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Witness: Jared A. Lawrence and Elizabeth N. Jones
Request from: Public Utilities Regulatory Authority

Question:

Reference Ex. CLP-Customer-1, p. 36. Eversource proposes to calculate the Digital Customer Engagement component at the service-company level because not all digital transactions can be isolated to a specific operating company. Explain how service-company-level performance will be used to determine a CL&P-specific financial incentive or penalty. Provide all workbooks used to determine a CL&P-specific incentive or penalty in native file format, with all assumptions and allocation methodologies documented and calculations and live cell logic unlocked and unhidden.

Response:

The Company's proposal does include reporting the Digital Customer Engagement component at the Enterprise level for its inclusion in the Customer PIM Suite. The Customer PIM Suite is intended to provide a holistic assessment of the Company's performance across a variety of customer engagement points to ensure focus on continuing to provide a high-level of customer service across its breadth of customers. Digital Customer Engagement provides quantifiable, actionable insights into customer behavior and is an important complement to the other four components within the Customer PIM Suite. Even though not all digital transactions can be isolated to a specific operating company, it is important for the Company to continue to invest in the digital space to meet evolving customer expectations and security needs as digital channels increasingly play a part in providing a strong customer experience.

The Company's customers receive the same digital experience, functionality, and enhancements as customers across the Enterprise. The digital experience supports critical customer interactions such as account management, billing, outage communications, and self-service transactions. As a result, digital experience performance improvements reflected in the Digital Customer Engagement metric correspond to services and capabilities from which Company customers directly benefit. Although the metric is at the Enterprise-level, the Company specifically targets its customers to increase digital adoption through the following channels: IVR, CSR, marketing emails, and on bill messages and QR code.

As indicated in BETP-010, Attachment 1, the MDPU also adopted Digital Engagement as a PBR metric, reporting at the enterprise level, recognizing the benefits of continuing to provide convenient and accessible digital tools to customers.

As noted in the Company's response to UPA-086[i], each of the five components of the Customer PIM Suite are given equal weight within the Composite Index to capture the quality of the overall Customer Experience and to avoid placing disproportional emphasis on a single customer facing operational measure in that context. At this time, no separate allocation methodology specific to Digital Customer Engagement performance has been developed or proposed.

Prior Referenced Response:

[i] UPA-086 Question:

Reference Ex. CLP-Customer-1, p. 42. Explain the basis for assigning equal weight to each of the five Customer PIM Suite components when calculating the Composite Index, given the different performance measures, customer interactions, and proposed targets represented by the components.

UPA-086 Response:

The Customer PIM Suite is intended to provide a holistic assessment of the Company's performance across a variety of customer engagement points to ensure focus on continuing to provide a high-level of customer service across its breadth of customers while the Company pursues cost efficiencies during the PBR term. The Company selected a composite PIM structure for its customer metrics, with equal weight across the components, because customer experience is multidimensional and more appropriately evaluated through a balanced set of performance measures rather than singularly measuring customer metrics in isolation. Giving each component an equal weight recognizes the importance of the individual interaction points, while avoiding placing disproportional emphasis on a single customer facing operational measure.

The composite approach provides a more comprehensive performance framework that is less susceptible to unintended consequences for measuring, penalizing and/or rewarding customer performance versus a stand-alone PIM approach.