DUKE ENERGY OHIO EXHIBIT_____

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in Natural Gas Rates.	)))	Case No. 22-507-GA-AIR
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval of an Alternative Form of Regulation.	)))	Case No. 22-508-GA-ALT
In the Matter of the Application of Duke Energy Ohio, Inc., for Tariff Approval.	)))	Case No. 22-509-GA-ATA
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Change Accounting Methods.	)))	Case No. 22-510-GA-AAM

DIRECT TESTIMONY OF

RETHA I. HUNSICKER

ON BEHALF OF

DUKE ENERGY OHIO, INC.

_____ Management policies, practices, and organization

_____ Operating income

_____ Rate Base

_____ Allocations

_____ Rate of return

_____ Rates and tariffs

__X__ Other: Customer Information System

July 14, 2022

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I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Retha I. Hunsicker, and my business address is 400 South Tryon Street, Charlotte, North Carolina, 28202.

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

A. I am employed by Duke Energy Business Services LLC (DEBS), as Vice-President, Customer Experience Design and Solutions. DEBS provides various administrative and other services to Duke Energy Ohio, Inc., (Duke Energy Ohio or Company) and other affiliated companies of Duke Energy Corporation (Duke Energy).

Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATION AND PROFESSIONAL EXPERIENCE.

A. I hold a Bachelor of Science degree in Business Administration from Indiana Wesleyan University. Since 1981, I have been employed by, and worked for, companies under what is now Duke Energy. I began my career with Public Service Indiana, the predecessor to Duke Energy Indiana, LLC, (Duke Energy Indiana) as an accounting assistant. Since then, I have held positions with increasing levels of responsibility. More recently, the roles I've held include Director, Business Standards and Integration, and General Manager, Smart Energy Systems & Processes. In 2012, I took the position of Regional Director, Customer Services, leading our Midwest contact centers, before being promoted to Vice President, Customer Contact Operations in 2013. Beginning in 2015, I led the customer information system (CIS) consolidation project known as Customer

Connect, and I assumed my current role as Vice President, Customer Experience Design and Solutions in May 2022.

Q. PLEASE BRIEFLY DESCRIBE YOUR DUTIES WITH CUSTOMER CONNECT AND AS VICE PRESIDENT, CUSTOMER EXPERIENCE DESIGN AND SOLUTIONS.

A. I had executive management oversight over the customer information system (CIS) consolidation project known as Customer Connect, including the planning, execution, and deployment. As Vice President, Customer Experience Design and Solutions I lead the design and execution of end-to-end strategies for measurement, valuation, and improvement of the customer experience. I oversee customer marketing, engagement, and analytics, as well as the development and optimization of technology solutions that transform how customers experience and interact with Duke Energy.

Q. HAVE YOU PREVIOUSLY PROVIDED TESTIMONY BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO?

A. Yes, I have previously submitted written testimony to the Public Utilities Commission of Ohio.

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

A. The purpose of my testimony is to discuss the Company's legacy CIS, why it was necessary to convert that CIS into a modern customer service platform, and the implementation of the Customer Connect platform with regard to Duke Energy Ohio.

II. DISCUSSION

Q. PLEASE PROVIDE AN OVERVIEW OF THE CUSTOMER CONNECT SYSTEM AS COMPARED TO THE COMPANY'S LEGACY SYSTEM

A. Customer Connect is a customer engagement platform, including a CIS, which is a system that manages the billing, accounts receivable, and rates for the Company as a central repository for all customer information. A CIS links the consumption and metering process to payments, collections, and other downstream processes including additional work order requests such as service connections and disconnections, outages, and trouble requests. A CIS also manages customer profiles and integration of data to provide a holistic view of the customer and should enable expected customer capabilities.

The prior CIS (legacy CIS) for Duke Energy Ohio was developed more than thirty years ago, beginning in 1987, and was put into service in 1993. Although state-of-the-art nearly thirty years ago, the legacy CIS was not designed to efficiently support new capabilities, including personalized experiences for our customers, advanced pricing structures and billing options, and tools for customers to better manage their energy consumption. The complexity of add-ons to meet these evolving needs, including modifications as a result of de-regulation in Ohio, continued to increase, which in turn led to more system disruptions and increased outage recovery times. Further, the design limitations of the prior CIS required complex billing functions to be performed manually.

Q. WHAT BENEFITS DOES THE CUSTOMER CONNECT SYSTEM PROVIDE TO CUSTOMERS?

A. Customer Connect was implemented for Duke Energy Ohio in April 2022, providing the following key customer benefits and associated customer experience improvements:

- Modern, Configurable Billing Engine - improving the Company's responsiveness to regulatory or market changes and ability to implement modern rate structures (*e.g.*, net metering, time-of-use, etc.);
- Customer-Centric Data Model - Enables a "one customer" view, enabling the Company to know the customer better and provide a more streamlined, personalized experience;
- Holistic Customer Profile - The prior CIS only stored basic customer information - name, phone, address, premise and historical usage, billing, and payment information - preventing us from knowing our customers beyond these basic attributes. Customer Connect stores all of that same information and more, gathering all of the relevant touchpoints that customers are having with Duke Energy Ohio in real time - web visits, phone calls, power outages, outbound communications, product and service participation, etc. - to build out a holistic view of customers that can be leveraged to better serve them and personalize their experience;
- Integrated Analytics - This customer profile data is then leveraged by the integrated analytics capabilities of the new platform to personalize experiences and better serve customers through every channel. For

example, the new platform predicts the intent of customers when they call Duke Energy Ohio, thereby improving their experience in the IVR. This same capability can be leveraged to prioritize what information is conveyed to the customer and in the medium preferred by the customer, whether it is via web, email, or other channels, to ensure it is timely, relevant and valuable to them. These are just two examples of the multiple opportunities to leverage real-time analytics to improve our customers' everyday experience with Duke Energy Ohio.

- Multi-Company - With the prior CIS, customers existed as separate entities across jurisdictions. When a customer moved from one jurisdiction to another, all information about that customer was lost - communications preferences, product and service participation, etc. With Customer Connect, these types of account attributes remain at the customer level throughout their experience with Duke Energy as they move between locations and jurisdictions.

Q. PLEASE DISCUSS THE STAGES AND TIMELINE FOR THE CUSTOMER CONNECT PROJECT.

A. The Customer Connect project is comprised of three main stages: 1) Implementation, 2) Stabilization, and 3) Optimization. The primary focus for the Customer Connect program has been to successfully implement the new system for all of Duke Energy's regulated electric and gas utilities (excluding Piedmont Natural Gas), and to stabilize the platform following those deployments. Each deployment is followed by a period during which heightened support is provided

to end users and customers for as system stabilization is achieved. The goal of stabilization is to navigate and limit negative impacts to customers. Following stabilization for all deployments the Company will leverage and optimize the new platform and processes to enhance the customer experience while also improving work efficiencies and maintaining system performance.

Q. PLEASE DISCUSS THE IMPLEMENTATION EXPERIENCE FOR THE COMPANY AND ITS CUSTOMERS.

A. The Customer Connect Program was fully implemented for Duke Energy Ohio on April 6, 2022. With this implementation, the Company successfully transitioned all customer account data from its legacy billing system to the new Systems, Applications and Products in Data Processing (SAP) billing system, including more than one million accounts, and balancing approximately $260 million in accounts receivable. Meter reads, billing, and payments ("batch billing") were processed without manual intervention on day one of the transition and the systems have been performing well, maintaining over 99 percent availability. The Company intentionally reviewed bills for complex accounts to ensure they were established and billing correctly before sending the bills to customers. As shown below, the Company's deployment and stabilization of Customer Connect performed far better in the first 90 days than the industry benchmark metrics.

Figure 1 – Post-Implementation Billing Metrics

Metric (Post Go-Live)	Duke Energy (DEO) End of Month 1	Duke Energy (DEO) End of Month 3	Industry Benchmark (First 6 months avg.)
Delayed Bills	<1%	<1%	1-3%
Open Exceptions Impacting Billing	~150	~3,800	25k-35k
Batch Billing meeting all thresholds without intervention *	Day 1	Day 1	By Day 60

- Batch billing encompasses the creation/posting of meter reads and usage information, payment, service orders, billing, invoicing, associated accounting, and general ledger.

As shown above, with regard to batch billing being processed without manual intervention, the industry benchmark is to reach this metric by day 60, and the Company reached this benchmark on day one. Furthermore, the Company had less than one percent of bills delayed following its deployment, while the industry standard is a 1-3 percent average within the first six months of a customer information system deployment. Likewise with respect to open exceptions, which are accounts that require review prior to the invoice being sent to the customer, Duke Energy Ohio had less than 4,000 at the end of its first 90 days after deployment, exceeding the benchmark average of 25,000 – 35,000 for the first six months post-deployment.

Additionally, with the deployment of Customer Connect, the Company made improvements in processing customer requests via its website and Intelligent Voice Response unit (IVR) and has seen a steady increase in customers

taking advantage of fully automated processes such as move requests and billing and payment program enrollments.

The Company has also begun tracking customer behaviors post go-live and has noted customer adoption of new or enhanced self-service options. For example, since the deployment of Customer Connect nearly 25 percent of move requests are being completed through self-service options (i.e., website and IVR).

Finally, ahead of deployment, the Company increased both its call center and back-office staffing to minimize impacts to customers as employees were learning a new system. The Customer Connect program team implemented robust communications and contingency plans to respond to issues and have responded quickly with numerous external communications including outbound calls and email communications, as well as messaging on the external website and automated phone system to address customer confusion post-deployment.

Q. DID THE COMPANY APPLY ANY LEARNINGS FROM ITS CUSTOMER CONNECT DEPLOYMENT AT ANY OF ITS AFFILIATES WHEN IT IMPLEMENTED CUSTOMER CONNECT FOR DUKE ENERGY OHIO?

A. Yes. The Company demonstrated learnings from previous deployments as shown in the outcomes of the first three months post go-live for Duke Energy Ohio. The key areas of focus for the deployment, which proved to be beneficial, included: 1) enhanced pre-deployment messaging to customers, including all outbound communications, IVR and website messages to ensure customers were aware of upcoming system changes, down times, and suspension of disconnections for non-

payment; 2) improved the overall Company processes during the cutover period (where there were planned limited system capabilities) by leveraging technical solutions and increasing training for Customer Care Operations, which included calls handled during the cutover period, the manual forms process, and the ability to process payments during the cutover; 3) corrected known data and conversion issues for complex billing; and 4) improved training for complex scenarios by providing hands-on training in new system ahead of go-live for Duke Energy Ohio and provided supplemental training material.

Q. PLEASE DISCUSS THE STABILIZATION PERIOD EXPERIENCE FOR THE COMPANY AND ITS CUSTOMERS.

A. The platform stabilization period, called Hypercare, began immediately upon deployment of SAP and included activities such as heightened support for employees working in the new system (Customer Care, Billing, Accounts Receivable, Delivery Operations, etc.), issue tracking and resolution, and customer communications. Additionally, a dedicated Hypercare team was in place to support Certified Retail Electric and Natural Gas Suppliers ("Suppliers"). As discussed above, the goal of stabilization is to navigate and limit negative impacts to customers, and to their Suppliers, immediately following the implementation of the new system. During this time, the Customer Connect team closely monitors system and operational performance along with issue resolution and communicates impacts, where applicable, to customers and Suppliers.

Q. WHAT IS THE ESTIMATED COST FOR THE CIS IMPROVEMENT APPLICABLE TO DUKE ENERGY OHIO'S NATURAL GAS CUSTOMERS?

A. The estimated cost for Duke Energy Ohio's natural gas customers is approximately $48 million, with approximately $29 million in capital and approximately $19 million in O&M.

Q. IS DUKE ENERGY OHIO PROPOSING TO RECOVER ANY OF THE COST OF THE CIS REPLACEMENT IN THIS CASE?

A. The rate base included in these proceedings includes approximately $3 million of net plant in-service related to the functionality of the CIS system that has been placed in service as of March 31, 2022. The test year revenue requirement includes $1,779,473 of O&M expenses and $2,549,825 in proposed amortization of deferred O&M related to the implementation of the system. Duke Energy Ohio witness Mr. Jay P. Brown discusses this further in his testimony.

III. CONCLUSION

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

A. Yes.

Summary: Testimony Direct Testimony of Retha I. Hunsicker on Behalf of Duke Energy Ohio, Inc. electronically filed by Mrs. Tammy M. Meyer on behalf of Duke Energy Ohio Inc. and D'Ascenzo, Rocco and Kingery, Jeanne W. and Akhbari, Elyse Hanson and Vaysman, Larisa and Elizabeth M. Brama