

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * *

**In the matter of the application of)
DTE GAS COMPANY for authority)
to increase its rates, amend its rate)
schedules and rules governing the)
distribution and supply of natural gas,)
and for miscellaneous accounting authority)
_____)**

Case No. U-20940

QUALIFICATIONS AND DIRECT TESTIMONY OF
NATHAN S. JOHNSON
MICHIGAN PUBLIC SERVICE COMMISSION

June 03, 2021

QUALIFICATIONS OF NATHAN S. JOHNSON
CASE NUMBER U-20940
PART I

1 Q. Please state your name, business address, and professional position.

2 A. My name is Nathan S. Johnson, and my business address is 7109 West Saginaw
3 Highway, Lansing, MI 48917. I am employed by the Michigan Public Service
4 Commission (MPSC) as an Auditor in the Michigan Energy Assistance Program
5 (MEAP) Section of the Customer Service Division.

6 Q. Please describe your educational background.

7 A. I earned my Master of Accountancy from Davenport University in 2020. I earned
8 a Bachelor of Arts in Philosophy from the University of St. Thomas (MN) in
9 2015.

10 Q. Please describe your professional background with the State of Michigan.

11 A. I started my employment with the State of Michigan in December 2016 with the
12 Michigan Department of Transportation as a student assistant in the Construction
13 Contracts Unit of Construction Operations. In March of 2018 I was hired as an
14 Auditor with the Michigan Public Service Commission in the Michigan Energy
15 Assistance Program Section of the Customer Service Division.

16 Q. Please describe your primary responsibilities in the Customer Assistance Division
17 with the MEAP Section.

18 A. I am responsible for reviewing and reconciling submitted MEAP related expenses
19 from my assigned grantees. Currently, I audit the MEAP expenses for Barry
20 County United Way, the Society of St. Vincent de Paul of the Archdiocese of
21 Detroit, the Superior Watershed Partnership and TrueNorth Community Services.
22 I audit the reported expenses for mathematical accuracy and compliance with
23 established laws, regulations and other performance measures established in grant

QUALIFICATIONS OF NATHAN S. JOHNSON
CASE NUMBER U-20940
PART I

1 agreements. I also review client files for assurance of proper documentation for
2 self-sufficiency services rendered and proof of payment for utility services. This
3 includes working with the multiple low-income payment plan programs
4 established by the major Michigan public utilities, including DTE Energy's Low
5 Income Self-Sufficiency Plan (LSP).

6 Q. Please describe any other responsibilities or teams that helped inform this
7 testimony.

8 A. I have served as the MEAP representative in the PSC Low-Income Energy Waste
9 Reduction Workgroup, and I participate in the MEAP Workgroup collaborative.
10 This collaborative brings together members of the PSC, the Department of Health
11 and Human Services (DHHS), the associated MEAP grantees and the major
12 public utilities as a way to help better the practices of the program. This includes
13 giving feedback to the utilities for the betterment of their affordable payment
14 plans and the associated user interface. Lastly, I have assisted various areas in the
15 commission with ad-hoc projects and audits, as necessary.

16 Q. Have you previously participated in any Commission cases?

17 A. No.

18 Q. Have you previously prepared testimony in any Commission case?

19 A. No.

DIRECT TESTIMONY OF NATHAN S. JOHNSON
CASE NUMBER U-20940
PART II

1 Q. What is the purpose of your testimony in this proceeding?

2 A. The purpose of my testimony is to provide analysis and approval with
3 performance measures of regulatory expenses based on my experience working
4 with the LSP low-income programs for DTE Energy.

5 Q. Are you sponsoring any exhibits in this proceeding?

6 A: No.

7 Q: Do you have any insights into the Regulatory Compliance Project?

8 A: Since its inception, the MEAP program has undergone a tremendous amount of
9 change including the incorporation of affordable payment plans and the eligibility
10 certification process being shifted from the MEAP grantees to the DHHS. During
11 this time, the utilities have continually adapted their affordable payment plans for
12 better efficiency. I have seen DTE's affordable payment plan shift from a four-
13 year arrearage forgiveness program to a two-year program. DTE has also adapted
14 its Online Resource for Agencies (ORA) system to be more user friendly when
15 registering customers for LSP, along with improvements for tracking account
16 balances necessary for performance audits. I have witnessed the benefits
17 technical improvements firsthand and I have written affirmation from MEAP
18 grantees of the improvements to LSP and the ORA system. Since FY 2019, the
19 MEAP grant has not undergone major programmatic change. The focus of
20 MEAP is shifting from administrative best practices and towards program
21 effectiveness and measured performance of the grant and the associated
22 affordable payment plans. Understanding metrics, the successes of LSP and its
23 comparative metrics to other low-income initiatives, like Percentage of Income

DIRECT TESTIMONY OF NATHAN S. JOHNSON
CASE NUMBER U-20940
PART II

1 Plans for example, are necessary for future approval of continued funding for the
2 LSP portion of the Regulation Compliance Project.

3 Q. What are the concerns related to Regulatory Compliance Project?

4 A. After reviewing the submitted testimony and supplemental documentation, staff
5 supports the continued compliance spending, but believes the documentation
6 provided did not adequately supply the information needed to assure that
7 requested spending is needed for all projects listed in the Regulatory Compliance
8 Reserve, business case number BCD-CS-21-012. In the testimony, DTE asserted
9 the need for approval of costs associated with LSP compliance updates. Staff
10 acknowledges and appreciates all the changes and adaptations that have been
11 made to LSP and ORA. It is understood that these changes mentioned in the
12 previous question require resources to maintain compliance with statute and
13 regulatory requirements. But besides LSP compliance, no projected costs were
14 allocated for all the objective projects listed in the business case for the
15 Regulatory Compliance Reserve. All testimony and support for the \$2.2 million
16 in requested expenses provided in exhibits A22 L-2 and A 22 L-2 only addressed
17 the need for LSP compliance. When asking for further clarification about how the
18 2.2 million will be allocated between other key objectives listed in the Business
19 Case, only an estimated amount of \$300,000 was supplied for LSP compliance
20 and no cost estimation was provided for the other objectives. Staff is allowing
21 these regulatory expenses now but will disallow these costs in the future unless
22 two performance measures are met. The first performance measure will be a
23 documented allocation of requested funding between the key objectives listed in

DIRECT TESTIMONY OF NATHAN S. JOHNSON
CASE NUMBER U-20940
PART II

1 | the business case ID. The second performance measure is based on the metrics
2 | provided by DTE to justify the continued use of LSP and its measured success
3 | against other alternative low-income initiatives.

4 | Q. Does this conclude your testimony?

5 | A. Yes.

S T A T E O F M I C H I G A N
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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Case No. U-20940

QUALIFICATIONS AND DIRECT TESTIMONY OF
JUSTIN D. MILLER
MICHIGAN PUBLIC SERVICE COMMISSION

June 03, 2021

QUALIFICATIONS OF JUSTIN D. MILLER
CASE NUMBER U-20940
PART I

1 Q. Please state your name, business address, and professional position.

2 A. My name is Justin D. Miller, and my business address is 7109 West Saginaw
3 Highway, Lansing, Michigan, 48917. I am employed by the Michigan Public
4 Service Commission (Commission or MPSC) as a Departmental Analyst in the
5 Compliance and Investigation Section of the Customer Assistance Division
6 (CAD).

7 Q. Please describe your educational background.

8 A. I earned a Bachelor of Applied Arts majoring in Integrative Public Relations
9 minoring in Journalism from Central Michigan University in 2006. I have
10 attended and participated in utility regulatory sessions regarding rates, public
11 policy and customer service sponsored by the National Association of Regulatory
12 Utility Commissioners. These sessions included presentations on a wide range of
13 utility programs - shutoffs, theft, customer service, security, renewables and other
14 public policies. I have attending several trainings and workshops put on by
15 Natural Gas and Electric providers spanning over the topics of billing, customer
16 service, service reliability, etc.

17 Q. Please describe your professional background with the State of Michigan.

18 A. In 2008, I was hired by the Commission as a Departmental Analyst within the
19 Telecommunications Division, Video Franchise Section, which was responsible
20 for the enforcement of Public Act 480 of 2006, the Uniform Video Services Local
21 Franchise Act. As an analyst, I was responsible for investigating disputes,
22 tracking, and producing data for the Annual Report, and monitoring provider and
23 municipality compliance of Public Act 480. In 2015, I was assigned to perform

QUALIFICATIONS OF JUSTIN D. MILLER
CASE NUMBER U-20940
PART I

1 duties as a Regulation Officer of Natural Gas and Electricity compliance.

2 Simultaneously, I was assigned duties providing dispute resolution and inputting
3 all energy correspondence into the Commission's database. I provide front line
4 interaction on behalf of the Commission answering the MPSC toll-free phone line
5 while working directly with utilities on customer service issues. My duties within
6 the Service Quality Section were performed directly with the customer informally
7 and then formally if a customer processed a Formal Complaint proceeding. In
8 2014, the Customer Assistance Division (CAD), "Service Quality Section"
9 transitioned into what is now titled the "Compliance and Investigation Section."

10 Q. Please describe your specific responsibilities in the Compliance and Investigation
11 Section within CAD.

12 A. I serve as a Regulation Officer in the Compliance and Investigation Section and
13 have over five years of experience dealing directly with the enforcement of the
14 Consumer Standards and Billing Practices for Electric and Natural Gas Service. In
15 this role, I am responsible for corresponding with customers, listening, and
16 providing applicable utility information and also determining if a customer may
17 potentially be experiencing a rule violation. My duties also consist of providing a
18 utility correspondence on behalf of a customer outside of a rule violation such as a
19 customer's request for a hold on the account or a request for payment
20 arrangement, etc. The section is responsible for responding to informal customer
21 contacts and formal complaints from customers of Commission regulated electric
22 and natural gas companies relating to enforcement of service quality and billing
23 rules, including handling of shut-off issues. Providing Administrative Hearing

QUALIFICATIONS OF JUSTIN D. MILLER
CASE NUMBER U-20940
PART I

1 Rules and Procedures for customers filing Formal Complaints is also a duty of
2 mine. Formal Complaints may proceed before an administrative law judge for
3 review and then to the Commission for a decision. This deals directly with the
4 development of testimony, exhibits and/or discovery. I work with Staff to
5 develop and ensure that Staff is following the proposed timeline and prepared to
6 present the Commission's position. I served on the team tasked with rewriting of
7 the billing rules and assisted in the cases for redeveloping eligibility
8 determination language for the low-income credit tariffs. During this process, I
9 provided insight and knowledge of the current rules and proposed language
10 changes.

11 Q. Have you previously participated first-hand in any Commission cases directly on
12 behalf of the Staff?

13 A. Yes, I have served as Case Coordinator for Formal Complaints since 2008. As
14 Case Coordinator my Formal Complaint duties consist of: managing the Formal
15 Complaint procedure; corresponding with the customer and utility regarding due
16 dates for submissions mediating the dispute; and if necessary taking a position on
17 the dispute.

18 Q. Have you previously prepared testimony in any Commission case?

19 A. No.

DIRECT TESTIMONY OF JUSTIN D. MILLER
CASE NUMBER U-20940
PART II

1 Q. What is the purpose of your testimony in this proceeding?

2 A. The purpose of my testimony is to determine the reasonableness and prudence for
3 various Customer IT Projects outlined through DTE Gas Company (DTE or the
4 Company) witnesses Jaison J. Busby and Angie M. Pizzuti based on my
5 experience working within CAD providing daily customer dispute resolution.

6 Q. Are you sponsoring any exhibits in this proceeding?

7 A: Yes. I am sponsoring the following staff exhibits:
8 Exhibit S-10.1 titled staff discovery for Case No. U-20940, STDG-3.10A-E by A.
9 Pizzuti
10 Exhibit S-10.2 titled staff discovery for Case No. U-20940, STDG-3.1D-E by A.
11 Pizzuti
12 Exhibit S-10.3 titled staff discovery for Case No. U-20940, STDG-12.1 by A.
13 Pizzuti

14 Q: What, if any of the proposed Customer IT projects, was CAD aware of prior to
15 the filing of this application?

16 A: Staff was aware of several Customer IT projects. One of which is the Collective
17 Billing Enhancement and Construction Management Center (New Customer
18 Connections - CMC).

19 Q. Do you have any concerns or thoughts related to the projects that CAD had
20 previous knowledge of such as the Collective Billing Enhancement and CMC?

21 A. Collective Billing Enhancement project addresses collective billing accounts, and
22 the CMC Center project addresses new builds and developments.

DIRECT TESTIMONY OF JUSTIN D. MILLER
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1 The Collective Billing Enhancement project assist in remedying a long-lasting
2 issue that the Commission has been hearing from customers. Commission Staff
3 has been working directly with the Company through various meetings to identify
4 the findings through the complaints process as well as from the results of an
5 internal audit from the settlement of Case No. U-20084. (Order Approving
6 Settlement Agreement, December 18, 2018). The case was based on a
7 Commission’s own motion against DTE Electric and DTE Gas Company. In the
8 settlement, the companies acknowledged violations of billing rules, including
9 extremely tardy billing practices. The settlement resulted in significant reporting
10 and interfacing requirements be made by DTE over a two-year period.

11 Commission Staff agrees with the approach DTE has made with these account
12 types to help streamline the back-billing of accounts as part of the Collective
13 Billing Enhancement project.

14 Commission Staff has also been involved within various stakeholder groups
15 related to new construction for both electric and natural gas services. The CMC
16 project was designed by the Company to help meet the needs of all parties
17 involved. The CMC project, approved in DTE Electric Case No. U-20561,
18 specifically, outlines the various pieces of communication that were lacking in the
19 previous process. Oftentimes, through the complaint process we would hear from
20 customers not knowing where they were in the process. The new project portal
21 and application, as proposed through CMC, would be vital for a successful
22 relationship, as customers can login and see exactly where they are in the process.
23 Commission Staff supports the new features from both projects.

DIRECT TESTIMONY OF JUSTIN D. MILLER
CASE NUMBER U-20940
PART II

1 Q. Do you have any insight to any of the proposed Customer Service IT projects?

2 A. Yes, one of my main responsibilities within the Commission is corresponding
3 with customers regarding their experiences with DTE. I have spoken with
4 customers regarding, “customer notification.” DTE witness Pizzuti outlines two
5 project Commission Staff would like to comment on 1) Messaging Engine and 2)
6 Outbound Notification.

7 Q. What comments do you have related to the Messaging Engine Project and
8 Outbound Notification?

9 A. Such projects would improve the overall customer experience and create benefit
10 by avoiding potential disputes as the result of a customer receiving a notification.
11 However, the inability to review costs required for projects and how costs have
12 been determined based on industry standards, as well as each project’s capital
13 projection, has made it difficult to determine that such proposed projects are
14 prudent to ratepayers.

15 Q. Are there other projects you believe will benefit the customer experience?

16 A. Yes, Commission Staff would like to address the following projects: Digital
17 Transactional Experience and Interactive Voice Response (IVR) Virtual
18 Assistance.

19 Q. What are the concerns related to the Digital Transactional Experience and IVR
20 Virtual Assistance projects?

21 A. Both of these two projects are very similar, and I will address the concerns in one
22 answer. Staff submitted various discovery requests to understand both the
23 Digital/Web and IVR self-service solutions through the customer journeys,

**DIRECT TESTIMONY OF JUSTIN D. MILLER
CASE NUMBER U-20940
PART II**

1 functionality, limitations, success and fail rates. As a result, Staff is confident
2 these enhancements could help streamline the customer's experience with the
3 Company utilizing the appropriate channel to meet each customer's needs. The
4 responses did provide confidence on what type of experience customers would be
5 engaged in. DTE witnesses Tamara D. Johnson and Pizutti demonstrated what
6 limitations would be given to certain customer types when utilizing both
7 solutions. The witnesses also outlined how the Company would be following the
8 appropriate rules both at the federal and state level. It was noted within Exhibit
9 10.1 outlining the success rate will range between 30-60% and can vary depend
10 on the complexity of the transaction. Since the end results to these projects are
11 very similar and this is a new initiative to drive new channels and opportunities in
12 real-time, Staff is hesitant how the Company success will be with some of the
13 automated processes thus recommending DTE submit performance measures
14 within the next rate case if future allowances are requested. These measures need
15 to address each channel and types (Digital/Web: billing/payments, collections,
16 restorations, promise holds and payment arrangements; IVR: move-in-move-out,
17 restoration, promise holds, high bills and ebills) with the following: 1) success
18 rate 2) fail rate 3) trends on customer interaction i.e. high bill questions, errors
19 that occur, etc. However, as stated earlier, although a project has a potential
20 benefit to customer experience, information such as reviewing costs required for
21 the project and how the costs have been determined based on industry standards
22 as well as each project's capital projection has made it difficult to determine that
23 such proposed projects are prudent to ratepayers.

DIRECT TESTIMONY OF JUSTIN D. MILLER
CASE NUMBER U-20940
PART II

1 Q. Are you confident that the new process changes DTE witness Pizzuti outlines for
2 the Digital/Web and IVR self-service solutions would improve customer
3 satisfaction?

4 A. Yes, customers will be able to choose what method best works for them. It was
5 also noted through Exhibit 10.2 the Company will be reducing 1.2 million calls
6 and a savings of seven million of operating and maintenance costs to the contact
7 center with these options in place.

8 Q. Do you have any concerns with any other Customer IT Projects?

9 A. Yes, I have the same concerns related to the lack of information provided to the
10 Commission regarding substantiating the cost of Customer IT Projects: Platform
11 Integration, DevOps tooling (supporting capabilities) and Enhancement Training
12 Environment.

13 Q. Have you requested DTE provide the information?

14 A. Yes. I have requested that DTE provide, “a breakdown of the capital projection
15 for each project and explain how each cost category has been derived.”

16 Q. Did DTE provide the breakdown of capital projection?

17 A. No. DTE responded in Exhibit S-10.3 by stating, “*like all other DTE IT projects,*
18 *those in the Customer IT Portfolio have documented business cases that define the*
19 *scope of the project, the resources and associated costs to deliver that scope, the*
20 *alternatives considered, and the expected customer and business outcomes. For*
21 *the purposes of assessing and prioritizing projects for inclusion in the Customer*
22 *IT Portfolio in the absence of a completed business case, we attempt to*
23 *triangulate on the costs and potential benefits of the project through past*

DIRECT TESTIMONY OF JUSTIN D. MILLER
CASE NUMBER U-20940
PART II

1 *knowledge of similar projects, conversations with project developers and where*
2 *necessary potential vendors, and through industry benchmarking of similar*
3 *projects. Major costs elements (e.g. people, technology, and change management)*
4 *are determined where possible to ensure the project costs are reasonably*
5 *estimated in a manner that will require minimal refinement through the formal*
6 *business case process. However, situations do occur where estimates can vary*
7 *significantly depending on the final scope and implementation decisions.”*

8 Q. Did the provided information answer your discovery questions and provide you
9 with the information you requested regarding the proposed projects?

10 A. No. The responses provide details of the general methodology of DTE’s practice
11 of determining project relevancy and general information on how costs are
12 determined. Staff was not provided any capital projection or any itemized list
13 containing the accumulation of the many costs for each project but rather an
14 overall total cost amount for the project. Staff also was not provided industry
15 standard costs used to determine the cost of the project.

16 Q. What would benefit Staff in the evaluation for determining prudence for proposed
17 Customer IT Projects?

18 A. After reading provided testimony and analyzing provided exhibits, I have
19 determined that additional filing requirements be required for the proposal of
20 Customer IT Projects inclusion to a rate case. Filing requirements including the
21 projected capital of the project and also what DTE referenced as, “*the major costs*
22 *elements (e.g. people, technology, and change management) are determined*
23 *where possible to ensure the project costs are reasonably estimated (Exhibit S-*

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Case No. U-20940

**EXHIBITS OF
JUSTIN D. MILLER
MICHIGAN PUBLIC SERVICE COMMISSION**

June 03, 2021

MPSC Case No.: U-20940
Requestor: Staff
Question No.: STDG-3.10A
Respondent: A. Pizzuti
Page: 1 of 1

Question: Regarding DTE witness Pizzuti's direct testimony (p. 45, line 23-25, Q41), what percentage of customers does DTE believe will be successful in each of the following Digital Transactional Experience new voice technologies (IVR) channels? How did DTE reach this rate of success for each channel? Please give the total number and the number forecast to be successful.

A) MIMO stop and start service requests

Answer: Currently IVR self-service completion rates are high at 85%. However, the vast majority of customers who use the IVR are performing simple transactions such as inquiring about their balance, reporting an outage, or making a payment, with more complex transactions performed through a live agent, or in the case of start/stop service requests on the Web.

The implementation of new self-service solutions and technologies will expand options for customers in the IVR for more complex transactions, which will take time to refine and continuously improve.

Over time, we anticipate 30-60% success rate across the transactions listed in Questions STDG3.10A,B,C,D, and E, which will vary by complexity of the transaction. Simple requests such as customers using an IVR VA to stop service will have a higher success rate, while customers inquiring about the amount of their bill will be closer to 30% due to customers likely requiring additional CSR assistance.

Attachments: None.

MPSC Case No.: U-20940
Requestor: Staff
Question No.: STDG-3.10B
Respondent: A. Pizzuti
Page: 1 of 1

Question: Regarding DTE witness Pizzuti's direct testimony (p. 45, line 23-25, Q41), what percentage of customers does DTE believe will be successful in each of the following Digital Transactional Experience new voice technologies (IVR) channels? How did DTE reach this rate of success for each channel? Please give the total number and the number forecast to be successful.

B) Restores for customers disconnected for non-payment

Answer: Please refer to my response to Question STDG-3.10A

Attachments: None.

MPSC Case No.: U-20940
Requestor: Staff
Question No.: STDG-3.10C
Respondent: A. Pizzuti
Page: 1 of 1

Question: Regarding DTE witness Pizzuti's direct testimony (p. 45, line 23-25, Q41), what percentage of customers does DTE believe will be successful in each of the following Digital Transactional Experience new voice technologies (IVR) channels? How did DTE reach this rate of success for each channel? Please give the total number and the number forecast to be successful.

C) Promise to pay holds

Answer: Please refer to my response to Question STDG-3.10A

Attachments: None

MPSC Case No.: U-20940
Requestor: Staff
Question No.: STDG-3.10D
Respondent: A. Pizzuti
Page: 1 of 1

Question: Regarding DTE witness Pizzuti's direct testimony (p. 45, line 23-25, Q41), what percentage of customers does DTE believe will be successful in each of the following Digital Transactional Experience new voice technologies (IVR) channels? How did DTE reach this rate of success for each channel? Please give the total number and the number forecast to be successful.

D) High bill inquiries, and

Answer: Please refer to my response to Question STDG-3.10A

Attachments: *None.*

MPSC Case No.: U-20940
Requestor: Staff
Question No.: STDG-3.10E
Respondent: A. Pizzuti
Page: 1 of 1

Question: Regarding DTE witness Pizzuti's direct testimony (p. 45, line 23-25, Q41), what percentage of customers does DTE believe will be successful in each of the following Digital Transactional Experience new voice technologies (IVR) channels? How did DTE reach this rate of success for each channel? Please give the total number and the number forecast to be successful.

E) Ebill enrollments and un-enrollments

Answer: Please refer to my response to Question STDG-3.10A

Attachments: None.

MPSC Case No.:	U-20940
Requestor:	Staff
Question No.:	STDG-3.1D
Respondent:	A. Pizzuti
Page:	1 of 1

Question: Regarding DTE witness Angie M. Pizzuti's direct testimony (p. 49, line 9-14, Q44), please provide the method applied to determine the increase of each Voice Interaction Investments – Forecasted Improvements. Please provide justification for each increase from a policy perspective and a cost perspective.

D) Reduction of 1.2 million calls to the contact center

Answer: Increased customer engagement in the self-service channels, combined with sustained and increased self-service completion rates, will significantly reduce the need for customers to speak to a live agent. In aggregate, our investments in the self-service voice and digital channels are expected to reduce 1.2 million calls to the contact center, with the majority of that coming from the implementation of Virtual Agent (VA) technology in the IVR and new Web collection and billing self-service solutions.

Attachments: *None.*

MPSC Case No.:	U-20940
Requestor:	Staff
Question No.:	STDG-3.1E
Respondent:	A. Pizzuti
Page:	1 of 1

Question: Regarding DTE witness Angie M. Pizzuti's direct testimony (p. 49, line 9-14, Q44), please provide the method applied to determine the increase of each Voice Interaction Investments – Forecasted Improvements. Please provide justification for each increase from a policy perspective and a cost perspective.

E) Cumulative O&M savings of \$7 million

Answer: The average cost to serve a customer through a live contact center agent is \$5.75 per call. A forecasted reduction of 1.2 million calls to the contact center will result in approximately \$7 million in O&M savings and a corresponding improvement in overall customer affordability.

Attachments: *None*

MPSC Case No.:	U-20940
Requestor:	Staff
Question No.:	STDG-12.1
Respondent:	A. Pizzuti
Page:	1 of 2

Question: By way of background, "In Staff's previous discovery STDG-3.18, staff asked "Regarding DTE witness Pizzuti's direct testimony (p. 26, line 8) within the DevOps tooling (supporting capabilities), please provide a breakdown of the capital projection for this project and explain how each cost category has been derived. Please provide additional examples of benefits from this enhancement."

In the question's response, DTE referenced, "The breakdown of the capital estimate for this 2022 project will be refined in more detail as part of the 2021 Annual Planning Cycle (APC)."

Staff responded with the Discovery Question requesting information of what the, The Annual Planning Process (APC) is. DTE responded that, "It is a reference to the annual process of developing and prioritizing the DTE IT portfolio of projects for the following year. This annual process is described in detail in Witness Busby's testimony, where it is more appropriately referred to as the Annual Planning Cycle (APC)."

Witness Busby's testimony states, "like all other DTE IT projects, those in the Customer IT Portfolio have documented business cases that define the scope of the project, the resources and associated costs to deliver that scope, the alternatives considered, and the expected customer and business outcomes."

Staff requests that this information be produced for review.

Answer: The above statement, "like all other DTE IT projects, those in the Customer IT Portfolio have documented business cases that define the scope of the project, the resources and associated costs to deliver that scope, the alternatives considered, and the expected customer and business outcomes.", is not in Witness Busby's testimony, it is in my testimony on AMP-15, lines 13-16. Witness Busby describes the APC on pages JJB-8 through JJB-11 of his testimony.

The statement was in response to Q21, and was intended to provide insight into two elements of the process, 1) how projects are identified for inclusion in the Customer IT Portfolio and 2) the use of business cases to document the scope, cost, and alternative solutions for all DTE IT projects.

MPSC Case No.:	U-20940
Requestor:	Staff
Question No.:	STDG-12.1
Respondent:	A. Pizzuti
Page:	2 of 2

However, as described in my response to STDG-3.18, business case development is part of the annual IT APC process and therefore projects scheduled to begin in 2022 have business cases that remain under development and will be completed in November 2021 for calendar year 2022 projects. The detailed breakdowns will be available following that process

For the purposes of assessing and prioritizing projects for inclusion in the Customer IT Portfolio in the absence of a completed business case, we attempt to triangulate on the costs and potential benefits of the project through past knowledge of similar projects, conversations with project developers and where necessary potential vendors, and through industry benchmarking of similar projects. Major costs elements (e.g. people, technology, and change management) are determined where possible to ensure the project costs are reasonably estimated in a manner that will require minimal refinement through the formal business case process. However, situations do occur where estimates can vary significantly depending on the final scope and implementation decisions.

Attachments: None.

Verso Corporation

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Angela Adkins

Digitally signed by Angela Adkins
Date: 2021.06.03 11:47:23 -04'00'

Angela Adkins

Subscribed and sworn to before me
this 3rd day of **June, 2021**.

Michelle L. Conarton, Notary Public
State of Michigan, County of Ingham
Acting in the County of Eaton
My Commission Expires: 6-18-2026