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March 31, 2025

ELECTRONIC FILING

Mr. Adam J. Teitzman, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket 20250029-GU, Petition for Rate Increase by Peoples Gas System, Inc.

Dear Mr. Teitzman:

Attached for filing on behalf of Peoples Gas System, Inc. in the above-referenced docket is the Direct Testimony of Rebecca Washington and Exhibit No. RW-1.

Thank you for your assistance with this matter.

(Document 3 of 16)

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jeff Wahlen', with a long horizontal flourish extending to the right.

Jeffry Wahlen

cc: Major Thompson, OGC
Jacob Imig, OGC
Walt Trierweiler, Public Counsel
Jon Moyle, FIPUG

JJW/dh
Attachments



BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20250029-GU
IN RE: PETITION FOR RATE INCREASE
BY PEOPLES GAS SYSTEM, INC.

PREPARED DIRECT TESTIMONY AND EXHIBIT
OF
REBECCA WASHINGTON

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

REBECCA WASHINGTON

Q. Please state your name, address, occupation and employer.

A. My name is Rebecca Washington. My business address is 702 North Franklin Street, Tampa, Florida 33602. I am employed by Tampa Electric Company ("Tampa Electric") as Director of Customer Experience Revenue Operations. I work on behalf of Tampa Electric and Peoples Gas System, Inc. ("Peoples" or the "company").

Q. Please describe your duties and responsibilities in that position.

A. I am responsible for and lead the following functional areas within Customer Experience for the company: (1) Billing Operations, (2) Payments, (3) Credit and Collections and (4) Customer Assistance. My duties include: (1) ensuring timely and accurate billing and payment processing for our customers, (2) aligning our processes and procedures with the requirements of the Florida Public Service Commission ("Commission"), (3)

1 adhering to federal and state regulations regarding
2 customer privacy and identity laws, (4) assisting our most
3 vulnerable customers in identifying available assistance
4 while making long term arrangements for those who
5 experience difficulty paying by the due date, and (5)
6 delivering an excellent customer experience on behalf of
7 Peoples and Tampa Electric.

8
9 **Q.** Please provide a brief outline of your educational
10 background and business experience.

11
12 **A.** I have a bachelor's degree in business administration from
13 Saint Leo University in Tampa, Florida. I began my utility
14 career 20 years ago with Tampa Electric as a Customer
15 Service Professional in the Customer Experience Center
16 located in Ybor City. I held various positions within
17 Customer Experience over the years including CE Training
18 Administrator, where I was responsible for designing
19 training courses for Customer Service Professionals and
20 new team members. I served as Director of Business
21 Planning before returning to my customer experience roots
22 in November 2024 to assume my current role.

23
24 **Q.** What are the purposes of your prepared direct testimony
25 in this proceeding?

1 **A.** The purposes of my direct testimony are to: (1) highlight
2 Peoples' commitment to ongoing excellence and achievement
3 in customer satisfaction, including our J.D. Power
4 customer satisfaction scores; (2) explain the company's
5 plans for continuing to enhance its customer experience;
6 (3) describe the improvements to customer experience we
7 have made since the company's last rate case; and (4)
8 demonstrate that the level of Customer Experience
9 operations and maintenance (O&M") expenses and capital
10 investments in the company's 2026 test year are reasonable
11 and prudent.

12
13 **Q.** Did you prepare any exhibits in support of your prepared
14 direct testimony?

15
16 **A.** Yes. Exhibit RW-1, entitled "Exhibit of Rebecca
17 Washington," was prepared under my direction and
18 supervision. The contents of my exhibit were derived from
19 the business records of the company and are true and
20 correct to the best of my information and belief. It
21 consists of five documents as follows:

22
23 Document No. 1 List of Minimum Filing Requirement
24 Schedules Co-sponsored by Rebecca
25 Washington

1	Document No. 2	Contact Center Improvements 2020-
2		2024
3	Document No. 3	Peoples' Award History 2013-2024
4	Document No. 4	Peoples' J.D. Power Scores 2020-2024
5	Document No. 5	Capital Budget for Customer
6		Experience

7

8 **I. CUSTOMER EXPERIENCE OVERVIEW**

9 **Q.** What is Peoples' philosophy with respect to customer
10 experience?

11

12 **A.** Peoples is dedicated to delivering a customer experience
13 that is simple, personalized, and flexible, ensuring that
14 every interaction is seamless, convenient, and tailored
15 to individual needs.

16

17 Simple: We strive to act prudently making every process
18 straightforward and hassle-free, removing unnecessary
19 complexities so customers can easily access our products
20 and services. From intuitive digital tools to clear and
21 transparent communication, we focus on delivering an
22 effortless experience.

23

24 Personalized: We recognize that every customer is unique
25 and are committed to offering solutions that align with

1 their specific needs and preferences. We use insights and
2 customer feedback to tailor our services to provide
3 meaningful interactions and customized solutions that
4 enhance satisfaction and trust.

5
6 Flexible: Life is ever-changing, and we believe our
7 customers deserve services that adapt to their evolving
8 needs. Whether through customizable options, responsive
9 customer support, or innovative service models, we
10 provide the flexibility necessary to accommodate
11 different lifestyles and circumstances.

12
13 We are committed to fostering a relationship built on
14 ease, personalization, and adaptability, ensuring that
15 every customer feels valued and empowered.

16
17 **Q.** Please describe how Peoples implements customer
18 experience and the major functional areas in the
19 department.

20
21 **A.** We deliver customer experience as a shared service through
22 an intercompany agreement with the company's affiliate,
23 Tampa Electric. The Customer Experience department
24 consists of thirteen major functional areas, with eight
25 areas supporting both Peoples and Tampa Electric. Five

functional areas are dedicated to Tampa Electric and not included in the Peoples distribution of cost.

As of December 31, 2024, the Customer Experience area had approximately 397 team members, with 302 team members supporting both Tampa Electric and Peoples, and approximately 95 team members dedicated to Tampa Electric. Through this structure, Peoples provides customer experience in a streamlined manner and has access to a larger workforce.

Q. Please describe the eight Customer Experience functional areas that support Peoples and how these benefit the company's customers.

A. Our functional areas include:

1. Customer Experience Centers: Supports Residential and Commercial customers through call center activities. Customer Experience Centers are central hubs for customer connection and manage all types of incoming channels of communication, including telephone, email, and social media. These centers operate 24 hours a day, 7 days a week, 365 days a year. The team also delivers training, policy and procedure development, and improvement programs for

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the Customer Experience team members.

- 2. Billing Operations: Delivers accurate and timely billing information including coordination with Peoples to receive meter reading information and resolve meter-related issues.
- 3. Payments: Processes and balances customer payments from several vendor options and ensures payments are applied to customers' accounts timely.
- 4. Credit and Collections: Supports positive customer identification, including fraud investigation, debt collection, research/maintenance of customer deposit securitization and bankruptcies.
- 5. Customer Assistance: Networks with social service agencies to assist customers who qualify for local, state, and federal funds.
- 6. Customer Experience Strategy & Research: Delivers complaint resolutions, research, voice of the customer programs; and compliance monitoring.
- 7. Business Solutions: Supports the use of technology

1 and continual enhancements to the Customer
2 Relationship Management and Billing ("CRMB")
3 solution and other platforms.
4

5 8. Communications: Responsible for (a) creating and
6 distributing internal communications, (b) digital
7 customer solutions from strategy to delivery,
8 including customer portal, Interactive Voice
9 Response ("IVR"), and digital outbound
10 communications, and (c) responding to all customer
11 executive escalations, including Commission
12 concerns.
13

14 Each of these functions and the teams that perform them
15 enhance overall customer satisfaction and operational
16 efficiency. They are the foundation of our customer
17 experience efforts and directly benefit customers because
18 they establish how the company directly interacts with
19 our customers.
20

21 **Q.** How are O&M expenses associated with the activities and
22 functions described above and the shared CRMB system costs
23 distributed between Peoples and Tampa Electric?
24

25 **A.** Tampa Electric incurs shared O&M expenses associated with

1 Customer Experience activities and CRMB system costs and
2 distributes costs to Peoples based on customer counts.
3 Following the review in 2024 of the distribution, Tampa
4 Electric and Peoples updated the distribution to reflect
5 the growth in Peoples' customer count.
6

7 **II. CUSTOMER EXPERIENCE ACCOMPLISHMENTS SINCE THE LAST RATE**
8 **CASE**

9 **Q.** Have any changes to the Customer Experience area's
10 organizational structure occurred since the filing of the
11 company's last rate case?
12

13 **A.** Yes. The Customer Experience Center structure changed
14 with the addition of a Texas Customer Experience Center
15 in July 2023. Historically, the company maintained three
16 Florida-based Customer Experience Centers - one in Miami
17 and two in Tampa, one downtown at the company's
18 headquarters and the other in Ybor City. In 2023, the
19 company identified a need for a center outside of Florida
20 to ensure business continuity during hurricane season and
21 address hiring challenges.
22

23 The Texas Customer Experience Center provides savings of
24 about \$8 per customer service representative per hour. In
25 2023, the company used 35 to 40 agents from this vendor

1 as Customer Service Professionals ("CSP"). In 2024, the
2 company used between 35 and 45 agents, and in 2025 and
3 2026, we budgeted for 35-40 Texas CSPs.

4
5 **Q.** Have the duties of the CSPs who work at the Customer
6 Experience Centers changed?

7
8 **A.** No. Our CSPs continue to serve customers by helping with
9 (1) emergencies; (2) credit arrangements; (3) turn-on and
10 turn-off service requests; (4) billing and remittance
11 inquiries; and (5) miscellaneous customer account
12 inquiries.

13
14 **Q.** What metrics are used to measure the success of the
15 Customer Experience Centers, and how did the company
16 perform on these internal metrics in 2023 and 2024?

17
18 **A.** The main Customer Experience Center performance metrics
19 include:

20 Telephone Service Level ("SVL"): The percentage of calls
21 answered within a specified time frame.

22
23 Email Service Level: The percentage of emails answered
24 within a specified time frame.

1 Average Speed of Answer ("ASA"): The average amount of
2 time it takes for a particular Customer Experience Center
3 to answer a phone call from a customer. The time it takes
4 for a customer to navigate through the Interactive Voice
5 Response is not factored into the average speed of answer.

6
7 Call Volume and Abandonment Rate: The Call Volume is the
8 number of incoming calls offered to a Customer Experience
9 Center over a period of time. The Abandonment Rate is the
10 percentage of inbound phone calls made to the Customer
11 Experience Center that are abandoned by the customer prior
12 to speaking to an agent.

13
14 The company's contact center improvements for phone calls
15 from 2020 to 2024 are shown in Document No. 2 of my
16 exhibit. Overall, the internal metrics show a decrease in
17 the Average Speed of Answer by 67.35 percent to 2 minutes
18 and 55 seconds. The percentage of calls answered increased
19 by 17 percent to 90 percent, reducing the Abandonment
20 Rate to 10 percent.

21
22 **Q.** In the company's last rate case, the major Customer
23 Experience project included in the 2024 projected test
24 year was the Customer Experience and Digitalization
25 project, which included implementing two main features:

1 the Transactional Chatbot and the Mobile Application. Did
2 the company implement these features?

3
4 **A.** No. The Transactional Chatbot and Mobile Application
5 features were not implemented due to reprioritization of
6 dollars to better align with customer expectations in a
7 shifting industry, particularly as it relates to the use
8 of AI technologies and improvements to better service our
9 customers.

10
11 **Q.** Please describe the capital projects the Customer
12 Experience chose to invest in during 2024, the cost
13 associated with these projects, and why these projects
14 are prudent.

15
16 **A.** Peoples invested \$1.1 million in 2024 in (1) the
17 implementation of an AI-driven customer segmentation
18 platform, (2) the implementation of an AI-driven, cloud-
19 based contact center solution that will minimize
20 technology obsolescence challenges while enhancing
21 customer satisfaction through faster issue resolution and
22 improved system usability, (3) enhancing the current IVR
23 system, (4) establishing a new self-service solution for
24 initiating and transferring service, and (5) beginning
25 the implementation of an identification credit check

1 system. These projects delivered value to our customers
2 by improving communication channels, using insights to
3 create more tailored customer experiences, expanding
4 digital and self-service capabilities, and simplifying
5 customer interactions.

6
7 **Q.** How have the replacement of the IVR and enhancements to
8 the company's Contact Center Management ("CCM") system
9 discussed in the company's testimony in the last rate
10 case continued to benefit customers in 2023 and 2024?

11
12 **A.** The IVR and CCM systems continue to manage millions of
13 customer calls annually for both Tampa Electric and
14 Peoples, with approximately 50 percent of customers
15 taking advantage of self-service options within the IVR.

16
17 The integration of these systems via agent-facing desktop
18 software helps CSPs to assist customers more efficiently
19 and effectively as the customer information is made
20 available through desktop software. We continually refine
21 the self-service payment options to provide a seamless
22 experience for customers using check-by-phone or credit
23 card payments. The company optimized the IVR system by
24 using advanced natural speech technology, which learns
25 and adapts to common customer phrases, enabling faster

1 and more accurate call routing.

2
3 **Q.** Has the company continued its low-income programs since
4 the last rate case?

5
6 **A.** Yes. We continue to advocate for the Low-Income Energy
7 Assistance Program ("LIHEAP") funding through its
8 participation in the LIHEAP Action Day and through the
9 National Energy and Utility Affordability Coalition.

10
11 Additionally, the company maintains its Share Program
12 which is administered through the Salvation Army,
13 Catholic Charities, and Metropolitan Ministries
14 (partnership began in January 2025). Peoples, together
15 with Tampa Electric, helps match donations from customers
16 and employees in the Share Program up to \$500,000
17 annually. In 2023 and 2024, low-income customers were able
18 to apply to the Share Program in person at any Salvation
19 Army location within Florida and online via Catholic
20 Charities, Diocese of St. Petersburg. Our Customer
21 Assistance team contacted customers who were in arrears
22 to let them know about available Share Program assistance
23 and how to apply. Customer Experience will continue the
24 outbound calling support in 2025 and 2026. Customers are
25 also provided with community resources for bill

1 assistance beyond utility services.

2
3 In 2023, a total of 1,565 customers (0.32 percent)
4 received a total of \$238,822.65 in agency assistance. In
5 2024, a total of 539 customers (0.11 percent) received a
6 total of \$126,185.24 in agency assistance. Despite our
7 support efforts, a large portion of the LIHEAP money
8 available to our low-income customers went unclaimed in
9 2024.

10
11 **Q.** In the last rate case, the company enumerated four
12 specific customer experience goals for 2023: customer
13 safety (emergency response rate), transactional
14 satisfaction, outstanding and proactive communications,
15 and customer journey mapping. Did the company achieve
16 these goals?

17
18 **A.** The company achieved three of the four goals around
19 customer experience discussed in the last rate case. The
20 company did not quite achieve its goal of meeting a 60-
21 minute emergency response time 98.5 percent of the time,
22 primarily as a result of traffic congestion in two service
23 areas. The emergency response time begins the instant an
24 order is created and terminates the moment the Technician
25 arrives on site. While the company met the 98.5 percent

1 response rate in 12 of its 14 service areas, the final
2 emergency response rate across all service areas for 2023
3 was 96.65 percent.
4

5 The company achieved its goal around Transactional
6 Satisfaction, which focused on customer satisfaction with
7 the field visit experience. We measured this goal through
8 an automated transactional survey conducted the day after
9 a field visit which assessed satisfaction of the
10 customers' interaction with the Field Technicians, as
11 well as the work performed. Peoples achieved a 92 percent
12 customer rating of "excellent."
13

14 We met the third goal for 2023: Outstanding and Proactive
15 Communications. This proactive communication plan was
16 developed by the end of the first quarter of 2023 and
17 implemented throughout the year, meeting quarterly goals.
18 We designed the plan to educate internal and external
19 stakeholders about the value of natural gas in the context
20 of the last rate case and the value/cost of
21 sustainability. Studies show that clear and consistent
22 communication to stakeholders about the business, the
23 value of our product, and any changes, including new
24 rates, create customer satisfaction.
25

1 Lastly, we successfully met the Customer Journey Mapping
2 goal in 2023, which focused on the service initiation
3 process which is extremely important to new customers as
4 it sets the tone for future interactions and builds trust.
5 The customer journey often begins with a builder-
6 developer and then traverses through various areas within
7 the company, which can include engineering, real estate
8 and customer experience. By mapping out the customer
9 journey, Peoples better understands key service
10 initiation milestones and areas for improvement.

11
12 We also completed mapping the "sign-up to meter-set in"
13 and developed and completed an action plan to improve
14 three areas:(1) development of a Service to Installation
15 Roadmap, (2) development of an autogenerated messaging
16 aligned with the Work and Asset Management Service Order
17 Statuses to support customer communications at key
18 milestones, and (3) defined the certain roles to help
19 establish clear responsibilities, and interdepartmental
20 handoffs.

21
22 **Q.** What customer experience goals did the company accomplish
23 in 2024?

24
25 **A.** In 2024, the company achieved these goals: (1) performed

1 a best practice review of the meter-to-cash process and
2 (2) implemented customer journey plan improvements for
3 commercial customers.

4
5 **Q.** What are the company's customer experience focused goals
6 for 2025?

7
8 **A.** The company set the following five customer experience
9 focused goals for 2025:

- 10 1. Customer Journey Mapping for scattered Residential
11 customers.
- 12 2. Customer Safety - Emergency Response Rate.
- 13 3. Develop and implement reporting mechanisms to
14 achieve zero revenue and rate code discrepancy.
- 15 4. Achieve scattered Residential pilot results in the
16 Tampa service area targeting process for customer
17 sign-up to meter set with a minimum of 50 customer
18 work orders.
- 19 5. Achieve the number one national ranking in the 2025
20 J.D. Power Residential Customer Satisfaction study.

21
22 **III. EXCELLENCE IN CUSTOMER SATISFACTION**

23 **Q.** Did the company receive any industry awards for customer
24 service since the company's last rate case?

1 **A.** Yes. In 2024, Cogent/Escalent recognized the company for
2 the eleventh time as one of the nation's most trusted
3 utilities in its Syndicated utility Trusted Brand and
4 Customer Engagement Residential study. Peoples achieved
5 high scores in this study in the Environmental Dedication
6 and Customer Effort Indexes, demonstrating our commitment
7 to a clean energy future. Additionally, this same study
8 named Peoples as a Customer Champion - for the eleventh
9 consecutive year - highlighting our commitment to
10 building engaged customer relationships. Peoples' full
11 award history can be found in Document No. 3 of my
12 exhibit.

13
14 **Q.** How did the company perform in J.D. Power surveys since
15 the last rate case?
16

17 **A.** Peoples' J.D. Power ranking for Residential customer
18 overall satisfaction slightly decreased from 798 in 2023
19 to 781 in 2024. Despite this, Peoples remains in the top
20 quartile and early signs in 2025 indicate positive upward
21 movement in both our segment and nationwide. For business
22 customers, the company placed third in our segment and in
23 the nation in 2023 and ended fifth in our segment and
24 sixth in the nation for 2024. Peoples' J.D. Power Scores
25 dating back to 2020 can be found in Document No. 4 of my

exhibit.

IV. MEASURING THE CUSTOMER EXPERIENCE

Q. How does the company measure its performance in the Customer Experience area?

A. The company measures its performance in the customer area based on customer satisfaction scores as measured by J.D. Power, internal performance metrics, and by tracking Commission complaints.

Q. How has Peoples performed in Commission customer complaints?

A. Customer complaints filed with the Commission against Peoples remained relatively flat, going from 87 in 2023 to 90 in 2024, equating to approximately 0.02 percent of our customers. Commission consumption or high bill complaints went from six in 2023 to seven in 2024. The majority of the complaints in 2024 addressed "new construction and installation," which includes of a range of concerns around the initiation of service such as the cost of service, the timing of service, and permitting schedules. Nine of the 90 complaints were related to low pressure concerns associated with home generators. Seven

1 of these nine involved pressure concerns that arose during
2 Hurricanes Helene and Milton. Peoples responded to these
3 concerns with targeted communications to our residential
4 customers in the area that seemed to experience the most
5 disruption, South Tampa.

6
7 **Q.** Has the company received any formal infractions from the
8 Commission?

9
10 **A.** Yes. In June 2024, the company received its first
11 Commission infraction in almost nine years for a fast
12 meter violation of Rule 25-7.063, Florida Administrative
13 Code, Meter Accuracy at Installation. The complaint
14 involved a master meter at a small apartment community of
15 nine units.

16
17 On December 18, 2023, a customer contacted Peoples about
18 an unusually high bill and a possible gas leak. Their
19 bill had increased from an average of \$60 per month to
20 \$146.87 in December. A company technician went to the
21 customer's premises, discovered a gas leak on the
22 customer's side of the range, "red-tagged" the appliance
23 for safety, and turned off and capped the appliance valve.
24 This leak and the resulting consumption affected the
25 customer's December 2023 and January 2024 invoices.

1 On January 19, 2024, the customer reached out to the
2 company again about a high bill, noting the gas leak and
3 requesting a reduction. The customer also mentioned a
4 water heater leak that needed repair and expected a credit
5 similar to what the water company provided. However, the
6 company representative explained that since the gas had
7 passed through the meter and the leak was on the house
8 line, no adjustment could be made.

9
10 On February 13, 2024, the customer reported another
11 possible leak as their bills for January and February
12 were \$293.43 and \$321.93, respectively. A Peoples'
13 technician performed a leak test on both the meter and
14 the gas appliances, which returned negative results (no
15 leaks or issues found). Despite this, the customer
16 contacted the Commission regarding high consumption. A
17 Peoples' technician performed another leak test on
18 February 14, found no issues, but decided to replace the
19 current meter (RHC8924) with a new one (AIX75413).

20
21 On February 26, 2024, the company sent the initial meter
22 (RHC8924) to Precision Meter Repair for testing. The meter
23 tested within one percent accuracy, complying with Rule
24 25-7.063, Florida Administrative Code.

1 The customer's bills on February 29 and April 4 remained
2 higher than average under the new meter (AIX75413), at
3 \$216.47 and \$181.75, respectively. On April 14, 2024, the
4 customer contacted the Commission to request a credit and
5 that the initial meter (RHC8924) be retested. A company
6 representative made contact with the customer to advise
7 the meter (RHC8924) was tested by an independent company
8 and no issues were found, and that a credit would not be
9 given in light of the negative meter test.

10
11 On April 15, 2024, the customer filed a formal complaint
12 with the Commission and requested a Commission
13 representative witness a meter test pursuant to Rule 25-
14 7.066, Florida Administrative Code. On May 13, 2024,
15 Precision Meter Repair tested the initial meter (RHC8924)
16 twice in the presence of the Commission's representative.
17 Both tests indicated the meter was more than one percent
18 fast, violating Rule 25-7.063, Florida Administrative
19 Code. Following these results, the company adjusted the
20 customer's bill to account for the 1 percent higher read
21 over the previous twelve months, resulting in a total
22 adjustment of \$16.94.

23
24 The company notes that the customer's bill in May, under
25 the meter installed in February (AIX75413), was \$49.33,

1 after the twelve-month adjustment. This result seems to
2 indicate that the customer's higher consumption from
3 December 2023 through April 2024 was due to appliance
4 issues and/or a leak on the customer side.

5
6 **V. CUSTOMER EXPERIENCE RATE BASE AND O&M EXPENSES - 2026**
7 **TEST YEAR**

8 **A. RATE BASE**

9 **Q.** How does Peoples determine its capital budget for Customer
10 Experience?

11
12 **A.** Customer Experience identifies capital improvement
13 opportunities based on system continuity requirements,
14 regulatory and federal requirements, analysis of industry
15 best practices/process improvements, customer feedback
16 through our Voice of the Customer program and
17 identification of points of customer concern and gaps in
18 customer satisfaction through customer journey mapping.

19
20 **Q.** How much capital investment did the Commission approve
21 for Customer Experience in the last rate case for the
22 year 2024, and how does that compare to the company's
23 actual capital investment in Customer Experience for
24 2024?

1 **A.** The Commission approved \$3.4 million of capital
2 investment in the Customer Experience area for 2024.
3 Peoples spent \$1.1 million in 2024, which is \$2.3 million
4 less than projected in the last rate case. This variance
5 is largely due to a restructuring of our capital portfolio
6 as discussed earlier in my testimony.

7
8 **Q.** What is Peoples' capital budget for Customer Experience
9 in 2025 and 2026?

10
11 **A.** As mentioned in the testimony of Peoples witness Christian
12 Richard, the capital budget for Customer Experience for
13 2025 and 2026 is \$2.0 million and \$2.9 million,
14 respectively. The projects reflected in this budget are
15 shown in Document No. 5 of my exhibit.

16
17 **Q.** Please explain the projects associated with the capital
18 budget for Customer Experience in 2025 and 2026.

19
20 **A.** In 2025 and 2026 the Customer Experience area plans to
21 invest in projects in the following categories: (1)
22 Communications, (2) Data, (3) Digital and Artificial
23 Intelligence ("AI"), and (4) Process Enablement.

24
25 **Q.** Please explain the project related to Communications, the

1 expected cost and why the expenditure is prudent.

2
3 **A.** We will invest \$165,000 and \$358,875 in 2025 and 2026,
4 respectively, in the "Notifications and Preference
5 Center" project to implement a new centralized system
6 enabling customers to manage their communication
7 preferences. This platform centralizes all preferences in
8 one location, ensuring that every communication adheres
9 to the customer's specified rules for channel (phone,
10 email, or short message service ("SMS")), frequency, and
11 timing. The platform will improve customer satisfaction
12 and engagement by enabling customers to have more control
13 over their communications such as the channel (phone,
14 email, or SMS), and frequency and timing of receiving
15 communications. This project is reflected under the Spend
16 Type "Technology Projects (Shared)" in Document No. 5 of
17 my exhibit.

18
19 **Q.** Please explain the Data-related project, the expected
20 cost and why the expenditure is prudent.

21
22 **A.** The "System Segmentation Personas" project initiative
23 provides deeper insights into customer behavior,
24 preferences, pain points, and satisfaction. This includes
25 System Segmentation Personas, an AI-driven customer

1 segmentation platform will support informed decision-
2 making, personalized interactions, and tailored services.
3 By using segmentation data, we can tailor communications
4 and service offerings, maximizing impact by identifying
5 key gaps and opportunities for improvement. The company
6 will invest \$33,000 in 2025 and \$717,750 in the System
7 Segmentation Personas project which is reflected under
8 the Spend Type "Technology Projects (Shared)" in Document
9 No. 5 of my exhibit.

10
11 **Q.** Please explain the Data and AI-related project, the
12 expected cost and why the expenditure is prudent.

13
14 **A.** We will invest \$990,000 in 2025 on the "AWS Proof of
15 Concept (FKA Intrado)" project which will replace the
16 current IVR system, providing a scalable, cloud-based
17 contact center solution with AI-driven capabilities. This
18 project is reflected in Spend type "Technology Project
19 (Shared): Intrado Replacement" of Document No. 5 of my
20 exhibit.

21
22 **Q.** Please explain the projects related to the Process
23 Enablement, the expected cost, and why the expenditure is
24 prudent.

1 **A.** There are three projects in this area: (1) "Move In
2 Reimagine"; (2) "Equifax/POS ID & CCR Replacement" (2025
3 only); and (3) "Payment Arrangement Reimagine."

4
5 Move In Re-imagine This project can be found under the
6 Spend Type "Technology Project (Shared): Move In Re-
7 Imagine - PE" in Document No. 5 of my exhibit. Peoples
8 will invest an additional \$330,000 in 2025 for this
9 project, a new self-service solution that offers
10 customers the option to start service by calling or
11 applying online. Previously, the online process for
12 initiating service took about 11 hours to reach
13 confirmation due to software bot functionality. Now,
14 customers receive immediate responses, providing a real-
15 time experience. For agents, the project has improved
16 efficiency by allowing seamless transfers and single-step
17 combination move-ins, streamlining operations and
18 enhancing the customer experience.

19
20 Equifax/POS ID & CCR Replacement In 2025, Peoples will
21 implement the "Equifax/POS ID & CCR Replacement" project
22 with an investment of \$330,000. This project will ensure
23 compliance with the Identity Theft Red Flags Rule (the
24 "Rule") under the Fair Credit Reporting Act, 16 C.F.R.
25 Section 681 which requires each company to develop and

1 implement a written Identity Theft Prevention Program
2 ("Program") that (1) identifies "Red Flags" (patterns,
3 practices, or specific activities that indicate identity
4 theft), (2) detects Red Flags, (3) responds appropriately
5 to any Red Flags detected to prevent and mitigate identity
6 theft, and (4) ensures the Program is updated regularly.
7

8 This project will meet the Rule's Program requirements in
9 detecting and preventing identity theft. Specifically,
10 the project will enable Peoples to (1) verify the identity
11 of customers when opening a new account or making
12 revisions to existing accounts, (2) adhere to any alerts
13 or notifications placed on customer's accounts such as
14 fraud alerts or credit freezes, (3) implement Knowledge-
15 Based Authentication to ensure only authorized
16 individuals can access or modify account information, (4)
17 monitor accounts for unusual or suspicious activity, and
18 (5) train employees to recognize and respond to Red Flags.
19 This project can be found under the Spend Type "Technology
20 Project (Shared): Equifax/POSID Check Replacement" in
21 Document No. 5 of my exhibit.
22

23 The company notes that this project was proposed in Tampa
24 Electric's 2024 rate case and denied by the Commission in
25 Order No. PSC-2025-0038-FOF-EI. Peoples includes this

1 project in this case because it is critical that the
2 company comply with the Rule by identifying, detecting,
3 and responding to Red Flags indicating potential identity
4 theft, as explained above.

5
6 Payment Arrangement Reimagine The "Payment Arrangement
7 Reimagine" project creates a consistent and frictionless
8 omnichannel experience for customers seeking payment
9 assistance, leveraging best practices for eligibility
10 criteria, risk profiling, and transparency. The company
11 will invest \$165,000 in 2025 in this project which is
12 listed under the Spend Type "Technology Project (Shared)"
13 in Document No. 5 of my exhibit.

14
15 **Q.** Is Customer Experience's projected level of capital
16 investment in 2025 and 2026 reasonable and prudent?

17
18 **A.** Yes. This amount represents the Customer Experience rate
19 base that will be in-service and used and useful by the
20 company to provide safe, reliable service to our
21 customers.

22
23 **B.** O&M

24 **Q.** What are the main causes of the company's Customer
25 Experience related O&M expenses?

1 **A.** The main causes of the company's Customer Experience
2 related O&M expenses include labor, outside services and
3 other operational expenses. The operational expenses
4 include but are not limited to: (1) customer billing fees
5 (vendor fees and postage); (2) processing fees associated
6 with customer payments; (3) high-volume call answering
7 fees; (4) IVR virtual hold fees; and (5) other expenses
8 associated with maintenance of our systems.

9
10 **Q.** What O&M expense did Peoples incur for Customer Experience
11 in 2023?
12

13 **A.** Customer Experience costs primarily reside in FERC
14 Account 903, Customer Records and Collection expenses. In
15 FERC Account 903, Peoples incurred \$14.4 million in 2023.
16

17 **Q.** What amount of O&M expense was approved by the Commission
18 for the Customer Experience area for 2024 and what was
19 the actual O&M expense for 2024.
20

21 **A.** The Commission approved \$14.9 million in O&M expense and
22 the actual O&M expense for 2024 was \$15.1 million. This
23 1.0 percent variance is driven by the cost of customer
24 communications and maintaining the Customer Experience
25 Operations service level performance, including answering

1 customer calls in a timely manner (ASA), handling customer
2 calls more efficiently (AHT), and answering more calls
3 received (percent answered).
4

5 **Q.** What are the forecasted amounts of Customer Experience
6 O&M for 2025 and 2026, and are those amounts reasonable?
7

8 **A.** As shown on MFR Schedule G-2, page 14, in FERC Account
9 903, the company projects Customer Experience charges
10 will be approximately \$17.9 million and \$18.7 million for
11 2025 and 2026, respectively. The overall level of Customer
12 Experience O&M for 2025 and 2026 is reasonable.
13

14 **Q.** Please explain why the level of O&M expense is increasing
15 in 2025 and 2026.
16

17 **A.** The increase in FERC Account 903, as described on line 11
18 of MFR Schedule G-2, page 19b, is a result of the
19 increased distribution to Peoples of shared Customer
20 Experience O&M expense which accounts for the company's
21 current customer count. It is also partially due to
22 inflation.
23

24 Lastly, as shown on line 12 of MFR Schedule G-2, page
25 19b, the CRMB asset usage fees are increasing from \$2.2

1 million in 2024 to \$2.6 million in 2026. As described in
2 Peoples witness Jeff Chronister's prepared direct
3 testimony, Peoples is charged for its use of the shared
4 CRMB system through an asset-usage fee that is also
5 recorded as O&M expense in FERC Account 903. The
6 distribution of the CRMB system costs to Peoples through
7 the asset-usage fee increased from 33 percent to 37
8 percent, effective January 1, 2025.

9
10 **Q.** What is the Customer Experience performance against the
11 O&M benchmark for 2026?

12
13 **A.** As identified in Peoples witness Andrew Nichols' prepared
14 direct testimony, Document No. 10 of Exhibit No. AN-1,
15 the company is over the 2026 O&M benchmark for Customer
16 Account and Collection. FERC Account 903 within Customer
17 Account and Collection exceeds the O&M benchmark due to
18 the higher distribution to Peoples of shared Customer
19 Experience O&M expense. In other words, if the 2024
20 Customer Experience distribution was normalized for the
21 updated customer counts, the variance would not exist,
22 and the company would not be above the benchmark. Thus,
23 the expense is reasonable. Customer Experience is below
24 the industry standard for cost per bill, cost per payment,
25 cost per call handled and cost per credit and collection.

1 **Q.** What steps has the company taken to reduce O&M expense in
2 the Customer Experience area?

3
4 **A.** The company has reduced O&M expense in the Customer
5 Experience area by:

6
7 1. Outsourcing Staffing for Customer Experience Center.

8 Engaging with the vendor for the Texas Customer
9 Experience Center allowed the company to temporarily
10 augment staffing and maintain service levels during
11 peak periods, while controlling labor costs.

12
13 2. Process Re-engineering. In 2024, Customer Experience
14 used a dedicated team to review our processes to
15 discover ways to eliminate inefficiencies. This team
16 identified automation improvements of manual
17 processes for Move In Reimagine and Payment
18 Arrangement processes. Customer Experience conducted
19 workshops to identify pain points and brainstorm
20 solutions. We compiled a list of requirements and
21 documented both qualitative and quantitative
22 benefits. Using our prioritization scorecard, we
23 identified the top opportunities that would have the
24 greatest positive impact on our customers and
25 agents. Among the opportunities identified were the

1 automation of self-serve installment plan requests
2 and improved handling of broken payment
3 arrangements.
4

5 3. Adoptions of Technology and Automation. The company
6 invests in technology and automation to streamline
7 operation including implementing digital
8 capabilities to help customers self-serve. These
9 technologies improve efficiency and reduce the need
10 for customers to call.
11

12 Collectively, these actions contributed to avoided costs
13 and efficiency gains that enabled the organization to
14 operate more efficiently and cost-effectively.
15

16 **Q.** What steps has the Customer Experience area taken to
17 promote affordability?
18

19 **A.** Customer Experience promotes affordability by managing
20 and controlling costs and seeking improved efficiencies,
21 as outlined above. Additionally, we ensure system
22 continuity to avoid failures. We provide payment
23 assistance programs, including payment plans and
24 emergency assistance funds, to support those in need. We
25 also educate customers on managing their usage and partner

1 with local organizations to offer education and wrap-
2 around services.
3
4 **Q.** How many employees did the Customer Experience area have
5 in 2023 and 2024?
6
7 **A.** In 2023 and in 2024, the number of team members at the
8 end of the year in the Customer Experience area was 400
9 and 397, respectively.
10
11 **Q.** Does the Customer Experience area plan to increase
12 employee count in 2025 and 2026?
13
14 **A.** No. With the use of the Texas Customer Experience Center,
15 the implementation of several process improvements and
16 automation designed to improve productivity and
17 efficiency, we plan to continue to decrease the overall
18 employee count to 390 team members through 2026.
19
20 **Q.** How have uncollectible account expenses varied in 2023
21 and 2024 and is the company's proposed level of
22 uncollectible expenses reasonable for the 2026 test year?
23
24 **A.** Bad debt expense decreased from 2020 by 13 percent and is
25 expected to remain relatively flat through 2026. In 2023

1 and 2024, the amount of bad debt expense was \$1.4 million
2 and \$1.6 million, respectively. The company's proposed
3 level of bad debt expense for the 2026 test year is \$1.8
4 million, which is reasonable based on past experience and
5 expected economic conditions for the test year. This also
6 represents 0.27 percent of revenue, which is below the
7 industry average of 0.73 percent.

8
9 **Q.** Is the company's proposed overall level of Customer
10 Experience related O&M expense for 2026 reasonable?

11
12 **A.** Yes. The overall level of Customer Experience related O&M
13 expense for 2026 is reasonable. The company remains
14 focused on prudently investing in strategic functions
15 that lead to reduced cost and a simplified cost.

16
17 MFR SCHEDULES

18 **Q.** Are you sponsoring any MFR Schedules?

19
20 **A.** Yes, I am co-sponsoring MFR Schedules C-38, G-2, and G-
21 6.

22
23 **Q.** Please provide an explanation of the MFR Schedules you
24 are sponsoring.

1 **A.** The MFR Schedules I am co-sponsoring detail O&M expenses
2 for Customer Experience. MFR Schedule C-38, page 2,
3 details Total Customer Account Expenses, which contains
4 FERC Account 903. MFR Schedule G-2, pages 14 and 19a,
5 break down payroll and other O&M expenses related to FERC
6 Account 903. MFR Schedules G-2, page 19b, and G-6 both
7 show Peoples' Customer Experience Distribution.

8
9 **VI. SUMMARY**

10 **Q.** Please summarize your prepared direct testimony.

11
12 **A.** Peoples is deeply committed to delivering exceptional
13 customer satisfaction and continually enhancing the
14 customer experience. Our dedication to excellence is
15 evident through our J.D. Power customer satisfaction
16 achievements, which have consistently recognized the
17 company as best in class over the past eleven years. We
18 prioritize providing a simple, personalized, and flexible
19 experience for our customers, with a strong emphasis on
20 safety for both our customers and team members. As safety
21 stewards, we recognize our vital role in the communities
22 we serve, which are also home to our team members. We
23 pride ourselves on 24 hours a day 7 days a week response
24 to all gas emergency calls, including gas leak calls;
25 which are handled locally in Florida, with priority and

1 optimal response times by live agents.

2
3 Since the company's last rate case Customer Experience
4 invested capital in (1) the implementation of an AI-driven
5 customer segmentation platform, (2) the implementation of
6 an AI-driven, cloud-based contact center solution, which
7 will minimize technology obsolescence challenges, while
8 enhancing customer satisfaction through faster issue
9 resolution and improved system usability, (3) enhancing
10 the current IVR system, (4) establishing a new self-
11 service solution for initiating and transferring service,
12 and (5) beginning the implementation of an identification
13 credit check system. Our commitment to customer-centric
14 solutions ensures we provide the best possible service
15 while being mindful of spending. In addition to our
16 operational improvements, we continue to advocate for
17 low-income energy assistance programs and support our
18 Share Program, which provides assistance to low-income
19 customers.

20
21 Peoples is passionate about serving our customers and
22 continuously strives to improve our services and customer
23 satisfaction. The company's proposed levels of Customer
24 Experience capital investment and O&M expenses for 2026
25 are reasonable and prudent and should be approved so we

1 can continue to provide safe and high-quality service to
2 our customers.

3

4 **Q.** Does this conclude your prepared direct testimony?

5

6 **A.** Yes, it does.

7

8

9

10

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25

PEOPLES GAS SYSTEM, INC.
DOCKET NO. 20250029-GU
WITNESS: WASHINGTON

EXHIBIT

OF

REBECCA WASHINGTON

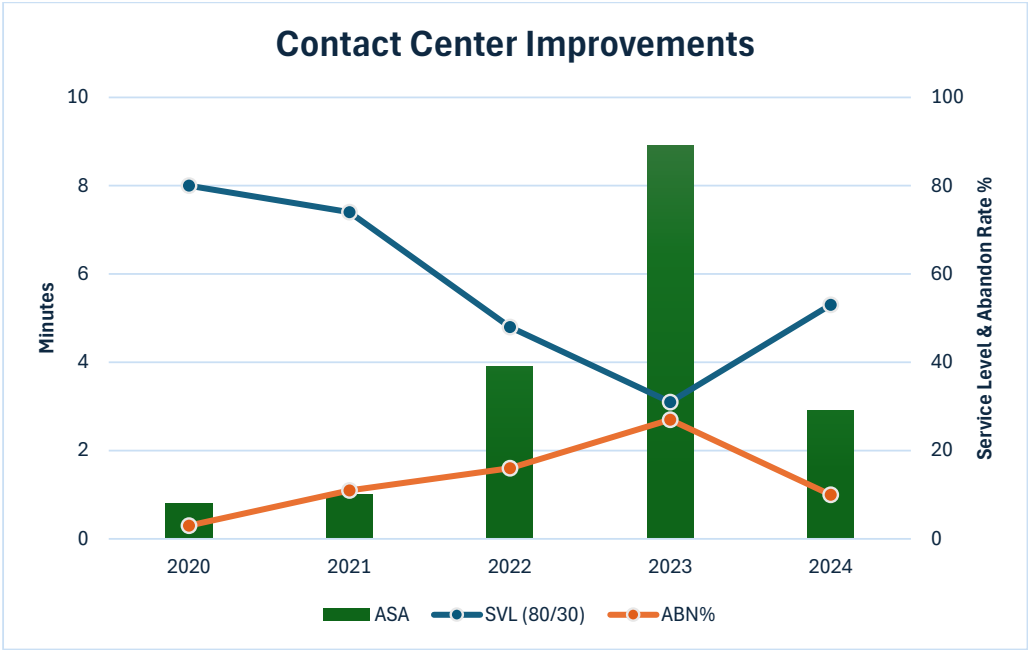
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LIST OF MINIMUM FILING REQUIREMENT SCHEDULES
CO-SPONSORED BY REBECCA WASHINGTON

MFR Schedule	Page No.	MFR Title
C-38	P. 2	O&M Benchmark Variance by Function
G-02	P. 14	Projected Test Year- Calculation of Customer Account Expenses
G-02	P. 19a	Projected Test Year - Total Expenses
G-02	P. 19b	Projected Test Year - Total Expenses
G-06	P. 1-9	Projected Test Year - Major Assumptions



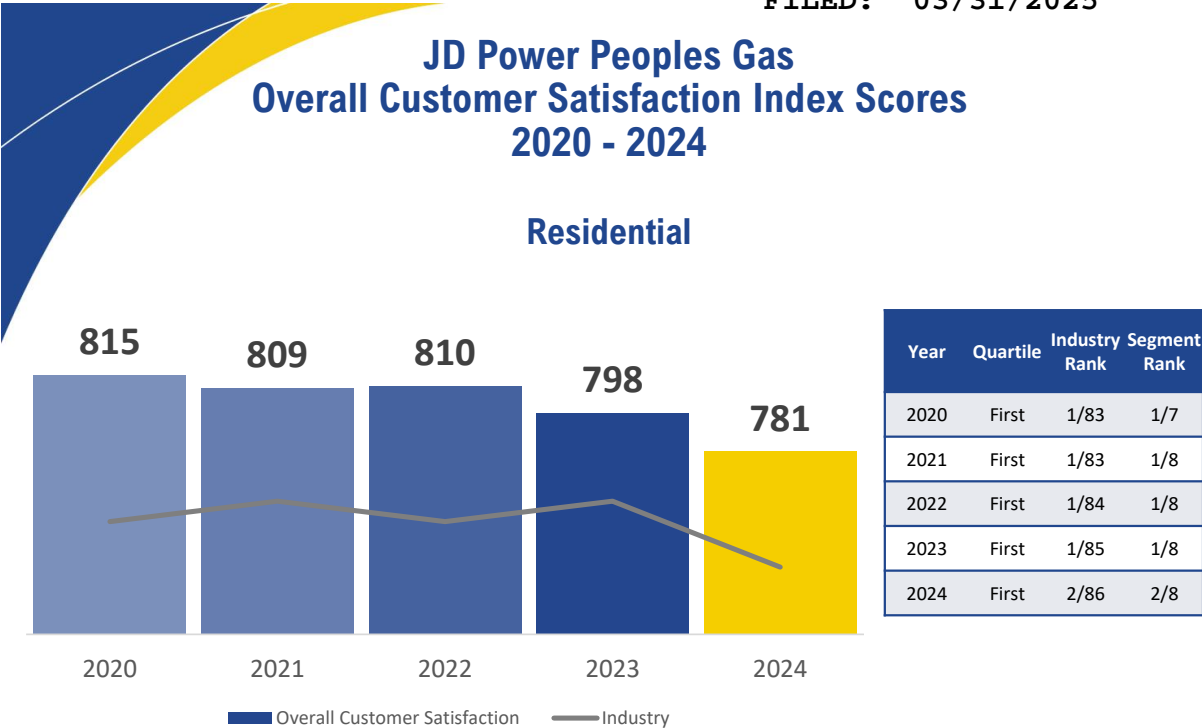
Metric	Definition	Calculation
Telephone Service Level (SVL)	Refers to the percentage of calls answered within a specified time frame, usually expressed as "X% of calls answered within Y seconds".	# of Calls Answered (Handled) in Y seconds/Total Calls Offered
Average Speed of Answer (ASA)	Refers to the average amount of time it takes for a Contact Center to answer a phone call from a customer. The time it takes to navigate through the IVR is NOT factored in to ASA.	Total Wait Time for Answered Calls/Total # of Answered Calls
Abandonment Rate	Refers to the percentage of inbound phone calls made to the Contact Center that is abandoned by the customer PRIOR to speaking to an agent.	# of Calls Abandoned/Calls Offered

2013	2014	2015	2016	2016 Calendar Year	2017	2018	2019	2020	2021	2022	2023	2024
JDP Residential #1 in Segment	JDP Residential #1 in Segment	JDP Residential #1 in Segment	JDP Residential #1 in Segment	In 2016, JDP Power updated and restructured the Gas Utility Business Customer Satisfaction Study. This interim calendar-year study added additional factors and adjusted the fielding periods so that, in 2017, the Residential and Business studies would align.	JDP Residential #1 in Segment Cogent Customer Champion	JDP Residential #1 in Segment Cogent Customer Champion	JDP Residential #1 in Segment Cogent Customer Champion	JDP Residential #1 in Segment Cogent Customer Champion	JDP Residential #1 in Segment Cogent Customer Champion	JDP Residential #1 in Segment Cogent Customer Champion	JDP Residential #1 in Segment Cogent Customer Champion	JDP Residential #2 in Segment Cogent Customer Champion
	Cogent Residential Most Trusted Utility Brand	Cogent Residential Most Trusted Utility Brand	Cogent Residential Most Trusted Utility Brand		Cogent Residential Most Trusted Utility Brand	Cogent Residential Most Trusted Utility Brand	Cogent Residential Most Trusted Utility Brand	Cogent Residential Most Trusted Utility Brand	Cogent Residential Most Trusted Utility Brand	Cogent Residential Most Trusted Utility Brand	Cogent Residential Most Trusted Utility Brand	Cogent Residential Most Trusted Utility Brand
	Cogent Environmental Champion (new award in 2015)	Cogent Environmental Champion	Cogent Environmental Champion		Cogent Environmental Champion	Cogent Environmental Champion	Cogent Environmental Champion	Cogent Environmental Champion	Cogent Environmental Champion	Cogent Environmental Champion	Cogent Environmental Champion	Not awarded in 2024
			JDP Business #1 in Segment	JDP Business #1 in Segment	JDP Business #2 in Segment	JDP Business #2 in Segment	JDP Business #1 in Segment	JDP Business #1 in Segment	JDP Business #1 in Segment	JDP Business #1 in Segment	JDP Business #3 in Segment	JDP Business #5 in Segment
							Cogent Easiest to Do Business With (new award in 2019)	Cogent Easiest to Do Business With	Cogent Easiest to Do Business With	Cogent Easiest to Do Business With	Cogent Easiest to Do Business With	Cogent Easiest to Do Business With
									Cogent Trusted Business Partner	Cogent Trusted Business Partner		JDP Brand Appeal #1 in Segment (new award in 2024)

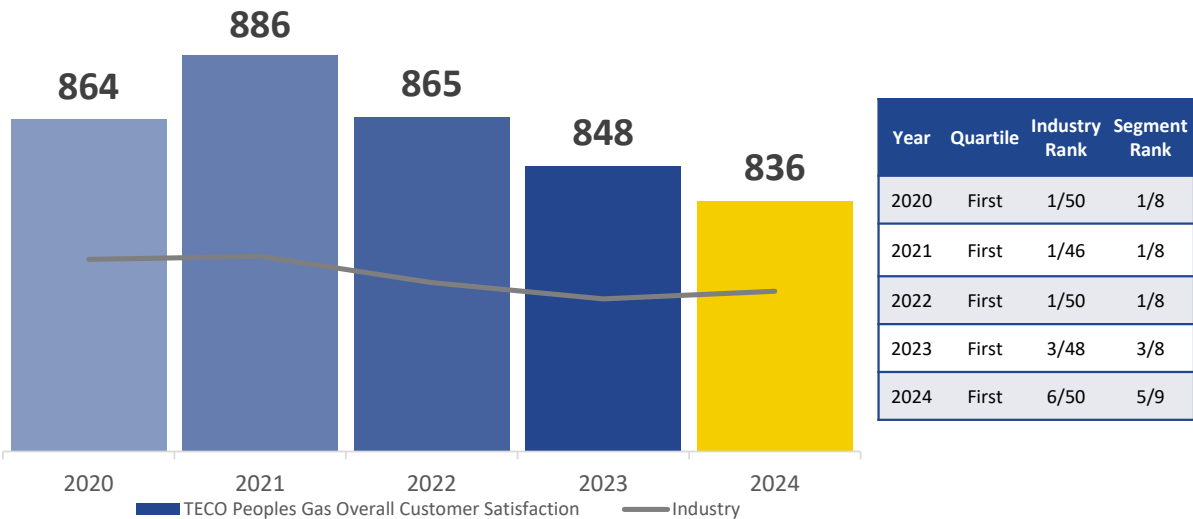


JD Power Peoples Gas
Overall Customer Satisfaction Index Scores
2020 - 2024

Residential



Business



Peoples Gas System, Inc.
Capital Budget for Customer Experience

"Purchase Price or Construction Cost + Removal Costs or Related Retirement" on MFR G-2, pages 23 and 26

Capital Category	Project/Spend Type	2024	2025	2026
		Actual	Budget	Budget
Reliability, Resiliency, and Efficiency	Technology Projects (Shared)	\$ 368,892	\$ 363,000	\$ 2,871,000
Reliability, Resiliency, and Efficiency	Technology Project (Shared): Equifax/POS ID Check Replacement	\$ 64,066	\$ 330,000	\$ -
Reliability, Resiliency, and Efficiency	Technology Project (Shared): Intrado Replacement	\$ 121,672	\$ 990,000	\$ -
Reliability, Resiliency, and Efficiency	Technology Project (Shared): Move In Re-Imagine - PE	\$ 585,215	\$ 330,000	\$ -
	Subtotal Reliability, Resiliency, and Efficiency	\$ 1,139,844	\$ 2,013,000	\$ 2,871,000
TOTAL	Customer Experience Enhancement Projects	\$ 1,139,844	\$ 2,013,000	\$ 2,871,000

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