROVISION OF ELECTRICITY OR TO SATISFY A REGULATORY**  
3       **REQUIREMENT.**

4   A.   Customers' expectations of their service providers, from utilities to small  
5       businesses, are continually evolving. At Duke Energy Ohio, we have a strong  
6       track record of delivering new offerings that aim to address customers' ever-  
7       changing needs effectively and efficiently when it comes to their electric service.

8               Just as the Company has implemented new technologies to improve how  
9       we deliver electricity to customers, Duke Energy has introduced new ways to  
10      support our customers. Recent innovations include the development of mobile  
11      applications and customer service solutions delivered via social media channels.  
12      In addition, Duke Energy Ohio uses email and the Internet to engage and inform  
13      customers in ways that were unimaginable no more than 25 years ago. These  
14      advancements and offerings are not optional; our customers view them as  
15      necessary and critical.

16             So, as the Company continues to modernize and improve the ways we  
17      support customers, this proposed Campaign is the obvious next step in Duke  
18      Energy Ohio's growing obligation to deliver safe, reliable and cost-effective  
19      electric service to our customers.

20   **Q.   PLEASE BRIEFLY DESCRIBE THE PROPOSAL FOR RIDER CDI.**

21   A.   As explained by Duke Energy Ohio witness, Timothy J. Duff, the CDI program is  
22       based on a voluntary, flexible, and affordable rate structure that enables  
23       communities in Duke Energy Ohio's service territory to identify and pursue

1 desired electric distribution system enhancements of benefit to them. These  
2 benefits may include economic development, enhanced public safety,  
3 beautification projects, technological advances, and talent attraction. Duke Energy  
4 Ohio will work with the communities that wish to take advantage of this program  
5 to design, structure, and implement the eligible types of investments under the  
6 CDI tariff. The costs of a CDI project, and in-turn, the responsibility for paying  
7 such costs, are allocated based upon the benefits provided to the local community  
8 verses the benefits it provides to the entire electric distribution system. To the  
9 extent the investment provides localized benefits, the local community  
10 government may obligate the citizens within that community to pay those costs in  
11 direct proportion. Likewise, to the extent the CDI investment provides system-  
12 wide investments, then all Duke Energy Ohio customers will pay that portion  
13 through electric distribution rates.

14 **Q. PLEASE BRIEFLY SUMMARIZE THE STATUS OF CUSTOMER**  
15 **CONNECT.**

16 A. Duke Energy Ohio witness Retha I. Hunsicker describes the status of the  
17 Customer Connect system in her testimony. But in summary, Customer Connect  
18 is Duke Energy's enterprise-wide initiative that will transform the way the  
19 Company interacts with and serves customers, ensuring a universal, simple, and  
20 consistent customer experience. The system is projected to be fully in service by  
21 the Spring of 2022. While many of the benefits are already in place, this new  
22 system will provide customers with:

- 1                   • A modern configurable billing engine allowing the Company to be
- 2                   more responsive to changes in regulations and the competitive market;
- 3                   • A more personalized experience for customers across Duke Energy,
- 4                   including holistic customer profiles such as web visits, phone calls,
- 5                   power outage data;
- 6                   • Integrated analytics to predict customer intent so we can route
- 7                   customers faster to suit their needs; and
- 8                   • Greater configurability to reduce the time to implement, test and offer
- 9                   pricing changes and other offerings to customers.

10   **Q.   PLEASE DESCRIBE THE COMPANY’S PROPOSAL TO ENHANCE ITS**  
11   **ECONOMIC DEVELOPMENT RIDER.**

12   A.   Duke Energy Ohio witness Bruce L. Sailors supports the changes to the  
13   Company’s Development Incentive Rider (Rider DIR) for economic  
14   development. Among other things, the Company is proposing a more meaningful  
15   and longer duration incentive for qualifying customers that wish to take advantage  
16   of the Company’s tariffed economic development service and adding needed  
17   protections for the Company with the longer duration. The Company also is  
18   proposing a modification from our current offer of up to a fifty percent reduction  
19   in distribution demand charges for up to twenty-four months, to a thirty percent  
20   reduction for up to sixty months.

21

1   **Q.    PLEASE DESCRIBE THE COMPANY’S PROPOSAL TO ENHANCE ITS**  
2       **GOGREEN PROGRAM.**

3   A.   Mr. Sailors further describes these enhancements. In summary, the Company is  
4       proposing to expand the GOGREEN Program to offer a customizable renewable  
5       energy credit purchase program for non-residential customers.

6   **Q.    PLEASE DESCRIBE WHAT THE COMPANY IS PROPOSING**  
7       **REGARDING STREET LIGHT LED CONVERSIONS?**

8   A.   In addition to the potential LED complete system conversion path proposed via  
9       Rider CDI, Duke Energy Ohio is proposing an automatic conversion process for  
10      existing streetlights that cannot be repaired or replaced due to obsolescence. This  
11      automatic conversion would be on a fixture-by-fixture basis once an existing  
12      street lighting fixture, currently on the Company’s older street lighting rates such  
13      as Rate SL, becomes obsolete insofar as it can no longer be maintained because  
14      replacement parts are no longer available. Customers will then be placed on the  
15      appropriate rate schedule for the new LED-fixture. Customers will have the  
16      ability to opt-out of this automatic upgrade.

17  **Q.    PLEASE DESCRIBE THE COMPANY’S TIME OF USE PROPOSAL.**

18  A.   Rate TD-CPP is a leap forward for customers interested in a dynamic time-of-use  
19      rate option. With the proliferation of technology such as electric vehicles and  
20      smart thermostats, this new dynamic time-of-use option enables residential  
21      customers to leverage their technology investments to manage their energy  
22      consumption and costs. There are multiple features of this new rate that benefit  
23      customers, which are covered in the testimony of Mr. Sailors. But two significant



enhancements for customers are the dynamic critical peak periods and the super off-peak period, which we call the discount period. The limited number of dynamic critical peak periods each year will send a price signal to customers when system consumption is at its highest. These days will be the hottest and potentially coldest days of the year. If customers are able to leverage their technology investments or change their behavior slightly during these periods, they could earn bill reductions for their efforts. Likewise, if customers are able to shift their consumption to the middle of the night, they can consume energy at a lower rate and experience bill savings. A perfect example would be a customer who owns an electric vehicle. If they manage the charging of their vehicle, a bill savings can be earned. This also has the potential benefit of reducing distribution system upgrades that could be needed to address on-peak electric vehicle charging.

**Q. WERE THERE ANY OTHER FACTORS THAT INFLUENCED THE COMPANY'S FILING IN THESE PROCEEDINGS?**

A. Yes. As this rate case includes components intended to incorporate technological advancements, provide flexibility for our customers and communities and mitigate against limitations relevant to our customers' energy consumption, needs, and preferences, these components are consistent with the Commission's Mission Statement, which includes assuring "all residential and business consumers access to adequate, safe and reliable utility services at fair prices, while facilitating an environment that provides competitive choices."<sup>2</sup>

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<sup>2</sup> See PUCO Mission Statement at <https://puco.ohio.gov/wps/portal/gov/puco/about-us/resources/mission-and-commitments>.

1           The Commission’s Mission is achieved by, among other things,  
2           “promoting utility infrastructure investment through appropriate regulatory  
3           policies and structures” and “ensuring financial integrity and service reliability in  
4           the Ohio utility industry.”<sup>3</sup>

5   **Q.   HOW DOES THE COMPANY’S FILING IN THIS CASE FACILITATE**  
6   **THE COMMISSION’S MISSION STATEMENT?**

7   A.   As described throughout the testimony of Duke Energy Ohio witnesses, the  
8           Company maintains and operates a safe and reliable electric distribution system.  
9           The proposals included in this Application seek to advance that objective and  
10          ensure the Company’s financial integrity. The Commission’s innovative use of  
11          riders, such as Rider DCI, and the proposed Rider CDI, promotes investment in  
12          utility infrastructure. As all of the electric distribution utilities in Ohio are  
13          subsidiaries of multi-jurisdictional holding companies, it is important that Ohio’s  
14          regulatory model encourages those holding companies to favor investment in this  
15          state. I thus believe the proposals in these proceedings advance the Commission’s  
16          Mission.

17               I would further observe that our proposed Public Education and  
18               Information Campaign is consistent with the Commission’s objective of  
19               establishing and enforcing a fair competitive framework. For example, providing  
20               customers with access to information related to customer choice and the content  
21               of their utility bill positions them to make knowledgeable decisions in respect of

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<sup>3</sup> Id.

1           their electric service. I thus believe the proposals in these proceedings advance the  
2           Commission's Mission.

#### IV.    INTRODUCTION OF WITNESSES

3   **Q.   PLEASE INTRODUCE THE OTHER WITNESSES IN THESE**  
4   **PROCEEDINGS.**

5   A.   I identify below the other individuals who will present testimony on behalf of  
6       Duke Energy Ohio, as well as the subject matters of their respective testimony:

- 7           • Christopher R. Bauer, Director, Corporate Finance, and Assistant  
8           Treasurer, discusses the Company's credit ratings, financial objectives,  
9           cash requirements, and capital structure;
- 10          • Grady "Tripp" S. Carpenter, Manager Financial Forecasting I, offers  
11          testimony supporting Duke Energy Ohio's budgeting and forecasting  
12          processes and sponsors certain forecast information used for the test  
13          period financial data;
- 14          • Thomas "TK" K. Christie, Director Distribution Vegetation  
15          Management, describes Duke Energy Ohio's vegetation management  
16          program;
- 17          • Dylan W. D'Ascendis, Director, Scott Madden Associates, offers  
18          testimony on Duke Energy Ohio's requested rate of return;
- 19          • Timothy J. Duff, General Manager, Portfolio Analysis & Regulatory  
20          Strategy, describes the Company's CDI proposal;
- 21          • Jeffrey W. Hesse, Director of Asset Design, presents testimony  
22          regarding Duke Energy Ohio's electric distribution system, our safety

- 1 and reliability programs, and support for adjusting the caps on Rider  
2 DCI;
- 3 • Retha I. Hunsicker, Vice President, Customer Connect Solutions,  
4 offers testimony regarding the Company's new customer information  
5 system;
  - 6 • Sarah E. Lawler, Vice President, Rates and Regulatory Strategy  
7 OH/KY, provides a detailed overview of the filing;
  - 8 • David G. Raiford, Manager Accounting I, offers testimony on Duke  
9 Energy Ohio's capital accounting processes, supports the net plant-in  
10 service included in proposed rate base, and sponsors certain  
11 accounting information used for the test period financial data;
  - 12 • John R. Panizza, Director, Tax Operations, addresses the Company's  
13 tax expense in the test period revenue requirement;
  - 14 • Benjamin W.B. Passty, Ph.D., Lead Load Forecasting Analyst,  
15 performed and supports the Company's load forecast;
  - 16 • Lesley G. Quick, Vice President Strategic Planning, Governance, and  
17 Technology, discusses the Company's current customer satisfaction  
18 initiatives to further improve the customers' experience;
  - 19 • Bruce L. Sailors, Manager Rates and Regulatory Strategy, offers  
20 testimony as to rate design and tariff language;
  - 21 • Jeffrey R. Setser, Director of Allocations and Reporting, supports the  
22 Company's various service agreements and associated allocations;

- 1 • John J. Spanos, Gannet Fleming Valuation and Rate Consultants, LLC,  
2 provides testimony on Duke Energy Ohio's latest depreciation study;
- 3 • Lisa D. Steinkuhl, Utility Strategy Director, provides testimony  
4 supporting Duke Energy Ohio's overall revenue requirement for the  
5 test period and certain adjustments to the test period financial data;
- 6 • Jacob J. Stewart, Director of Compensation, supports the Company's  
7 compensation and benefits programs;
- 8 • Danielle L. Weatherston, Manager Accounting II, provides testimony  
9 supporting the Company's financial data, including the income  
10 statement; and
- 11 • James E. Ziolkowski, Director, Rates and Regulatory Planning,  
12 provides testimony regarding Duke Energy Ohio's cost of service  
13 study.

**V. ATTACHMENTS SPONSORED BY WITNESS**

14 **Q. PLEASE DESCRIBE SCHEDULE S-4.1 OF THE APPLICATION.**

15 A. Schedule S-4.1 summarizes Duke Energy Ohio's corporate policies, practices, and  
16 organization. The summary describes the Company's processes for establishing  
17 policies, making decisions, and communicating our objectives throughout the  
18 organization.

19

1    **Q.    PLEASE DESCRIBE SCHEDULE S-4.2 OF THE APPLICATION.**

2    A.    Schedule S-4.2 summarizes the policies, practices, and organization for all major  
3           functional areas of Duke Energy Ohio.

4    **Q.    PLEASE DESCRIBE ATTACHMENT ABS-1.**

5    A.    Attachment ABS-1 is an excerpt from the 2020 J.D. Power Electric Residential  
6           Customer Satisfaction Study.

7    **Q.    PLEASE DESCRIBE CONFIDENTIAL ATTACHMENT ABS-2.**

8    A.    Attachment ABS-2 is Overview of Duke Energy Ohio's CSAT performance .

9    **Q.    PLEASE DESCRIBE ATTACHMENT ABS-3.**

10   A.    Attachment ABS-3 is a summary of the Company's proposed Public Information  
11           and Education Campaign.

## **VI.    CONCLUSION**

12   **Q.    WERE SCHEDULES S-4.1 AND S-4.2, AND ATTACHMENTS ABS-1,**  
13           **ABS-3, AND CONFIDENTIAL ATTACHMENT ABS-2 PREPARED BY**  
14           **YOU OR UNDER YOUR SUPERVISION?**

15   A.    Yes.

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

17   A.    Yes.

18



# J.D. POWER

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## 2020 Electric Utility Residential Customer Satisfaction Study Topline Overview

*December 16, 2020*

## PRESS RELEASE

### **Electric Utilities' Good Deeds – and Communication about Them – Pay Off During Pandemic, J.D. Power Finds**

16 December 2020

# 2020 J.D. Power Electric Utility Residential Customer Satisfaction Study

Overall, electric utility residential customer satisfaction for the industry is high, especially for customers that are aware of payment deferment and other good deeds offered by their utility during the pandemic, according to the J.D. Power 2020 Electric Utility Residential Customer Satisfaction Study,<sup>SM</sup> released today. **Open and frequent communication about policies and assistance programs has proven to be key in maintaining high customer satisfaction, especially during the pandemic. Satisfaction among customers who are aware of assistance programs during the pandemic is 795 (on a 1,000-point scale) vs. 719 among those customers who were not aware.**

“These satisfaction scores are evidence that kindness and being a good corporate citizen during challenging times is worth all the effort and communication that goes with it,” said John Hazen, managing director of utilities intelligence at J.D. Power. “The challenge will come in 2021 as electric utility providers go back to business as usual and continue collections and shut-offs. The way to maintain higher satisfaction will be to continue to communicate when these changes will occur and provide excellent service.”

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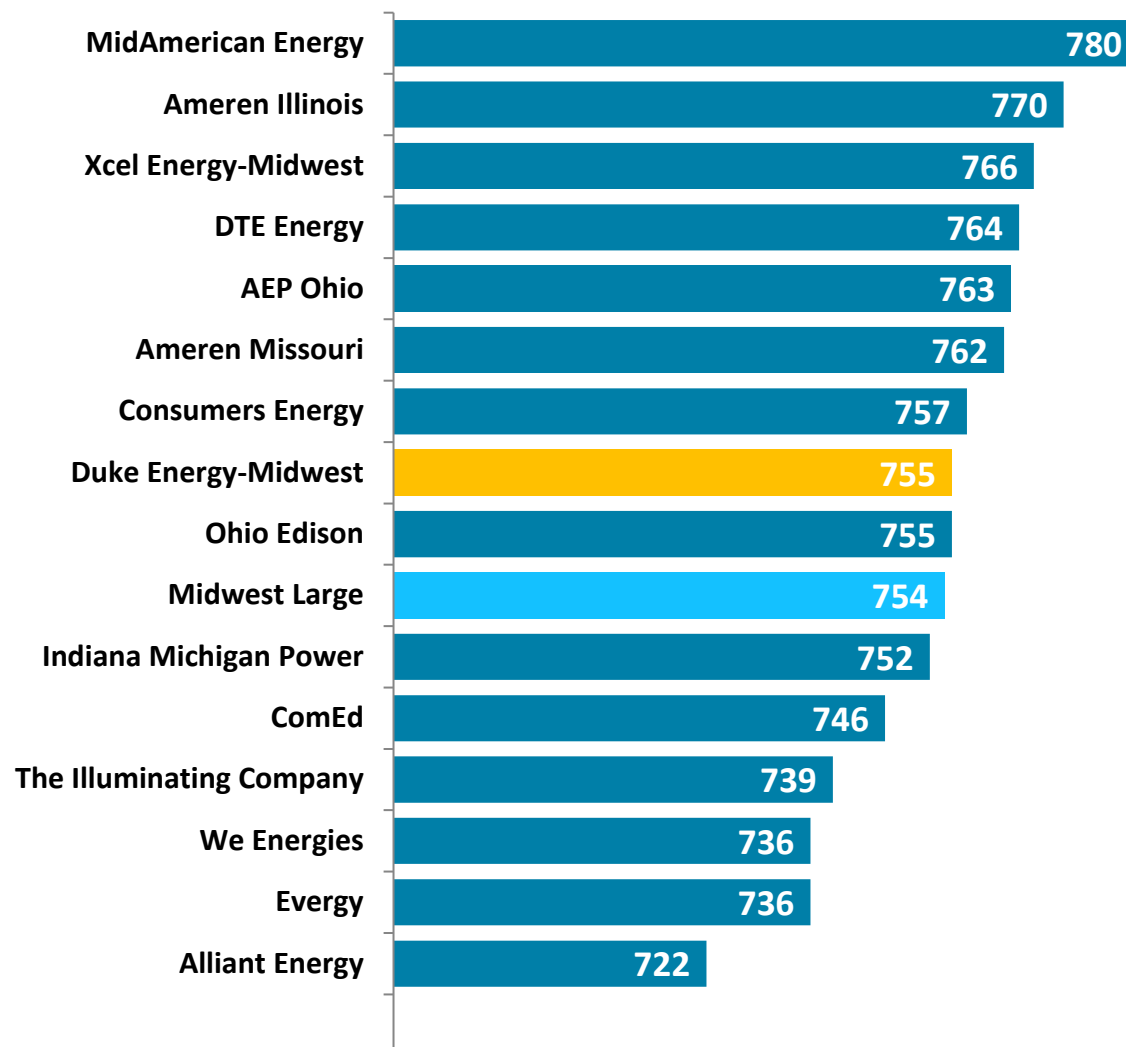
*The 2020 Electric Utility Residential Customer Satisfaction Study is based on responses from 96,546 online interviews conducted from January through November 2020 among residential customers of the 143 largest electric utility brands across the United States, which represent more than 102 million households.*

For more information about the Electric Utility Residential Customer Satisfaction Study, visit <https://www.jdpower.com/business/resource/electric-utility-residential-customer-satisfaction-study>.



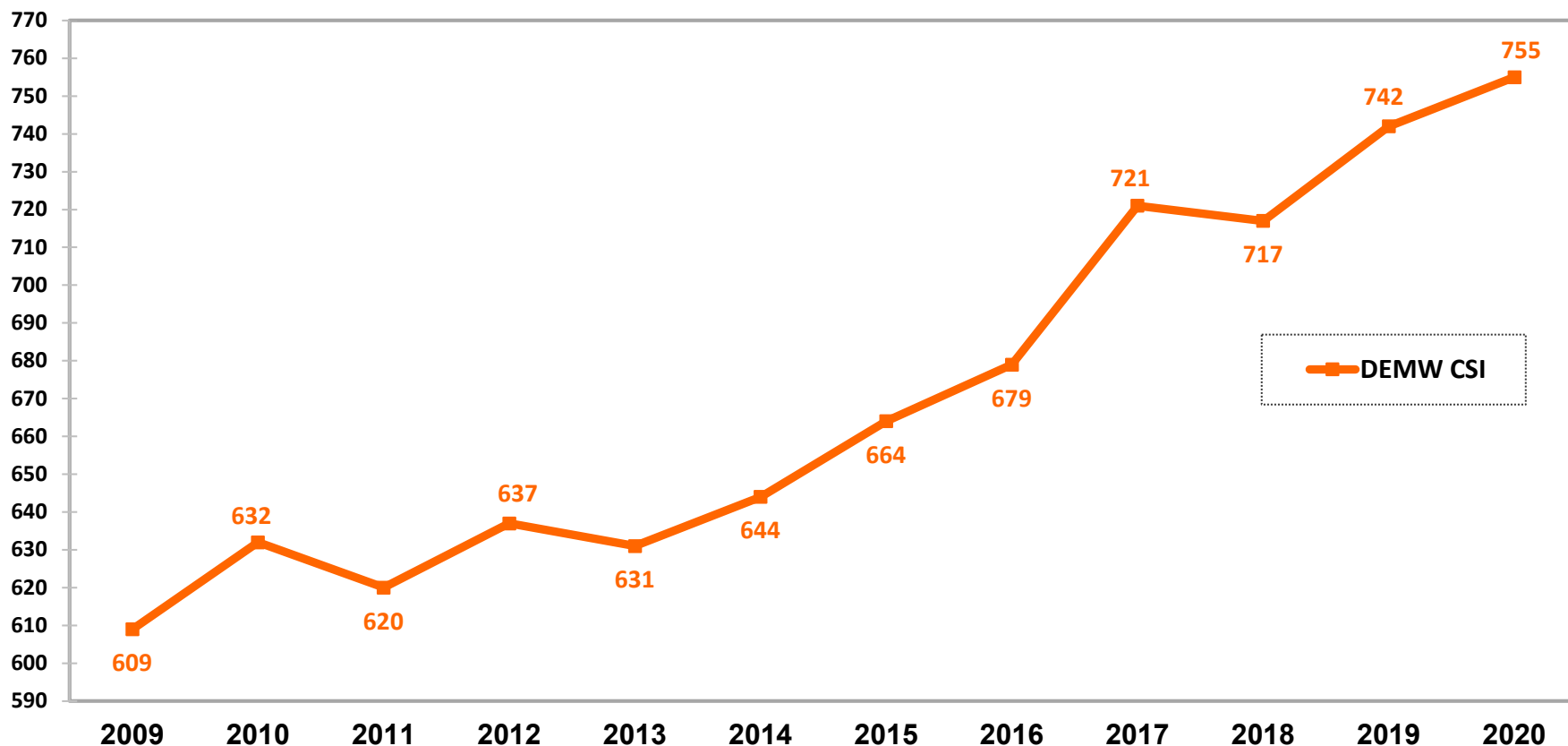
## 2020 J.D. Power EUR Study CSI: Midwest Large Segment

Midwest  
Large  
Region –  
Final Result





# J.D. Power Electric Utility Residential Customer Satisfaction Study Duke Energy Midwest (DEMW) CSI Trends



Attachment ABS-2 is being filed under seal.

## **PUBLIC EDUCATION & INFORMATION CAMPAIGN**

### **Duke Energy Ohio | 2021 Electric Distribution Rate Case |**

#### **GOAL**

The goal of Duke Energy Ohio's proposed public education and information campaign is to raise customer awareness on various topics and options related to their electric service.

#### **OBJECTIVES**

Pending additional research into customers' existing perceptions on a variety of topics related to their electric service, objectives of the public education and information campaign could be to:

- Improve our customers' understanding of safety issues related to storms and general electric utility operations.
- Enhance customers' knowledge of Ohio Electric Customer Choice and the makeup of their monthly electric bills.
- Inform customers about the growing number of illegal utility scams and the actions they should take if they suspect they're being targeted.
- Increase customers' awareness of free tools that can help them better manage their monthly electric bills and payments.

#### **AUDIENCE**

The target audience of Duke Energy Ohio's public education and information campaign are all Duke Energy Ohio residential, commercial and industrial electric customers in southwest Ohio.

#### **POTENTIAL TOPICS**

Each year, Duke Energy Ohio will select different topics to emphasize as part of the public education and information campaign. To determine which topics to focus on and when to run each communications campaign, Duke Energy Ohio may assess customer research, surveys and focus groups; community and stakeholder feedback; input from PUCO staff; and other formal feedback. Below are potential categories and topics that could serve as foundations for strategic communications programs.

- **Safety and well-being**
  - Stay safe before, during, and after a storm
  - Safety around power lines
  - Work zone safety
  - Call before you dig (8-1-1)
- **Rates, billing and customer conveniences**
  - Understanding Ohio Electric Customer Choice
  - How to choose a Competitive Retail Electric Service (CRES) provider
  - Understanding government aggregation and changes in supply contracts

- Understanding your electric bill
  - High bill alerts
  - Budget billing
  - Paperless billing
- **Energy conservation**
  - Benefits of conserving electricity
- **Utility scams**
  - Ways to identify utility scams
  - What to do when you think you're the target of a utility scam
- **Power outages**
  - Proactive outage notifications
  - How utilities restore electric service after a storm
  - Report a streetlight outage
  - What to do if you lose electric service

### **POTENTIAL CHANNELS**

Each strategic communications program Duke Energy Ohio pursues as part of its public education and information campaign will undergo a formal development process by the company's Creative Communications team. The team members and an external advertising placement agency (when necessary) will identify the appropriate messages and communications mediums for each topic.

Below are communications channels that could be used as part of the public education and information campaign. Please note: Emerging and yet-to-exist mediums will be considered in addition to the ones listed below.

- Television advertising
- Radio advertising
- Display advertising (online banners/video)
- Search engine marketing (paid search)
- Print advertising
- Out-of-home (billboards, busses, theaters)
- Social media organic and promoted posts
- Direct mail
- Email marketing
- Media relations

Communications Activity	Activity Description	Activity Cost	Activity Rationale
Monthly customer newsletters, including new customer welcome series-content writing, third party purchased content.	Electronic newsletters covering important customer-related topics including customer programs, bill paying options, scams, neighbor to neighbor, reliability improvements, rules and regulations, educate customers on tariff/rates best for them, etc.	\$60,000	Required under OAC - 4901:1-10-12 to provide customer rights and obligations. Use newsletter and links to meet customer handbook distribution requirements for customers willing to receive electronically.  Customers expect and want frequent and up to date information.
Monthly newsletter for managed accounts managed by a third party vendor	Information sent to our managed accounts and provides the customer with useful information	\$55,000	Required under OAC - 4901:1-10-12 to provide customer rights and obligations. Use newsletter and links to meet customer handbook distribution requirements for customers willing to receive electronically.  Customers expect and want frequent and up to date information. Content tailored to large commercial and industrial customers.
Community outreach events throughout the AEP Ohio service territory.	Allows AEP Ohio employees to have face-to-face interactions with customers to answer questions and promote customer billing programs, low income programs, etc.	\$90,000	Provides an opportunity to reach all areas within our service territory to help customers with questions and addressing concerns they have, plus helps build and support community relations.
Support Live Line trailer	Traveling exhibit which demonstrates electrical dangers with working or otherwise coming in contact with energized equipment	\$70,000	Public contacts have recently been an increasing concern. The Live Line Trailer is a highly engaging teaching tool. Coordinating and promoting public events and trainings for first responders is a necessary, and new, activity.
Ongoing customer satisfaction surveying phone and online via third party vendor to remove bias.	Customers will be surveyed frequently throughout the year following solution center contacts, program participation, social media responses, etc.	\$125,000	AEP Ohio believes this is necessary to measure customer feedback to make improvements in a timely manner and better meet the needs of our customers.
AEP Ohio Blog (aepohiowire.com)	Electronic message board which can be accessed any time by customers to get real time update information as well as view historical messaging	\$12,000	Enhance this medium to provide customers with timely and critical information about the complete range of topics related to their electric service
Manage new platform NextDoor	Share hyper-local information about service-related matters	\$25,000	This platform allows us to address reliability concerns on a neighborhood or potentially circuit- level geographic area. By providing targeted and relevant information we can increase customer readership and attention to the information.

Customer postcards concerning reliability, forestry and other specific improvement projects	Direct mail postcards	\$110,000	Direct mail postcards are the most effective way to reach all customers including customers not on email or social media. Includes printing and postage fees.
Collateral materials	General education pieces sent to customers or distributed at community centers, churches, schools, etc.	\$18,000	Provide an alternative channel for community outreach in printed form to reach customer segments without regular access to internet/email or other electronic means.
Focus Groups – one per year	Conduct annual focus group to measure the pulse of the customer. (Mix of residential and small businesses)	\$45,000	Used to measure customers feedback on service levels, improvements the customer would like to see, etc.
Produce digital media/Production of photos and videos of AEP Ohio	Messaging on electrical safety and company programs such as rate options, paperless billing and mobile alerts etc.	\$20,000	Educate customers on reliability, safety and forestry work. Used frequently in social media messaging and digital newsletters
Major Accounts Business Roundtable	One face to face customer meeting per district per year	\$10,000	Offers C&I customers the opportunity to learn about programs and service unique to their segment and to hear from peers how they are leveraging energy improvement ideas in their facilities. Opportunity for AEP Ohio to get feedback from customers on needs and evolving expectations to improve service.
Third Party Support Contract	Utilizing third-party support allows us to scale resources depending on current demand.	\$360,000	The work required is more efficiently and cost effectively managed by augmenting AEP Ohio's current three-person staff with an external support provider. This allows AEP Ohio to be cost effective while ensuring customers receive the information they need.
<b>TOTAL</b>		<b>\$1.000M</b>	

### **ILLUSTRATIVE ANNUAL BUDGET**

The following illustrative budget demonstrates how Duke Energy Ohio would, in theory, allocate campaign dollars each year. Depending on the topics chosen and length of each strategic communications program, the Creative Communications team may choose to emphasize certain communications tactics more than others from year to year.

Television	
Media Buys	\$ 192,000
Production & Talent	\$ 90,000
Radio	
Media Buys	\$ 74,705
Production & Talent	\$ 9,000
Online Video	
Production	\$ 20,000
Online Display Advertising	
Media Buys	\$ 45,000
Search Engine Marketing	\$ 18,000
Social Media Marketing	\$ 37,500
Print Advertising	
Media Buys	\$ 37,500
Out-of-Home Advertising	
Media Buys	\$ 62,500
Focus Groups	\$ 6,000
Bill Inserts	\$ 2,100
Direct Mail	
Postage	\$ 325,500
Printing	\$ 70,000
Photography	\$ 10,000
<b>TOTAL</b>	<b>\$ 999,805</b>



**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**10/15/2021 10:27:35 AM**

**in**

**Case No(s). 21-0887-EL-AIR, 21-0888-EL-ATA, 21-0889-EL-AAM**

Summary: Testimony Direct Testimony of Amy B. Spiller - PUBLIC electronically filed by Mrs. Tammy M. Meyer on behalf of Duke Energy Ohio Inc. and D'Ascenzo, Rocco and Kingery, Jeanne W. and Vaysman, Larisa and Elizabeth M. Brama