BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission's Review of Chapter 4901:1-10, Ohio Administrative Code, Regarding Electric Companies.	))))	Case No. 12-2050-EL-ORD

SUPPLEMENTAL REPLY COMMENTS OF DUKE ENERGY OHIO, INC.

I. Introduction

The Public Utilities Commission of Ohio (Commission) initiated this proceeding in July 2012, to review rules contained in Chapter 4901:1-10, Ohio Administrative Code (O.A.C.). On July 10, 2013, the Commission issued an Entry that included some additional proposed changes to the rules in this Chapter that address metering generally and policy related to advanced metering infrastructures in particular. Duke Energy Ohio, Inc. (Duke Energy Ohio or Company) submits the following reply comments for the Commission's consideration.

II. Discussion

As noted in initial Comments submitted by Duke Energy Ohio, the concept of allowing customers to opt out of receiving advanced metering is one that the Company does not support. There are no credible justifications for opposing such meters. To the extent customers are to be permitted to opt for old fashioned meters, such customers must be held fully responsible for the costs incurred to provide continuing service.

The Office of the Ohio Consumers' Counsel (OCC) raises a number of concerns that should have been long resolved prior to these proceedings. For example, OCC notes that there is some controversy surrounding advanced meter deployment, and then, without any foundation, mentions that the accuracy of usage being recorded is an example of such controversy. OCC has been a participant in Duke Energy Ohio's Smart Grid Collaborative since its inception in 2009. Likewise, OCC was a party to the Company's proceeding wherein a mid-deployment evaluation was considered by the Commission, in Case No. 10-2326-GE-RDR. In that proceeding, the Commission retained a consultant to review and analyze meter data accuracy. The Report that was filed with the Commission and reviewed by OCC and other parties specifically found that accuracy was far greater with advanced meters.[1] This same report notes that Duke Energy Ohio's residential meters comply with federal standards and do not emit ANY radio frequencies since the technology used is based upon Power Line Carrier or PLC technology. Despite this fact, customers still tend to be concerned about non-existence radio frequencies. Thus, while there may be some controversy about advanced meters, accuracy should not be one of those controversies.

The OCC also suggests that one way to resolve customer concerns about radio frequencies (that don't exist with Duke Energy Ohio's meters) would be to offer the customer the option of disabling the communication device in the advanced meter. This suggestion demonstrates a lack of understanding of the technology used and the communication it provides. With regard to Duke Energy Ohio's meters, disabling is not technologically feasible and even if

[1] *In the Matter of the Application of Duke Energy Ohio, Inc., to Adjust and Set its Gas and Electric Recovery Rate for 2010 Smart Grid Riders AU and rider DR-IM and Mid-Deployment Review of AMI/SmartGrid Program*, Case No. 10-2326-GE-RDR, Duke Energy Ohio Smart Grid Audit and Assessment Report, June 30, 2011, p. 21.

it was possible to do so, would potentially be more time-intensive and difficult than simply replacing the existing meter. Thus, OCC's comment with respect to this option is ill conceived.

Ohio Partners for Affordable Energy (OPAE) offers a number of comments that misstate the facts. OPAE has participated in every proceeding wherein Duke Energy Ohio has sought Commission approval of cost recovery for grid modernization, since the inception of the program. Despite the experience with these proceedings, OPAE argues that customers might be double paying for traditional metering service which may be built into base rates. In its cost recovery proceedings before the Commission, OPAE and other interested parties have successfully required the Company to return cost savings to customers for the implementation of grid modernization. Thus, the savings flowing back to customers as a result of the deployment include such categories as savings from fewer vehicle deployments and fewer meter readers. Also, as discussed in the Company's initial comments, it is no longer necessary to deploy technicians to start or stop electric service since it can now be accomplished remotely. The savings resulting from such operational benefits are returned to customers each year through the Company's rider. If a customer opts to receive service through a traditional meter, such savings are no longer applicable and therefore costs are incurred. Customers seeking to receive service through the traditional meter must be responsible for such costs.

Direct Energy Services, LLC and Direct Energy Business, LLC (collectively, Direct Energy) have provided comments on matters related to data privacy. In comments, Direct Energy seeks Commission guidance and appropriate language in the rules to facilitate sharing of customer information. First, Direct Energy asks that the Commission outline how an electric distribution utility receives authorization to disclose customer energy usage data and de-

identified energy usage data to competitive retail electric service (CRES) providers. Duke Energy Ohio concurs with Direct Energy that this is an area in which all entities require additional guidance and clarity. Duke Energy Ohio has maintained customer usage information consistent with the Commission's rules and law. However, now that the Company has additional interval meter data that is of value to CRES and other third parties, and in order for customers to benefit from the full panoply of benefits that can be derived from the advanced meter, more is required. Thus, the Company agrees that the Commission should clarify its position with respect to the proper disposition of this additional data.

III. Conclusion

Duke Energy Ohio requests that the Commission accept its suggested comments and changes to the propose rules as set forth herein.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing has been served upon the parties of record via electronic mail on this 16th day of August, 2013.

/s/ Elizabeth H. Watts
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Summary: Comments Reply Comments of Duke Energy Ohio, Inc. electronically filed by Carys Cochern on behalf of Watts, Elizabeth H. Ms.