

July 10, 2017

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street SW  
Washington, DC 20554

Re: ***Ex Parte Letter—Prevention of Fraud and Abuse Arising Out of Text-Enabled Toll-Free Numbers***  
WC Docket No. 95-155; WT Docket No. 08-7

Dear Ms. Dortch:

I write to supplement the record in the above-referenced proceedings and to express Duke Energy Corporation's support for a centralized registry of all text-enabled toll-free numbers, similar to the existing registry for toll-free telephone numbers currently administered by Somos, Inc.

Duke Energy is one of the largest electric power holding companies in the United States. We supply and deliver electricity to approximately 7.5 million customers in North Carolina, South Carolina, Florida, Indiana, Ohio and Kentucky. We also serve more than 1.6 million natural gas customers in Ohio, Kentucky, Tennessee, North Carolina and South Carolina.

As a provider of electricity and natural gas, our relationships with customers are ongoing. Our customers don't walk into a store, buy a product and leave. Because of this ongoing relationship, customer communication is a particularly important part of our business. Customer confidence in the integrity of our communications is vital to our operations. For purposes of our operations, Duke Energy current utilizes more than 900 toll-free telephone numbers.

Unfortunately, given our size, our number of customers and the ongoing nature of our customer relationships (which typically involve monthly billing), scammers see opportunity in impersonating Duke Energy and attempting to steal money from our customers. The use of bogus—but seemingly legitimate—toll-free telephone numbers is part of the problem. Scammers purchase these lines to convey legitimacy, create fake recordings of customer service menus, then direct victims to call-back these numbers with payment information under the false premise that a service disconnection is pending.

We have been vigilant in addressing these scams. Duke Energy was a leader in the formation of Utilities United Against Scams ("UUAS") in 2016. UUAS is a group of electric utilities, gas utilities, water utilities and trade associations, whose mission is to combat utility scams by providing a forum to share data and best practices and to work together to implement initiatives to inform and protect our customers.

Our efforts to protect customers from toll-free telephone number scams have been successful because there is a single centralized registry for toll-free telephone numbers (Somos, Inc.), as established by the Commission nearly 25 years ago. Somos is able to identify the seller of any toll-free telephone number, contact that organization to verify the fraud, and have scam lines shut down. In the first three months of collaboration between UUAS and Somos, we have shut down well over 80 toll-free telephone numbers being used by scammers to impersonate utilities and defraud their customers. That total continues to grow.

By way of example, just this past March, Duke Energy received customer complaints of scammers using interactive voice response technology on three separate toll-free telephone numbers. We reported these toll-free numbers to Somos, which was able to quickly identify the RespOrg for each number and shut the numbers down. But perhaps even more importantly, Somos was able search its database and identify numbering patterns, activation date patterns, and RespOrg transition patterns that matched the fraudulent numbers. This allowed us to identify 34 other toll-free numbers telephone numbers that were potentially involved in the scheme. Through further verification processes (including but not limited to calling the toll-free numbers identified by Somos), we were able to identify 14 of these numbers as actively being used for scams and shut them down *before* receiving a customer complaint. This would not have been possible without the ability to cross-reference the reported scam lines with the entire toll-free number database. In other words, the centralized database allowed us to prevent customer fraud before it occurred.

This success has been achieved despite having to rely on an email-based (non-automated) process. UUAS and Somos are working together to create a more automated process that will facilitate more rapid reporting, which will enable shutting down fraudulent numbers as soon as they are identified and confirmed.

Duke Energy, like most utilities and other businesses, is constantly evaluating new means of connecting with customers. Text-to-pay billing service and other text-based customer communications such as outage notifications, service appointment reminders, and payment confirmations are part of what Duke Energy is currently considering. With communications shifting from voice to text, we know that scammers will adapt their tactics, as well.

The centralized database of toll-free telephone numbers has enabled Duke Energy and other members of the UUAS not only to quickly shut down fraudulent toll-free numbers, but also, as explained above, to prevent fraud before it happens. Without a similar centralized database for text-enabled toll-free numbers, we will be lacking a critical tool in the fight against fraud. Our experience with Somos has been positive. Their experience on the “voice” side, their existing Text and Smart Services (“TSS”) registry, and their success in detecting and preventing fraud, make them an accessible and logical choice to serve as the central registrar for text-enabled toll-free numbers.

Duke Energy recognizes that other participants in this proceeding have raised concerns regarding (1) the scope of the Commission's Title II authority over text-enabled toll-free numbers, and (2) whether a declaratory ruling is the appropriate procedural vehicle for designating a centralized registry for text enabled toll-free numbers. Duke Energy takes no position on these legal issues, but instead bases its support for a centralized registry on its experience with scammers and its interest in protecting its 7.5 million electric customers and 1.6 million natural gas customers from fraud.

We appreciate the opportunity to weigh-in on this important issue. This letter is being electronically filed through the ECFS for inclusion in the record of these proceedings.

Sincerely,

/s/ Jared Lawrence

Jared Lawrence  
Vice President, Revenue Services

cc: Chairman Ajit Pai  
Commissioner Mignon Clyburn  
Commissioner Michael O'Rielly  
Kris Monteith, Acting Chief, Wireline Competition Bureau  
Donald Stockdale, Chief, Wireless Telecommunications Bureau