

BEFORE THE
NEW YORK STATE
PUBLIC SERVICE COMMISSION

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Proceeding on Motion of the Commission as to the
Rates, Charges, Rules and Regulations of
Central Hudson Gas & Electric Corporation
for Electric Service

Case 17-E-_____

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Proceeding on Motion of the Commission as to the
Rates, Charges, Rules and Regulations of
Central Hudson Gas & Electric Corporation
for Gas Service

Case 17-G-_____

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**DIRECT TESTIMONY OF THE
CUSTOMER ENGAGEMENT PANEL**

July 28, 2017

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1 I. INTRODUCTION

2 Q. Please state the names of the members of the Customer Engagement
3 Panel ("Panel").

4 A. Our names are Laura A. Butler, Joseph J. Hally, Linda Harrison and Mark
5 J. Holtermann.

6 Q. Ms. Butler, please state your current employer and business address.

7 A. I am employed by Central Hudson Gas & Electric Corporation ("Central
8 Hudson" or the "Company") and my business address is 284 South
9 Avenue, Poughkeepsie, New York 12601.

10 Q. Ms. Butler, in what capacity are you employed by Central Hudson and
11 what is your scope of responsibilities?

12 A. I am the Director of Digital Customer Experience. In that capacity, I am
13 responsible for the planning, execution and reporting on our CenHub REV
14 Demonstration Project as well as identifying potential future
15 Demonstration Projects and opportunities to increase digital customer
16 engagement.

17 Q. Ms. Butler, what is your educational background and professional
18 experience?

19 A. I hold a Bachelor of Science degree in Electrical Engineering from
20 Clarkson University and a Master of Engineering degree in Electrical
21 Power Engineering from NYU. I joined Central Hudson in 2003 as a
22 Junior Engineer. Since that time I have held various technical and
23 supervisory positions within Electric Engineering Services, Customer

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1 Services and Information Technology. In 2015 I transferred to my current
2 position.

3 Q. Ms. Butler, have you previously testified before the New York State Public
4 Service Commission (“PSC” or the “Commission”)?

5 A. No, I have not.

6 Q. Mr. Hally, please state your current employer and business address.

7 A. I am employed by Central Hudson and my business address is 284 South
8 Avenue, Poughkeepsie, New York 12601.

9 Q. Mr. Hally, in what capacity are you employed by Central Hudson and what
10 is your scope of responsibilities?

11 A. I am employed by Central Hudson as Manager of Energy Transformation
12 & Solutions. My current responsibilities include oversight of Central
13 Hudson’s Energy Efficiency programs, Demand Response programs,
14 Implementation of Non-Wire Alternatives (“NWAs”), Implementation of
15 Demonstration projects, and participation within the Commission’s
16 Reforming the Energy Vision (“REV”) proceeding (Case 14-M-0101).

17 Q. Mr. Hally, what is your educational background and professional
18 experience?

19 A. I hold a Bachelor of Science degree in Business Administration with a dual
20 concentration in Management and Finance from The State University of
21 New York at Albany and a Master of Business Administration degree in
22 Finance from The State University of New York at Albany. I joined Central
23 Hudson as a Financial Analyst in 2004, and have held positions of

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1 increasing responsibility including Manager – Finance & Planning, Director
2 - Treasury Services and Director - Strategic Planning prior to assuming my
3 current role in 2015. Prior to joining Central Hudson, I was employed by
4 Orange and Rockland Utilities, Inc. as a Finance and Planning analyst.

5 Q. Mr. Hally, have you previously testified before the Commission?

6 A. Yes, I have testified before the Commission, most recently in Cases 14-E-
7 0318 and 14-G-0319.

8 Q. Ms. Harrison, please state your current employer and business address.

9 A. I am employed by Central Hudson and my business address is 284 South
10 Avenue, Poughkeepsie, New York 12601.

11 Q. Ms. Harrison, in what capacity are you employed by Central Hudson and
12 what is your scope of responsibilities?

13 A. I am employed by Central Hudson as the Manager of Customer Account
14 Services. I am responsible for managing the Call Center, Consumer
15 Outreach, Collections, Meter Readings and Commercial Operations.

16 Q. Ms. Harrison what is your educational background and professional
17 experience?

18 A. I received a Bachelor of Science Degree in Business Administration from
19 Marist College in 1982 and a Master in Business Administration from
20 Marist College in 1989. Since 1984, I have been employed continuously
21 by Central Hudson in a variety of positions throughout the Company,
22 including Customer Services, Human Resources and Accounting.

23 Q. Ms. Harrison, have you previously testified before the Commission?

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1 A. Yes, I have testified before the Commission, most recently in Cases 14-E-
2 0318, 14-G-0318, 09-E-0588 and 09-G-0589.

3 Q. Mr. Holtermann, please state your current employer and business
4 address.

5 A. I am employed by Central Hudson and my business address is 284 South
6 Avenue, Poughkeepsie, New York 12601.

7 Q. Mr. Holtermann, in what capacity are you employed by Central Hudson
8 and what is your scope of responsibilities?

9 A. I am employed by Central Hudson as the Vice President of Information
10 Technology. In that capacity I have accountability for all areas of
11 Information Technology including providing all technology services to the
12 employees of Central Hudson, our customers, and partners, with the
13 exception of operational technology (i.e., SCADA solutions).

14 Q. Mr. Holtermann what is your educational background and professional
15 experience?

16 A. I have a Bachelor's of Business Administration in Accounting and
17 Management from Memphis State University, now University of Memphis,
18 and a Master of International Business Administration from Nova
19 Southeastern University. I have over 25 years of experience in IT with
20 roughly 12 years in the Transportation industry, 3 years in a consulting
21 capacity for various industries, and over 10 years in the Energy & Utilities
22 industry. I joined Central Hudson in April 2014.

23 Q. Mr. Holtermann, have you previously testified before the Commission?

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1 A. No, I have not.

2 **II. PURPOSE OF TESTIMONY**

3 Q. What is the purpose of the Panel's testimony in these proceedings?

4 A. The purpose of the Panel's testimony is to highlight some of the current
5 and proposed Company initiatives that will allow Central Hudson to
6 enhance customer engagement. We first address Central Hudson's view
7 of customer engagement and the channels utilized to communicate and
8 interact with customers. Next, the testimony discusses: (1) the need to
9 enhance current communication channels to continue to meet evolving
10 customer expectations; (2) initiatives to simplify the decision making
11 process surrounding customer investments in Distributed Energy
12 Resources ("DERs") through increased personalization and customer
13 facing applications within our online customer engagement platform,
14 CenHub; and (3) the enabling technologies required to achieve these
15 advancements. Finally, we will discuss the timeline of these various
16 initiatives, the staffing, costs and revenue streams, and the continued
17 expansion of CenHub.

18 Q. Is the Panel sponsoring any exhibits in support of its testimony?

19 A. No.

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III. CUSTOMER ENGAGEMENT

Q. How do you define customer engagement?

A. We view customer engagement as the relationship established with a customer via interactions with the Company through various channels of communication.

Q. Why is improving customer engagement important to customers?

A. Central Hudson aims to be a trusted energy advisor that introduces choice, comfort, and convenience into its customers' lives. Central Hudson will do this by helping to identify products, services and assistance programs that allow customers to conveniently manage their bill, energy use, or environmental impact. Central Hudson may provide these products and services directly to the customer or facilitate the interaction between the customer and a third party. Since the preferred channel for information or interactions varies by consumer, the Company seeks to provide customers with the opportunity to interact with Central Hudson and their chosen energy products and services in the most convenient manner. Through the initiatives specified in this testimony, the Company will improve customer engagement in a device agnostic manner that provides options for all customers via the channel of their choice.

Q. Are there other reasons to improve the Company's customer engagement?

A. Yes. Evolving customer expectations have changed the way that other industries are interacting with their customers and Central Hudson must

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1 modernize its customer engagement capabilities to meet the elevated
2 customer expectations formed by our customers' experience with other
3 industries, products, and services.

4 Q. Please elaborate on how customer expectations have changed.

5 A. Customers now expect interactions to be tailored to their personal
6 preferences, to have more control and to reduce information overload.
7 Customers don't want to sort through volumes of options or information,
8 but instead they expect companies to perform this vetting for them.

9 Q. Can you provide one real world example of customer interactions with
10 another industry that illustrates how customer expectations have evolved?

11 A. Netflix is a provider of on demand television content. It introduced a new
12 level of customer choice and control by offering customers the ability to
13 watch what they want when they want. Netflix's business model allows
14 customers to avoid the constraints of cable TV's traditional viewing
15 schedule or having to leave the comfort of their home to rent a video.
16 Additionally, customers have control over viewing options with features
17 such as parental controls which allow the customer to choose which video
18 options are displayed. These aspects of choice, convenience and control
19 are ones that customers have widely embraced. Additionally, Netflix
20 provides additional value by making recommendations based on the
21 customer's historic patterns of behavior. These types of
22 recommendations expand the concept of convenience for the customer

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1 and filter out items they are not likely to be interested in, making the
2 recommendations relevant, personalized and actionable.

3 Q. How will Central Hudson improve customer engagement?

4 A. Central Hudson is proposing a multi-pronged customer engagement
5 strategy. The strategy enhances and increases the channels available for
6 interaction with Central Hudson and introduces new initiatives. As shown
7 in Table 1 below, these initiatives will: 1) increase choice, convenience,
8 and control by improving customers' ability to understand and manage
9 energy usage and bill payment options; 2) increase choice, convenience,
10 and control by providing guidance regarding relevant products and
11 services that fit customers' home and energy use profiles; 3) empower
12 customers to make informed decisions and take actions that contribute to
13 environmental goals of energy efficiency, system efficiency and carbon
14 reduction; and 4) increase convenience by improving customers' ability to
15 access personalized outage information. These initiatives are part of the
16 Company's Digital Interactive Strategy developed by Central Hudson's
17 Digital Interactive Working Group and are included in the testimony and
18 exhibits of Company Witness Holtermann.

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Table 1: Proposed Initiatives by Customer Interest

Proposed Customer Facing Initiatives	Understand, Manage and Pay the Bill	Products & Services	Community	Personalized Outage Information
Bill Redesign Project	✓	✓		
Mobile Platform Enhancement	✓	✓	✓	✓
Additional Self-Service Options	✓	✓		✓
Personalized Dashboard	✓	✓	✓	✓
Third Party Partnership Portals	✓	✓		
Personal Usage Disaggregation	✓			
Calculator Tool Suite	✓	✓		
Municipal Aggregation	✓		✓	
Customer Defined Comparison Groups	✓		✓	

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IV. CUSTOMER INTERACTIONS AND CHANNEL PREFERENCES

4

Q. How are customers currently interacting with Central Hudson?

5

A. Customers currently interact with Central Hudson through a combination of traditional communication methods and digital channels. Traditional communication channels include the bill and bill inserts, email, phone including our Interactive Voice Response (“IVR”), and in-person interactions at community events. Digital channels include, CenHub, LiveChat, our mobile app, social media, and our text notifications system, Notifi, which is discussed in more detail later in this testimony.

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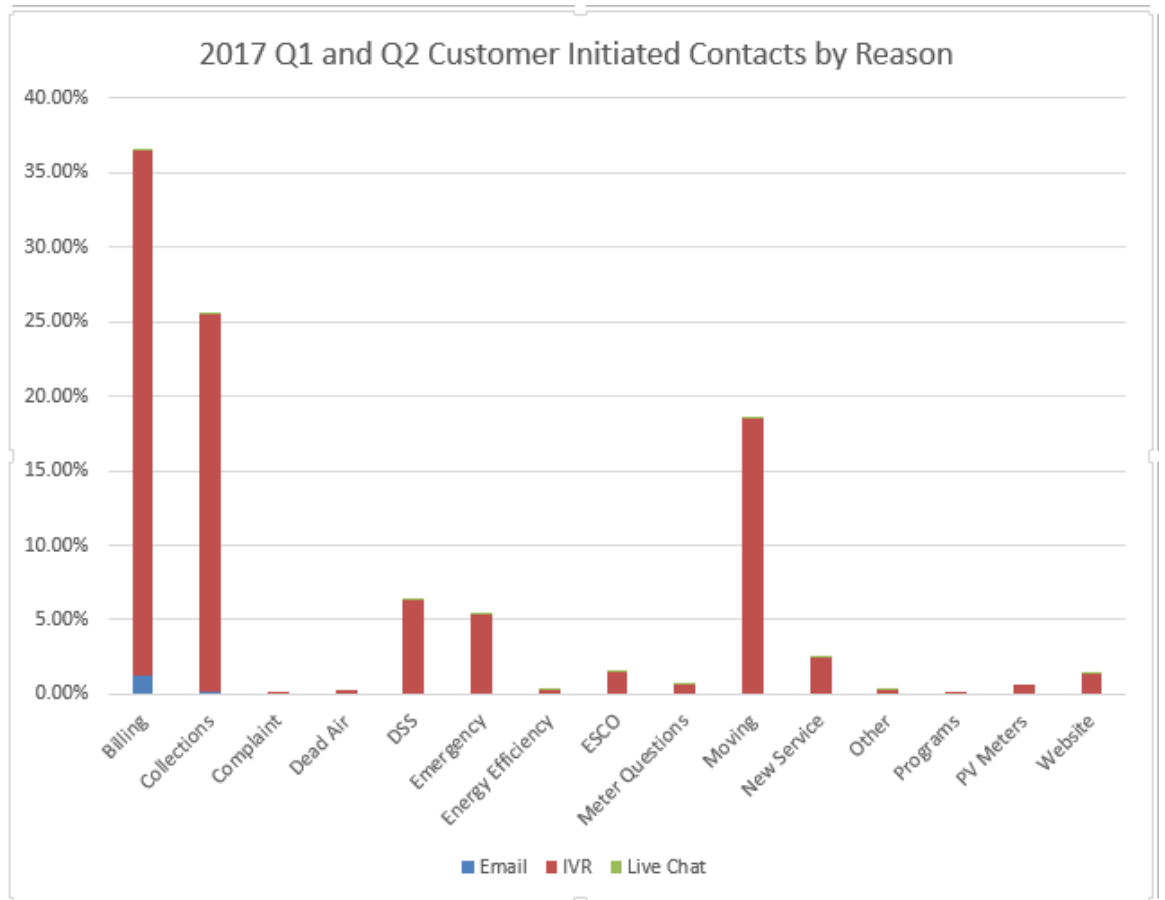
As can be seen in Table 2 below, which summarizes customer contacts for the first six months of 2017, customers primarily utilize the phone or IVR to contact Central Hudson. Overwhelmingly, the data

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1 demonstrates the most frequent contacts from customers are related to
2 billing and collections.

3 Table 2: Customer Initiated Contacts by Reason

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6 Q. Why are customer billing and collection concerns the largest driver of
7 customer initiated contacts?

8 A. Many customers have difficulty understanding how the quantity of energy
9 they use, along with fluctuations in commodity prices, impact their monthly
10 bill. Customers may lack insight into how energy use, various appliances
11 and rate options affect their monthly bill. They may also be unaware of

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1 their eligibility for various assistance programs available to help them
2 manage their bills. These customers are contacting the Company looking
3 for additional information and guidance in these matters.

4 Q. At this time are the majority of customers primarily using one
5 communication channel to contact the Company?

6 A. Yes. As seen in Table 2, the vast majority of customer initiated contacts
7 occur through the phone or IVR. Customers likely use the phone to
8 contact Central Hudson due to their comfort with this channel, uncertainty
9 with the subject matter and the newness or lack of familiarity with the
10 availability of other channels offered to them.

11 Q. Do some customers interact with Central Hudson through other newer
12 channels?

13 A. Yes. Customers interact with Central Hudson through a variety of
14 channels. Increasingly many of these interactions are digital in nature.
15 For example, as of June 1, 2017, 42.5% of Central Hudson's residential
16 customer population is enrolled in the online self-service platform,
17 CenHub, and 19.5% of customer payments processed in 2016 were online
18 payments. Additionally, during winter storm Stella (March 9, 2017 –
19 March 16, 2017) sign-ups for Notifi increased from 12,758 to 13,987 or by
20 9.6%. Overall, customers completed annually over 571,700 self-service
21 transactions through the web and mobile channels and 584,278 self-
22 service transactions via the IVR.

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1 Q. Please further describe the Notifi system previously mentioned.

2 A. Notifi is a text messaging notification system through which a customer
3 can report an outage, get outage restoration information, and get billing
4 and payment notifications for a specific account. This system also allows
5 the Company to send proactive messages that inform a customer when
6 their bill is available, alert of a possible power outage, inform the customer
7 when power is expected to be restored, and follow-up with the customer to
8 confirm restoration.

9 **V. PROPOSED CHANNEL ENHANCEMENTS**

10 Q. What enhancements to the customer interaction channels is Central
11 Hudson proposing?

12 A. Central Hudson is proposing: 1) a redesign of the customer bill; 2)
13 enhancement of mobile engagement channels; and 3) an increase to the
14 number of digital self-service options.

15 Q. Why is Central Hudson proposing a redesign of the customer bill as part of
16 its enhancements?

17 A. The customer bill remains a primary customer interaction tool. It contains
18 critical information that may be communicated via a multitude of channels.
19 As such the Company plans to pursue a 'Customer Bill Redesign' project,
20 which is described further in the direct testimony of Company Witness
21 Holtermann. A modernized bill design will allow the Company to
22 communicate billing and usage information in a way that allows for: 1) a

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1 less cluttered presentation of billing information; 2) the use of updated
2 charts, graphs, and infographics to better illustrate the connection
3 between the amount of energy used and the billed amount; 3) the
4 promotion of convenient self-service options and alternative billing and
5 payment options; and 4) the promotion of products, services and rate
6 designs that can assist customers in managing their energy use and bill
7 impact.

8 Q. At this time, has the Company identified the fully redesigned bill format
9 that it wishes to implement?

10 A. No. Central Hudson is proposing a thorough redesign process that
11 includes a “requirements gathering process” followed by the compilation of
12 the design of the bill that will take place during the first six months of the
13 Rate Year (i.e., the twelve months ending June 30, 2019). Out of that
14 “requirements gathering process,” a redesigned bill format will be
15 developed.

16 Q. In addition to the proposed bill redesign, is the Company also seeking to
17 enhance the ability of customers to interact through the mobile channel?

18 A. Yes. Increasing customer engagement is not just about the content that is
19 delivered to the customer; equally important is how it is delivered. Looking
20 out several years, our future customers and incoming employees are
21 currently only in their late teens. This demographic has grown up on
22 mobile devices and prefers mobile and text communication channels.
23 Behaviorally, they expect conversational messaging, instant response and

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1 unlimited data. They spend a great deal of time interacting with social
2 media outlets and have the power to influence a broad network of peers.
3 By delivering valuable information through the mobile medium that these
4 future customers are most familiar with, we can engage our customers
5 and empower our employees.

6 Q. Why is it necessary to invest in Mobile Platform Improvement?

7 A. According to Google Analytics, a web analytics service that tracks and
8 reports website traffic, Central Hudson’s mobile user population is 33%
9 lower than other utilities with similar overall web traffic. In addition,
10 approximately 5% of incoming traffic to our website is a result of
11 customers selecting to transition from the mobile site to the desktop
12 version. Both of these statistics indicate that customers are not finding
13 what they are looking for on our mobile site. Another statistic that informs
14 our decision to invest is the difference between mobile use of the Central
15 Hudson main website and our Cenhub Store site. During the first half of
16 2017, 25% of web traffic to the Central Hudson main website was from
17 mobile devices, whereas 32% of CenHub Store traffic was from the same
18 source. This suggests that users prefer the responsive design capabilities
19 of the CenHub Store website, which the Central Hudson main website
20 does not use. Responsive design enables web page content and
21 applications to respond to the size of the screen associated with the
22 device the customer is using. Moving to a more responsive design will
23 close the gap between our full website and mobile website experience by

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1 providing an experience that is tailored to the needs and preferences of
2 the customer.

3 Q. Does the Company plan to enhance the area of digital self-service?

4 A. Yes. The specific investments in digital self-service are detailed in the
5 'Enrich the Customer Experience and Improve Customer Engagement'
6 section of the testimony of Company Witness Holtermann. Overall, the
7 self-service enhancements are aligned with enabling the customer
8 expectations we described earlier. The intent is to provide customers with
9 the ability to access all of our services via the channel of their choice at
10 the time they choose. Continued investment in this area will offer
11 customers more convenience and control, while reducing confusion
12 through simplified transactions and clear messaging.

13 **VI. PERSONALIZATION AND CUSTOMER GUIDANCE**

14 Q. Is Central Hudson proposing to improve customer engagement through
15 any other means?

16 A. Yes. We are proposing to further increase our customers' convenience
17 and control by improving the means by which they can manage their
18 energy use and the associated financial and environmental impacts. In
19 order to provide these benefits, the Company must increase its ability to
20 provide personalized and relevant guidance and advice to customers.

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1 Q. What enhancements to personalization and customer guidance are you
2 proposing?

3 A. Central Hudson is proposing the development of: 1) personalized
4 customer dashboards; 2) third-party partnership portals; 3) personal usage
5 disaggregation; 4) calculator tools; 5) Municipal Aggregation reporting and
6 comparisons; and 6) customer defined comparison groups.

7 Q. Please describe Central Hudson's personalized customer dashboards.

8 A. The intent of a personalized dashboard is to provide a landing page that
9 allows customers to view information that is pertinent to their specific
10 account and energy use habits. The goal is to enhance the current
11 customer experience achieved by accessing the CenHub 'My Account'
12 landing page by providing a page that: 1) exposes account specific
13 information; 2) highlights relevant programs and rate options; 3) displays
14 information related to distributed energy resources; 4) facilitates energy
15 management decisions; and 5) clearly and timely informs of events, such
16 as appointments, work being performed in their area, or weather. In order
17 to provide a seamless customer experience, this landing page must be
18 accessible from any device the customer chooses to utilize in accessing
19 CenHub.

20 Q. Can you further describe the concept of personalization?

21 A. Yes. Personalization is a method in which information is presented based
22 on known customer attributes. This method is used heavily in online
23 interactions that customers are accustomed to across industries. For

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1 example, by logging into a financial institution’s website and authenticating
2 through a username and password, only information relevant to the
3 individual’s banking account(s) is surfaced. Personalization removes the
4 clutter of generic messaging to deliver timely and relevant information. It
5 reduces the homework and research the customer has to perform on their
6 own, which is often a barrier to program participation.

7 Q. Please discuss Central Hudson’s proposal regarding “Third Party
8 Partnership Portals”?

9 A. Central Hudson is proposing to add functionality to CenHub that allows
10 customers to view side-by-side comparison offers, enroll with an ESCO or
11 in Community Distributed Generation (“CDG”), or purchase services
12 provided by third parties. Customers will also have the ability to share
13 personal testimonial reviews with other customers. In order to provide this
14 functionality, an online comparison shopping experience similar to those
15 offered in the travel industry would be developed. Searching for travel
16 accommodations through travel sites like Orbitz, Travelocity, CheapHotels
17 and Priceline requires minimal input from the customer, returns relevant
18 information for side-by-side comparison shopping, and offers the ability to
19 book accommodations easily. Customers are also able to access reviews
20 and filter search results based on the criteria that is most important to
21 them. The “Third Party Partnership Portals” would allow customers to
22 utilize Central Hudson’s website to access real-time quoted pricing from
23 multiple suppliers and enroll with their supplier of choice. Customers

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1 would also be able to view service level ratings and have the ability to
2 read and share feedback through a customer review feature.

3 Q. What third party provided services would be available through CenHub?

4 A. We expect to partner with Simple Energy, Home Advisor and our Trade
5 Allies to allow customers to utilize Home Advisor’s concierge service.
6 Concierge service is a feature that assists customers in determining a
7 contractor best suited to meet their needs. This experience is designed to
8 increase customer convenience.

9 Q. Please describe Central Hudson’s proposal regarding personalized usage
10 disaggregation.

11 A. Personal usage disaggregation is the ability to breakdown a customer’s
12 energy usage information into more granular detail, including displaying
13 the contribution to overall usage from specific appliances. This can be
14 accomplished by installing hardware sensors or using usage profile based
15 algorithms that differentiate the kWh associated with large appliances or
16 heating/cooling systems within the home.

17 Q. How can this information be used by the customer?

18 A. The energy information provided at the appliance level can be used to
19 inform customers of where they have potential to reduce their energy use
20 or replace an inefficient appliance with one that is more energy efficient.

21 Q. Would other information be paired with the disaggregation data?

22 A. Yes. Billing information, meter reads, and time-of-use (“TOU”) periods
23 would be displayed along with the disaggregated load data. In

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1 combination with personalized advice, customers would have deeper
2 insight into how to manage their energy usage and undertake defined
3 actions.

4 Q. Please describe the proposed calculator tools suite.

5 A. Central Hudson is proposing a suite of calculator tools, one of which will
6 be a Rate Calculator. The Rate Calculator will be based on an analysis of
7 the customer's metered usage and will inform the customer of potential
8 savings by switching to an alternative rate, such as TOU or the Smart
9 Home Rate.

10 Q. What other types of calculators is Central Hudson proposing to offer?

11 A. In addition to the Rate Calculator, Central Hudson plans to create a Fuel
12 Switching Calculator, a Payment Option Calculator and various Energy
13 Efficiency Calculators.

14 Q. Can you describe each of these calculators in more detail?

15 A. Yes. The Fuel Switching Calculator will be based on Home Profile
16 information, usage data, natural gas locator information and customer
17 input information. The calculator will inform the customer what they would
18 have paid for each fuel type compared to their historic bill on their existing
19 fuel source. The purpose of the Payment Option Calculator is twofold: 1)
20 to raise awareness of and simplify the enrollment in various bill and
21 payment options such as ebill, direct pay, auto pay and budget billing; and
22 2) to inform customers of their budget bill amount before making the
23 decision to switch to this payment option. These payment options are

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1 ones that exist in some form today but are offered in distinctly different
2 areas of the website and some require paper forms to be submitted. The
3 suite of calculators would aim to streamline the customer’s decision
4 making process by comparing options side by side for the customer. The
5 Energy Efficiency Savings Calculator would enable the customer to
6 calculate savings related to replacing appliances or products in their
7 home. The LED calculator would allow the customer to select the number
8 of incandescent lights they are planning to replace with LEDs and to
9 calculate the potential savings. The customers would also be able to buy
10 the products in the CenHub Store, learn more by visiting the LED buyers
11 guide or find out about in-store incentives offered through our energy
12 efficiency programs. The Thermostat Calculator would allow the customer
13 to calculate savings based on inputting their heating/cooling source and
14 the number of degrees by which they plan to adjust their thermostat.
15 Similar to the LED Calculator, it would offer a call to action for the
16 customer to purchase a thermostat on the CenHub Store or to learn more
17 by visiting the Thermostat buyers guide.

18 Q. How will Municipal Aggregation be addressed?

19 A. Through Municipal Aggregation we would provide aggregated usage data
20 by municipality. Residential customers and elected officials would have
21 the ability to compare among municipalities. Residential customers would
22 also have the ability to identify how their personal energy usage behaviors
23 contribute to their community standing. Based on customers usage

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1 information, Central Hudson would be able to deliver specific seasonal
2 and unique tips to the customer to help them positively contribute to their
3 community's energy goals. This level of transparency should increase
4 customer engagement and contribute to achieving New York State's
5 Energy Goals.

6 Q. What is a customer defined comparison group and how is it different from
7 the information currently available to Central Hudson's customers?

8 A. Today, customers are provided energy usage comparison information
9 through CenHub Insights. These comparisons are in the form of graphical
10 representations of their usage in relation to similar homes and the most
11 energy efficient homes within their comparison group. The comparison
12 groups are defined by the Company using a customer's location and home
13 size. With a customer-defined comparison group option the customer can
14 invite other customers to be part of their comparison population. The
15 invitee must accept the invite before being added to the comparison group
16 and has the ability to leave the group at any time.

17 Q. Why would a customer want to create their own comparison group?

18 A. This functionality is very popular in other industries such as health and
19 fitness. For example, Fitbit has been very successful in part through its
20 ability to allow customers to invite friends to short term fitness challenges
21 or longer term fitness support groups. All of the members can see their
22 progress and that of their group members. This functionality can create a
23 feeling of community and accountability driving the customer to take action

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1 and pride in their accomplishments. In the context of energy use, this can
2 motivate the customer to find ways to reduce their energy usage and live a
3 more energy efficient lifestyle.

4 Q. How will each of these identified initiatives benefit Central Hudson
5 customers?

6 A. These initiatives all contribute to better informing the customer through
7 correlating usage data with billing information, further breaking down
8 energy usage to show which devices are impacting usage, and raising
9 awareness of programs the customer is eligible to participate in, all of
10 which should provide the customer a convenient manner to access
11 actionable information and to have greater control over their usage and
12 bill. Furthermore, Municipal Aggregation provides broader insight into how
13 the customer can contribute to town, county and state wide level
14 conservation goals. At the same time the comparison tools introduce
15 elements of competition and support dependent on the customer’s unique
16 needs.

17 **VII. ENABLING TECHNOLOGIES**

18 Q. What technology investments are necessary to enable Central Hudson’s
19 customer engagement initiatives?

20 A. As detailed within the testimony and/or exhibits of Company Witness
21 Holtermann, Central Hudson is proposing investments in Customer
22 Information System (“CIS”) Modernization, New Products & Services,
23 Extending Self-Service Options and Digital Channels Optimization.

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1 Specific investments that will enable the functionality mentioned in this
2 testimony include: 1) Customer 360; 2) Responsive Design; 3) Application
3 Integration with Services Oriented Architecture (“SOA”); 4) Single Sign On
4 Redesign; 5) Cross-Channel Synchronization; and 6) the CIS
5 Modernization initiative.

6 Q. What is Customer 360 and why is it necessary?

7 A. Customer 360 is a data repository that can serve up various forms of
8 customer data to the website during a customer visit and present relevant
9 and actionable information. Any attempt to provide incremental
10 personalization within the customer experience is reliant on a rich data
11 source system that acts as a repository of attributes about the customer.
12 For example, such information would include their heating source or
13 residence type, which may determine the customer’s eligibility to
14 participate in various programs. From a program administrator standpoint,
15 this will provide insight into program participation rates and customer
16 engagement, which will allow us to more effectively manage and create
17 new customer programs.

18 Q. Why is responsive design a required investment?

19 A. As previously mentioned, responsive design is a framework methodology
20 for digital design that results in the content on a website adjusting to the
21 screen size of the device the customer is using to access the site. This
22 framework is created from a single Uniform Resource Locator (“url”) or
23 web address, rather than having to build individual websites (different urls)

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1 specifically for mobile devices. This approach allows for more flexibility in
2 design and a better customer experience, because the customer is not
3 limited to a specific device for accessing information. Responsive design
4 is required to support the enhancement of our mobile engagement
5 channels. As we previously discussed, the Company's current online
6 experience is disjointed, offering different user experiences on the mobile
7 app and mobile website. Responsive design will facilitate meeting our
8 customers evolving expectations for an improved mobile platform.

9 Q. What is meant by Application Integration with SOA?

10 A. In the context of Central Hudson's digital customer engagement strategy,
11 application integration describes the connections between Central
12 Hudson's internal systems as well as connections with 3rd party solutions.

13 Q. Why is SOA required?

14 A. In order to seamlessly reference, compile, and present information to
15 customers across any of our products or services offerings, we need to
16 provide an integration layer that is flexible and scalable to work across
17 both internal and external systems. We have invested in an integration
18 architecture known as SOA. SOA is further described in detail within the
19 testimony of Company Witness Holtermann.

20 Q. What is meant by Single Sign On?

21 A. Single Sign On is a method of system authorization and access in which
22 one unique user name and password is applicable to multiple applications.

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1 In the example of a website, a user can sign in once and click through all
2 of the pages on the site without having to login again to other applications.

3 Q. Why is Single Sign On required?

4 A. To continue to build upon the seamless customer experience that CenHub
5 delivers, we need to have the ability to integrate with our web and mobile
6 solutions through single sign on. This integration would allow the
7 customer to log on to CenHub with their username and password and
8 have access to products and services offered external to the CenHub
9 website. The personalized dashboard, third-party partnership portals, and
10 personal usage disaggregation will all require single sign on in order to
11 provide the customer a seamless experience, one that avoids the
12 inconvenience and inefficiency of multiple authentication requirements.

13 Q. Is the need for Single Sign On limited to only the customer's experience?

14 A. No. In fact, improvements in the area of Single Sign on are necessary for
15 both internal employees as well as external customers. Internally our
16 systems are not all seamlessly connected. At present, the Call Center is
17 the Company's first line of communications with customers. In order to
18 access information about a customer's account, their payment history, and
19 energy efficiency tips, Customer Service Representatives often have to
20 log in to multiple distinct systems, all with unique logins. This is an
21 undesirable and inefficient process in an area where speed of resolution is
22 critical. We are proposing improvements that will connect the systems

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1 that our Call Center representatives utilize to allow access through a
2 single sign on process.

3 Q. What is meant by Cross-Channel Synchronization?

4 A. Cross-Channel Synchronization is the syncing of offerings and content
5 across all channels (IVR, Website, Mobile Web, Mobile App, Text, Social
6 Media).

7 Q. Why is further investment in Cross-Channel Synchronization required?

8 A. As previously mentioned, the Company seeks to enable customers to
9 have a seamless and effective experience, which includes the need for
10 products and services offerings to be available within the customer's
11 preferred channel. This is not the case today, and going forward, we want
12 to ensure that both existing and new offerings are synchronized.

13 Q. Why are improvements needed for CIS?

14 A. The need for improvements in CIS is primarily addressed in the testimony
15 of Company Witness Holtermann. CIS was originally intended to handle
16 basic rate designs and billing routines. As a result, the Company has
17 experienced roadblocks associated with a number of more complex rate
18 structures, including community distributed generation and remote net
19 metering, with the solution ultimately being manual billing. New business,
20 regulatory, and customer requirements will continue to translate into
21 additional rate offerings, new products and services, further expansion of
22 digital offerings, and other functionality that the existing CIS system is not
23 capable of accommodating. Likewise, a modern CIS would more

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1 effectively accommodate the need for seamless access to customer
2 information and ease of integration with our digital channels, third parties,
3 and other systems.

4 Q. What are some other factors driving the need to modernize the current
5 legacy CIS platform?

6 A. Concepts like personalization and distributed generation were not
7 considered in the original platform design 35 years ago. Due to the
8 disparity between rapidly evolving business and customer expectations
9 and the speed of system design changes and availability of technology to
10 accommodate these needs, there are limitations in terms of the
11 information we retain about customers, how we define a customer and
12 how we enable customers to actively engage with available products and
13 services. For example, Central Hudson currently defines a customer by
14 an account number, but that account number is ultimately tied to the
15 customer's premise (or residence) and not the customer as a person. As
16 a person changes residences the account number changes. With this
17 account number change, we lose insight into the behaviors and attributes
18 of that person. We are proposing programs and experiences that offer
19 value to the individual person we are interacting with, creating relationship
20 between Central Hudson and the customer regardless of where in our
21 service territory they reside. Having access to this information is critical to
22 continuing to provide relevant guidance.

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VIII. TIMELINE

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Q. What is the timeline for delivering the various customer engagement initiatives you have previously identified in your testimony?

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Please see the testimony and exhibits of Company Witness Holtermann where the entire Digital Roadmap is portrayed over a five year horizon.

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See Table 3 below for a listing of the deliverables discussed within this

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testimony by calendar year. Also, deliverables associated with additional

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self-service options, digital channels optimization efforts, CIS

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Modernization, and Customer 360 efforts will occur within each calendar

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year.

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Table 3: Proposed Release Schedule

2018	2019	2020	2021
<ul style="list-style-type: none"> • Calculator Tool Suite • Mobile enhancements • SSO redesign • Bill Redesign requirements gathering • Customer 360 • CIS Modernization (phase-in) 	<ul style="list-style-type: none"> • Customer Identity enhancements through CIS modernization • Bill Redesign • Cross-Channel Sync • Responsive Design • Customer 360 • CIS Modernization (phase-in) 	<ul style="list-style-type: none"> • Municipal Aggregation • Personal Usage Disaggregation • Personalized Dashboard • Customer Defined Comparison Groups • Cross-Channel Sync • Customer 360 • CIS Modernization (phase-in) 	<ul style="list-style-type: none"> • Third Party Partnership Portals • Customer 360 • CIS Modernization (phase-in)

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IX. STAFFING REQUIREMENTS

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Q. Does execution of the mentioned customer engagement initiatives require additional staff?

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A. Yes. As described in the testimony of Company Witness McGinnis, additional staff will be required in the Energy Transformation and Solutions department, the Corporate Communications Department and the Information Technology Department. The testimony of Company Witness Holtermann describes in greater detail the rationale for the specific staffing requirements for the IT Department.

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1 Q. Please explain the incremental staffing required for the Energy
2 Transformation and Solutions Department.

3 A. Within Energy Transformation and Solutions we have identified skills gaps
4 in the areas of data analysis and sales/vendor management. With the
5 reliance on data analytics to increase personalization of the customer
6 experience and derive programs that will maximize participation rates, we
7 need an individual that has depth in data analysis and data modeling
8 skills. The individual also needs to be able to translate the data into
9 actionable recommendations in order to drive business impacts and
10 accelerate decision making. For this, we are recommending the addition
11 of a Customer Data Chief position. Another key element of supporting the
12 planned initiatives is building out the relationships with third party partners
13 and identifying products and services that can be made available to our
14 customers through CenHub. This requires an individual that has
15 experience in the area of product sales, relationship management, vendor
16 management and contract execution. For this we have defined the role of
17 a Strategic Partner Development Lead. These incremental positions are
18 also included in the exhibits of Company Witness McGinnis.

19 Q. Please explain the incremental staffing required for the Corporate
20 Communications Department.

21 A. We have identified the need for an additional Communications Specialist.
22 This position will allow Central Hudson to expand its online
23 communications presence through current and future social media

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1 channels and other digital platforms, grow our digital reach, and develop
2 relationships with our customers interested in the digital experience. The
3 employee must be fluent in English and Spanish and may be assigned
4 work hours extending beyond the traditional service window to better
5 serve our customers in the 24/7 world, strengthening customer
6 relationships and connecting them with timely information regarding
7 Central Hudson services, programs and options. This employee will help
8 edit and maintain content on Central Hudson websites, and contribute in
9 the development of innovative engagement initiatives across social media
10 and other digital platforms to improve Central Hudson’s online customer
11 service, outreach and engagement.

X. COST RECOVERY AND FUNDING REQUIREMENTS

- 13 Q. How have costs associated with the CenHub REV demonstration project
14 been accounted for previously?
- 15 A. Through June 30, 2018, the costs associated with CenHub have been and
16 will be deferred. We are proposing that beginning July 1, 2018 all costs
17 associated with CenHub be included within Central Hudson’s delivery
18 revenue requirement. As such, we have provided all relevant expenses
19 associated with CenHub, such as labor expenses, customer outreach and
20 education, information technology expenses, and depreciation expense to
21 the Revenue Requirement Panel. Additionally, capital investments
22 associated with CenHub have been included in the capital forecast

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1 supported by Company Witness Haering and are described further in the
2 testimony of Company Witness Holtermann.

3 Q. How will Central Hudson account for any incremental revenues that are
4 earned through the CenHub Store and Insights+ enrollments?

5 A. Central Hudson and Simple Energy will continue the 50/50 profit sharing
6 model for the sales of products through the CenHub Store. We propose
7 that 50% of Central Hudson's portion of the profit share be recorded as
8 other revenue for the benefit of customers and that the remaining 50% be
9 retained by Central Hudson for the benefit of shareholders. Additionally,
10 all of the revenue associated with new Insights+ enrollments will be
11 recorded within Other Revenues.

12 **XI. INFORMATIONAL MEETINGS**

13 Q. Is Central Hudson proposing an Informational Meeting process involving
14 any customer engagement initiatives proposed within this filing?

15 A. Yes, in the area of solutions for low income customers. Central Hudson is
16 proposing to host two Informational Meetings for parties to the rate case
17 and other interested stakeholders to discuss and explore potential new
18 solutions for low income customers. The meetings would seek to better
19 engage low income customers by identifying and overcoming barriers that
20 exist for the Company's and state programs such as energy efficiency,
21 demand response, HEAP, and solar. Central Hudson would consider the
22 information and feedback developed via the Informational Meeting
23 process and would submit an update on the status if necessary.

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1 Q. Does this conclude your direct testimony at this time?

2 A. Yes.

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