

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :  
Application of Duke :  
Energy Ohio, Inc. to :  
Adjust Rider DR-IM and : Case No. 13-1141-GE-RDR  
Rider AU for 2012 Grid :  
Modernization Costs. :

PROCEEDINGS

before Mr. Kerry K. Sheets, Hearing Examiner, at the  
Public Utilities Commission of Ohio, 180 East Broad  
Street, Room 11-D, Columbus, Ohio, called at 9:00  
a.m. on Tuesday, February 4, 2014.

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ARMSTRONG & OKEY, INC.  
222 East Town Street, 2nd Floor  
Columbus, Ohio 43215  
(614) 224-9481 - (800) 223-9481  
Fax - (614) 224-5724

- - -

APPEARANCES:

Duke Energy Corporation  
By Ms. Amy B. Spiller  
and Ms. Elizabeth H. Watts  
139 East Fourth Street  
Cincinnati, Ohio 45201-0960

On behalf of Duke Energy Ohio, Inc.

Direct Energy  
By Mr. Joseph M. Clark  
21 East State Street, 19th Floor  
Columbus, Ohio 43215

On behalf of Direct Energy Services, LLC  
and Direct Energy Business, LLC.

Bruce J. Weston, Ohio Consumers' Counsel  
By Mr. Terry L. Etter  
Assistant Consumers' Counsel  
10 West Broad Street, Suite 1800  
Columbus, Ohio 43215-3485

On behalf of the residential ratepayers  
of Duke Energy Ohio.

Ms. Colleen L. Mooney  
231 West Lima Street  
Findlay, Ohio 45839-8860

On behalf of Ohio Partners for Affordable  
Energy.

Mike DeWine, Ohio Attorney General  
William L. Wright, Section Chief  
By Mr. Devin D. Parram  
Assistant Attorney General  
Public Utilities Section  
180 East Broad Street, 6th Floor  
Columbus, Ohio 43215

On behalf of the staff of the Public  
Utilities Commission of Ohio.

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Tuesday Morning Session,  
February 4, 2014.

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EXAMINER SHEETS: The Public Utilities Commission of Ohio has set for hearing at this time and place Case No. 13-1141-GE-RDR. My name is Kerry Sheets, and I've been assigned to hear this case. This is in the matter of the application of Duke Energy Ohio to adjust its rider DR-IM and rider AU for SmartGrid costs.

May I now have the appearances of the parties, please, starting with the company.

MS. WATTS: Thank you, your Honor. On behalf of Duke Energy Ohio, Amy B. Spiller and Elizabeth H. Watts, 139 East Fourth Street, Cincinnati, Ohio, and the zip is 45202.

EXAMINER SHEETS: Very good.

We'll go with OCC next.

MR. ETTER: Good morning, your Honor. On behalf of residential utility consumers, the Office of the Ohio Consumers' Counsel, Bruce J. Weston, Ohio Consumers' Counsel, Terry L. Etter, Assistant Consumers' Counsel, we're at 10 West Broad Street, Suite 1800, Columbus, Ohio 43215.

EXAMINER SHEETS: Thank you.

1 OPAE.

2 MS. MOONEY: On behalf of Ohio Partners  
3 for Affordable Energy I'm Colleen Mooney, 231 West  
4 Lima Street, Findlay, Ohio.

5 EXAMINER SHEETS: Thank you.

6 Direct Energy.

7 MR. CLARK: On behalf of Direct Energy  
8 Services, LLC and Direct Energy Business, LLC, Joseph  
9 M. Clark, 21 East State Street, 19th floor,  
10 Columbus, Ohio 43215.

11 EXAMINER SHEETS: Thank you.

12 Staff.

13 MR. PARRAM: Good morning, your Honor.  
14 On behalf of the staff of the Public Utilities  
15 Commission of Ohio, Ohio Attorney General Mike  
16 DeWine, Public Utilities Section Section Chief  
17 William Wright, by Assistant Attorney General Devin  
18 D. Parram, 180 East Broad Street, 6th floor,  
19 Columbus, Ohio 43215.

20 EXAMINER SHEETS: Thank you.

21 Do we have any preliminary matters to  
22 take care of this morning?

23 MS. WATTS: Yes, your Honor. I've  
24 provided to the Bench and to the court reporter a  
25 proposed list of exhibits and, if you would prefer,

1 we can go ahead and mark those exhibits ahead of  
2 time.

3 EXAMINER SHEETS: Very good.

4 MS. WATTS: So if it meets with your  
5 approval, I'll go ahead and read those into the  
6 record.

7 EXAMINER SHEETS: Okay.

8 MS. WATTS: Duke Energy Ohio would ask  
9 that the application of Duke Energy Ohio in this  
10 proceeding be marked as Duke Energy Ohio Exhibit 1.

11 EXAMINER SHEETS: Very good.

12 MS. WATTS: The direct testimony of Peggy  
13 Laub would be Duke Energy Ohio Exhibit 2.

14 EXAMINER SHEETS: Okay.

15 MS. WATTS: The direct testimony of Mark  
16 Wimberly would be Duke Energy Ohio Exhibit 3; the  
17 direct testimony of Timothy J. Duff would be Duke  
18 Energy Ohio Exhibit 4; the direct testimony of Jared  
19 A. Lawrence would be Duke Energy Ohio Exhibit 5; the  
20 direct testimony of Donald L. Schneider, Jr. is Duke  
21 Energy Ohio Exhibit 6; the supplemental testimony of  
22 Donald L. Schneider, Jr. would be Duke Energy Ohio  
23 Exhibit 7; and we would ask that our reply comments  
24 in this proceeding be marked as Duke Energy Ohio  
25 Exhibit 8.

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EXAMINER SHEETS: Very good.  
  
(EXHIBITS MARKED FOR IDENTIFICATION.)  
  
EXAMINER SHEETS: Okay. We'll go down  
and ask for other exhibit markings at this time.  
OCC, do you have any exhibits to mark?  
  
MR. ETTER: Your Honor, we have the  
comments filed by OCC in this proceeding on October  
31st, 2013, that would be OCC Exhibit 1, and the  
reply comments filed by OCC on, I think it's November  
4th -- November 14th, 2013, as OCC Exhibit 2.  
  
EXAMINER SHEETS: Very good.  
  
(EXHIBITS MARKED FOR IDENTIFICATION.)  
  
EXAMINER SHEETS: We'll go with OP&E.  
  
MS. MOONEY: Yes, your Honor, OP&E filed  
comments on October 31st, 2013, and we'd like  
OP&E's comments to be marked as OP&E Exhibit 1. And  
we didn't file reply comments, so we just have the  
one.  
  
EXAMINER SHEETS: Okay.  
  
(EXHIBIT MARKED FOR IDENTIFICATION.)  
  
EXAMINER SHEETS: Now Direct Energy.  
MR. CLARK: I apologize, your Honor.  
EXAMINER SHEETS: Do you have exhibits to  
mark?  
  
MR. CLARK: I do please. The first



1 exhibit will be the direct prepared testimony of  
2 Teresa L. Ringenbach with attachments, it will be  
3 Direct Energy Exhibit 1; Direct Energy Exhibit 2 will  
4 be the direct testimony and exhibits of Jennifer L.  
5 Lause; Direct Energy Exhibit 3 will be our comments,  
6 we only filed one set of comments on the 31st of  
7 October of last year, Exhibit 3.

8 And we will have -- we'll likely have  
9 some additional exhibits that are discovery responses  
10 for cross, but those are my premarked exhibits that I  
11 know I have now.

12 EXAMINER SHEETS: Very good.

13 (EXHIBITS MARKED FOR IDENTIFICATION.)

14 EXAMINER SHEETS: Staff.

15 MR. PARRAM: Yes, your Honor, staff would  
16 like to have marked as Staff Exhibit 1 the comments  
17 that were submitted on behalf of the staff on October  
18 31st, 2013, marked as Staff Exhibit 1. Staff  
19 didn't file any reply comments so that would be our  
20 only exhibit, your Honor.

21 EXAMINER SHEETS: Very good.

22 (EXHIBIT MARKED FOR IDENTIFICATION.)

23 EXAMINER SHEETS: I understand there's a  
24 stipulation.

25 MS. WATTS: There is, your Honor. We're

1       lacking a few copies of that just at the moment, but  
2       if we can, we'd like to mark the stipulation at some  
3       point as Joint Exhibit 1. And that was submitted on  
4       the docket on January 10th.

5               EXAMINER SHEETS: Okay. Very good.

6               (EXHIBIT MARKED FOR IDENTIFICATION.)

7               EXAMINER SHEETS: Any other matters to  
8       take care of?

9               (No response.)

10              EXAMINER SHEETS: Well, let's start with  
11      the company witnesses.

12              MS. WATTS: Your Honor, the first three  
13      Duke Energy Ohio witnesses, Duke Energy Ohio Witness  
14      Peggy Laub, Mark Wimberly, and Tim Duff, the parties  
15      have waived cross-examination of those witnesses and  
16      have agreed to accept their testimony into the  
17      record. So we did not bring them to the hearing  
18      today by approval of all the parties to the case.

19              EXAMINER SHEETS: Okay. I'm going to  
20      have to ask you to go into that one more time a  
21      little louder.

22              MS. WATTS: Okay. The first three  
23      parties that Duke Energy Ohio, I'm sorry, the first  
24      three witnesses, Peggy Laub, Mark Wimberly, and Tim  
25      Duff, all of them the parties have agreed to waive

1 cross-examination of their testimony and have their  
2 testimony admitted into the record.

3 EXAMINER SHEETS: Very good.

4 MS. WATTS: The testimony of Tim Duff is  
5 to be offered conditional upon the introduction of an  
6 additional statement which I can either read into the  
7 record or Duke Energy Ohio Witness Lawrence can read  
8 into the record and that was a provision of Direct  
9 Energy's waiver of Mr. Duff's testimony otherwise.

10 EXAMINER SHEETS: Okay. Call your first  
11 witness.

12 MS. WATTS: My first witness would be  
13 Jared Lawrence.

14 EXAMINER SHEETS: Raise your right hand.  
15 (Witness sworn.)

16 EXAMINER SHEETS: Please be seated.

17 MS. WATTS: May I approach, your Honor?

18 EXAMINER SHEETS: You may.

19 - - -

20 JARED A. Lawrence

21 being first duly sworn, as prescribed by law, was  
22 examined and testified as follows:

23 DIRECT EXAMINATION

24 By Ms. Watts:

25 Q. Good morning, sir. Would you state your

1 name for the record, please.

2 A. My name is Jared A. Lawrence.

3 Q. Mr. Lawrence, by whom are you employed?

4 A. Duke Energy Corporation.

5 Q. And do you have before you what's been  
6 marked as Duke Energy Ohio Exhibit 5?

7 A. Yes, I do.

8 Q. And would you identify that document,  
9 please.

10 A. It's the Direct Testimony of Jared A.  
11 Lawrence on Behalf of Duke Energy Ohio, Incorporated.

12 Q. Did you cause that testimony -- did you  
13 prepare this testimony yourself?

14 A. I did.

15 Q. Do you have any additions or corrections  
16 to that testimony?

17 A. Yes, I do.

18 Q. Would you tell us what those are, please?

19 A. On page 7, line 11 through 13 there was a  
20 typo that needs to be corrected.

21 Q. And could you tell us what the correction  
22 is.

23 A. The testimony should read: "The  
24 Stipulation furthers important regulatory principles  
25 and practices through the advancement of the

1 deployment of grid modernization technology."

2 Q. Perfect. Any others?

3 A. No.

4 Q. If I would ask you the questions  
5 contained therein today, would your answers be the  
6 same?

7 A. Yes.

8 Q. And are they true to the best of your  
9 knowledge?

10 A. Yes.

11 MS. WATTS: Mr. Lawrence is available for  
12 cross-examination.

13 EXAMINER SHEETS: Very good.

14 Does OCC have any questions?

15 MR. ETTER: No questions, your Honor.

16 EXAMINER SHEETS: OPAE?

17 MS. MOONEY: No questions, your Honor.

18 EXAMINER SHEETS: Direct Energy.

19 MR. CLARK: Yes, your Honor, thank you.

20 - - -

21 CROSS-EXAMINATION

22 By Mr. Clark:

23 Q. Mr. Lawrence, my name is Joe Clark. I'm  
24 counsel for Direct Energy. If I'm speaking too  
25 quickly or not loudly enough, please let me know, I'm

1 happy to repeat the questions. I have a few  
2 questions for you.

3 Could you turn to page 10 of your  
4 testimony, particularly looking at lines 8 and 9.

5 A. Yes.

6 Q. Here you discuss that Duke Energy will be  
7 providing data through a web portal for suppliers,  
8 but you note that not all will be of billable  
9 quality. Can you tell me how much would be of  
10 billable quality? What percentage of meters or data  
11 would you expect would actually be of billable  
12 quality that you will be providing at that time?

13 A. I can say that we are transferring data  
14 between systems and Witness Schneider is the expert  
15 who can provide the specific details on that.

16 Q. So you don't know what the percentage  
17 would be?

18 A. I do not know the exact percentage, no.

19 Q. Okay. Turn to page 11, lines 12 and 13.  
20 Here you talk about a meter data management system  
21 and specifically you say that the functionality that  
22 Direct Energy's requesting would be costly and  
23 require significant system changes. Do you see that?

24 A. Yes, I do.

25 Q. What do you mean by "costly"?

1 A. Just give me a moment, I want to --

2 Q. Sure. Take your time.

3 A. -- read the entire paragraph.

4 Q. Take your time.

5 A. "Costly" in this context means that it  
6 will require a significant amount of expense and,  
7 therefore, would need to be internally approved, run  
8 through the internal budget process, as well as  
9 presented to the Commission for review for prudence  
10 and approval.

11 Q. And can you tell me, give an approximate  
12 number for "costly"? Do you have a dollar amount  
13 that you have in mind there?

14 A. I do not have a dollar amount at this  
15 time, no.

16 Q. And additionally you talk about, in those  
17 same lines, significant system changes. Can you  
18 describe those particular changes that would be  
19 significant?

20 A. I believe Witness Schneider is the  
21 witness who will talk about the specific system  
22 changes.

23 Q. Okay. Moving to page 12, lines 12 to 16,  
24 here you encourage the Commission to take Direct  
25 Energy's proposals to your SmartGrid collaborative,

1 correct?

2 A. Yes.

3 Q. And what I'm trying to -- I'm trying to  
4 understand if, hypothetically, the Commission would  
5 direct the Direct Energy proposals to go through a  
6 collaborative, can you give me an approximate time  
7 frame that you think it would take from introduction  
8 to the collaborative through -- for it to move  
9 through the collaborative process and ultimately be  
10 approved for implementation?

11 A. I don't believe I can give an approximate  
12 timeline for a couple of reasons, the first of which  
13 is, obviously, we will want to invite in all the  
14 relevant stakeholders to provide comments on that.

15 Secondly, we are awaiting direction from  
16 the Commission on certain issues that are important  
17 to determining how we ultimately will design those  
18 systems and the strategies for making that data  
19 available; until we have that timeline, I cannot give  
20 you anything.

21 Q. Okay. Would it be fair to say that it  
22 would take more than one year?

23 A. I honestly cannot say for sure.

24 Q. And also, Mr. Lawrence, have you ever  
25 actually participated in the collaborative itself?



1           A.    I have not, no, but employees who work  
2   for me have, yes.

3           Q.    Okay.

4           MR. CLARK:   Just a moment, your Honor.

5           Q.    Can I follow back up, I'm sorry, to your  
6   page 11, lines 12 and 13.  I asked you previously  
7   about what "costly" meant and was curious, while you  
8   don't have an exact amount that you could speculate  
9   now, have you discussed internally a dollar amount of  
10   any sort?  Have there been proposals that have been  
11   put forth that you've talked about or otherwise have  
12   a dollar range?

13          A.    Nothing that I think has the confidence  
14   to be considered a reasonable estimate, no, not at  
15   this time.

16          MR. CLARK:   Your Honor, I believe that's  
17   all I have for cross.

18          EXAMINER SHEETS:   Good.

19                Does staff have any questions?

20          MR. PARRAM:   No questions, your Honor.

21          EXAMINER SHEETS:   Does the company have  
22   any on redirect?

23          MS. WATTS:   May we take just a moment,  
24   your Honor?

25          EXAMINER SHEETS:   Okay.

1 MS. WATTS: I don't believe we do, but I  
2 would like to just take a moment.

3 (Recess taken.)

4 MS. WATTS: Your Honor, I do not have any  
5 redirect although we did neglect to have Mr. Lawrence  
6 read into the record Mr. Duff's statement that's the  
7 statement that allows Mr. Duff's testimony to be  
8 waived by Direct Energy, so maybe now would be an  
9 appropriate time to read that into the record?

10 MR. CLARK: That's fine by us, yeah.

11 MS. WATTS: Does anybody care about that?  
12 Okay. If it meets with your approval.

13 EXAMINER SHEETS: Go ahead.

14 MS. WATTS: Do you have it, Jared?

15 THE WITNESS: I do.

16 MS. WATTS: And it's our understanding  
17 that this statement that Mr. Lawrence will read will  
18 be -- is the provision that allows Direct Energy to  
19 waive Mr. Duff's testimony into the record, so with  
20 that.

21 THE WITNESS: Stipulation of Facts -  
22 Supplement to Testimony of Timothy J. Duff.

23 Referencing page 11, lines 6 of Timothy  
24 J. Duff's Direct Testimony, Duke Energy Ohio has  
25 fulfilled its commitment to have the billing system

1 functionality to allow CRES providers the capability  
2 to offer CRES customers time-differentiated rates  
3 consistent with its existing supplier tariff by  
4 January 1, 2013.

5 Specifically, by January 1, 2013 Duke  
6 Energy Ohio had the necessary billing system  
7 functionality to support billing for a CRES to bill a  
8 customer it serves on a 2-by-2 TOU rate. A 2-by-2  
9 rate means a rate that features two separate seasons  
10 like summer and winter, and two periods per season  
11 like peak and off peak. (Similar to the Duke  
12 Energy Ohio pilot time-of-use rate in place at the  
13 time.) In order for a CRES customer to be served  
14 under a rate using this functionality, the customer  
15 would need to have an AMI meter installed and  
16 certified.

17 While this billing functionality exists,  
18 and a large number of Duke Energy Ohio customers have  
19 certified meters, it does not change the fact that it  
20 does not avail CRES providers the ability to utilize  
21 the functionality. The Commission rules do not  
22 sufficiently address the confidentiality of smart  
23 grid meter interval data, standards for said data  
24 exchange and the form of customer authorization  
25 required for an EDU to release said data to a CRES

1 provider which limits their ability to develop and  
2 bill TOU rates that would utilize the functionality.

3 MS. WATTS: Nothing further from the  
4 company, your Honor, with this witness.

5 EXAMINER SHEETS: Okay. Is there any  
6 recross?

7 MR. CLARK: No, your Honor.

8 EXAMINER SHEETS: You're excused.

9 THE WITNESS: Thank you.

10 (Witness excused.)

11 MS. WATTS: Your Honor, we'll wait until  
12 the conclusion of our case to move all of our  
13 exhibits into evidence if that's okay.

14 EXAMINER SHEETS: Very good.

15 MS. WATTS: Our next witness would be  
16 Donald L. Schneider, Jr.

17 (Witness sworn.)

18 EXAMINER SHEETS: Be seated.

19 - - -

20 DONALD L. SCHNEIDER, JR.  
21 being first duly sworn, as prescribed by law, was  
22 examined and testified as follows:

23 DIRECT EXAMINATION

24 By Ms. Watts:

25 Q. Sir, would you state your name, please.

1           A.     Donald L. Schneider, Jr.

2           Q.     And by whom are you employed?

3           A.     Duke Energy Corporation.

4           Q.     I actually didn't write on them,  
5     Mr. Schneider, but do you have before you what we've  
6     asked to be marked as Duke Energy Ohio Exhibits 6 and  
7     7?

8                     And would you identify those documents,  
9     please?

10          A.     Yes.   Exhibit 6 is my direct testimony in  
11     this case, and Exhibit 7 is my supplemental testimony  
12     in this case.

13          Q.     Thank you.

14                     And did you prepare that testimony?

15          A.     Yes, I did.

16          Q.     Do you have any additions or corrections  
17     to it?

18          A.     No, I don't.

19          Q.     If I were to ask you the questions  
20     contained therein again today, would your responses  
21     be the same?

22          A.     Yes.

23          Q.     And are they true to the best of your  
24     knowledge?

25          A.     Yes, they are.

MS. WATTS: Mr. Schneider is available  
for cross-examination.

EXAMINER SHEETS: Very good.

Does OCC have any questions?

MR. ETTER: No questions, your Honor.

EXAMINER SHEETS: OPAE?

MS. MOONEY: No questions, your Honor.

EXAMINER SHEETS: Direct Energy?

MR. CLARK: Yes, please, your Honor.

- - -

# CROSS-EXAMINATION

By Mr. Clark:

Q. Mr. Schneider, my name is Joe Clark. I'm  
counsel for Direct Energy. If I'm speaking too  
quickly, which I have a tendency to do, or not loudly  
enough, please let me know and I'll be happy to  
repeat the question for you.

A. All right.

Q. I wanted to start with your direct  
testimony, page 3, lines 21 to 23.

A. Okay.

Q. Are you ready?

A. Yes. I'm sorry.

Q. So there you note that through the first  
quarter 2013 that you installed a total of 547,194

1 electric meters and that 510,689 of those meters were  
2 certified, correct?

3 A. That is correct.

4 Q. Can you tell me what differentiates the  
5 meters that were certified and those that were not?

6 A. Yes. So after the meter is installed we  
7 go through a commissioning and verification process  
8 where we make sure that the advanced metering  
9 communication infrastructure is up and running, that  
10 we are getting the reads from the meter through the  
11 communications system back into the head-in systems  
12 at the office, and that the data is of quality and  
13 ready to bill. At that point we will certify those  
14 meters.

15 Q. So for the meters, there wasn't any  
16 particular reason that the meters that were not  
17 certified yet were not certified, it was just a  
18 matter of meters were in the field quicker than you  
19 could certify?

20 A. Yes, there's just a lag between the time  
21 it's installed to certify. Now, there may be some  
22 cases where it takes a little longer if there's  
23 technical issues.

24 Q. Okay. And then I wanted to just double  
25 check to make sure we're using the same language. On

1 page 4 of your testimony, lines 1 to 3, you define  
2 what "certified" means. Do you see that there?

3 A. Yes.

4 Q. I want to make sure, when you say  
5 "certified," is that distinguishable from the  
6 validation, estimate, and edit process?

7 A. The validation, estimate, and edit  
8 process is part of the certification.

9 Q. Okay. Besides the -- may I use the  
10 acronym "VEE" going forward?

11 A. Yes.

12 Q. It may be easier than a mouthful of  
13 saying it. Besides the VEE, what else must happen  
14 for a meter to be certified?

15 A. Again, it has to go through make sure  
16 we're getting data on a regular basis, that all the  
17 communications system is operating properly so we've  
18 got, we usually go for about 45 to 90 days of quality  
19 data coming through. By "quality" I mean that it's  
20 on a regular basis.

21 Q. Okay.

22 A. Then we go through the VEE process and  
23 then it is certified.

24 Q. Okay. Thank you.

25 And then staying on page 4, lines 3 to 4,



1       you indicate that the planned deployment should be  
2       complete by the middle of 2014, correct?

3               A.     Correct.

4               Q.     Can you give us a status update as of  
5       today what percentage of meters are deployed? Your  
6       testimony was filed back in June so I was looking for  
7       an update.

8               A.     We have roughly 95 to 97 percent  
9       deployed.

10              Q.     And could you give me a -- do you know  
11      what percentage of the meters that are installed are  
12      certified currently?

13              A.     We are probably about 75 percent of that  
14      95 percent.

15              Q.     Thank you.

16                     When you do get to -- I'm sorry. Strike  
17      that.

18                     So would you anticipate that the full  
19      rollout would be complete by the middle of 2014?

20              A.     Yes.

21              Q.     How long after the complete deployment  
22      would you expect all the meters to be certified?

23              A.     I would say within this year would be  
24      reasonable.

25              Q.     Thank you.

1 I wanted to also, if you could go to page  
2 8 of your testimony, lines 19 to 21 -- I'm sorry,  
3 page 8 of your direct testimony. In here you  
4 indicate that currently customers can get daily  
5 energy usage data from your portal.

6 A. I'm sorry. What line are you on? Page  
7 8?

8 Q. I'm sorry. Lines 19 and 21 at the bottom  
9 of the page there, page 8.

10 A. Okay. Yes.

11 Q. When a customer logs into the portal to  
12 see their daily energy usage, is there any indicator  
13 or other marker that tells them if their usage data  
14 has been certified?

15 A. They will not see it until it's  
16 certified. It will not show up on the portal until  
17 it's certified.

18 Q. So if I were to log, if I were a customer  
19 and I were to log in, I wouldn't see anything at all  
20 until it was certified.

21 A. That's correct.

22 Q. I think that's all I have. I'm sorry,  
23 would you like to finish?

24 A. I do want to make one clarifying point --

25 Q. Sure.

1           A.    -- that might be confusing and that is,  
2           so again, when we say "certified," so it has gone  
3           through VEE so that it can be billed, that is just  
4           register read data. So the interval data, since we  
5           do not bill using interval data, is not VEE --

6           Q.    Okay.

7           A.    -- quality.

8           Q.    That's all I have for your direct. We'll  
9           move to your supplemental testimony now.

10          A.    Okay.

11          Q.    I want to start on your supplemental  
12          testimony at the bottom of page 5, starting at line  
13          17 through line 22, and I have a few questions  
14          related to that testimony and more clarification.

15                One second. I want to make sure I don't  
16          ask a duplicative question.

17                Specifically looking at lines 19 to 20,  
18          you note that there will be an indicator if the AMI  
19          data is not billing quality. What percentage of  
20          meters do you expect the billing-quality interval  
21          customer usage data will be available?

22          A.    Approximately 12 percent.

23          Q.    And that's currently 12 percent?

24          A.    With the end of our deployment and final  
25          certification of all meters.

1           Q.    Can you describe the progress at which or  
2           how soon Duke would expect to roll through the  
3           remaining 88 percent of meters such that they would  
4           become or have billing-quality data?

5           A.    Yes.  At this point we don't have a  
6           approved project to do so, so we are in the very  
7           early stages of developing such a project to migrate  
8           from our first generation MDM to our second  
9           generation MDM.

10          Q.    Do you have the ability, though, to on a  
11          meter-by-meter basis pick and choose which meters are  
12          I guess are first in line or next up to become or to  
13          offer billing-quality data?

14          A.    What we do have the capability of, if  
15          your question is to manually one by one convert them  
16          or migrate them over to the second generation MDM  
17          that does provide scalable VEE functionality.

18          MR. PARRAM:  Could you speak up, please?  
19          It's sort of hard to hear back here.  Can you speak  
20          up.?

21          THE WITNESS:  I said that we do have the  
22          capability of picking and choosing meter by meter and  
23          migrate them from our first generation MDM to our  
24          second generation MDM which does have scalable VEE  
25          functionality but it would be a manual process.

1 Q. Can you describe the manual process?

2 A. I do not know those details.

3 Q. Okay. This may be really in the weeds,  
4 but we're going to try. Once a meter is certified  
5 and has billing-quality data coming from it, or you  
6 can certify billing-quality data, from that point  
7 forward will it always have billing-quality data?  
8 And I'll clarify it. If I get billing-quality data  
9 in January, is it possible that in February that the  
10 data that comes out is not billing-quality data?

11 A. No. Once it's billable-quality data, it  
12 will remain billable-quality data.

13 MS. WATTS: Mr. Clark.

14 MR. CLARK: Yes.

15 MS. WATTS: Just so that we're not  
16 muddying the record here and so that we all know what  
17 we're talking about, when Mr. Schneider is referring  
18 to billable-quality data, I think we need to be clear  
19 about whether that's interval data or noninterval  
20 data.

21 MR. CLARK: Okay.

22 MS. WATTS: Because it can be billing  
23 quality but noninterval. So I don't want you to go  
24 down and be misled by anything. I think it's  
25 important that we all know what we're talking about.

1 MR. CLARK: Great. Do you mind if we  
2 have him clarify that?

3 MS. WATTS: Absolutely.

4 Q (By Mr. Clark) Based upon what your  
5 counsel has explained the differentiating or to  
6 clarify, could you specify the data whether it's the  
7 interval quality -- interval data is also of billing  
8 quality.

9 A. Yes. So on the vast majority of the  
10 meters that in our first generation MDM that  
11 certification and VEE process is only on the monthly  
12 scaler read or register read. For our second  
13 generation MDM the VEE functionality is available on  
14 a scalable basis for interval usage data.

15 Q. So the -- thank you. That's helpful.  
16 Does Duke currently take a daily scaler  
17 read in 15-minute increments?

18 A. Duke currently receives a daily scaler  
19 read along with 15-minute interval data, usage data.

20 Q. So you're saying that on a daily basis  
21 the interval data is not billing quality, it is --  
22 I'm sorry.

23 A. For those meters in the first generation  
24 MDM that is correct.

25 Q. For the 12 percent of meters that are in

1 the second generation MDM, are those meters  
2 billing -- providing on a daily basis scalar readings  
3 that are billing quality?

4 A. That's correct.

5 Q. Okay.

6 A. Could I add to that?

7 Q. Sure.

8 A. I will say that I'm not certain if that  
9 VEE functionality, if that happens on a daily basis  
10 or if it happens at the end of the month prior to the  
11 bill.

12 Q. Okay.

13 A. I will state that I'm not clear on that.

14 Q. And to make sure I understand, the  
15 12 percent customers that have the billing quality  
16 data, those are in the second generation MDM. Those  
17 customers are in the second generation?

18 A. That's correct.

19 Q. So if I were a CRES provider and I had a  
20 customer I enrolled on some sort of dynamic or  
21 time-of-use rate that used the interval data that  
22 came from the meter, can you discuss or are you aware  
23 of what issues might arise for a CRES provider that  
24 tried to use the nonbillable data to actually bill a  
25 customer for?

1 A. Nonbillable quality --

2 Q. Yes.

3 A. -- data? No.

4 Q. So if you have a -- for the meters that  
5 have the billing-quality data, the 12 percent of  
6 meters or meters that going forward have that  
7 capability or the data is certified, do you know on  
8 the portal that the CRES providers can access, will  
9 the nonbilling-quality data also be available to the  
10 CRES provider?

11 A. As of June 1st, yes. And it will be  
12 indicated if it is billable quality or not.

13 Q. But if I'm pulling data for a meter that  
14 is certified to be the billing quality, will the  
15 data, the nonbillable-quality data basically before  
16 it was filtered to be billable quality, will that  
17 also be available?

18 A. Yes.

19 Q. Okay. I want to move to the same page,  
20 lines 21 to 22, and here you talk about the AMI data  
21 being ready in hourly intervals and updated monthly  
22 after each account bills. Do you see that?

23 A. Yes, I do.

24 Q. Great. Can you tell me, how soon after  
25 the account bills will that information be available



1 in the portal for a CRES provider to pull?

2 A. As far as I know, the next day.

3 Q. Okay. And kind of along the same  
4 questions I had before about the access to the  
5 nonbillable-quality data along with the  
6 billable-quality data, would you expect that the  
7 nonbillable quality data, assuming the meter is  
8 certified, you know, it has both sets, would also be  
9 available on the next day?

10 A. Yes.

11 MR. CLARK: Just a second, your Honor.

12 Q. Moving to page 6 --

13 A. Maybe I need to clarify that last  
14 response.

15 Q. Sure.

16 A. It will be available but we're talking in  
17 context of available on the portal, correct?

18 Q. Correct. Yes, that's what I was  
19 referencing.

20 A. It will not be available until after the  
21 bill.

22 Q. Yes. Understood.

23 A. Okay.

24 Q. Actually, staying on page 5 just to --  
25 continuing to talk about the portal itself, so if I

1 was, hypothetically, if I was a CRES provider and I  
2 enrolled a customer on that type of product, Duke  
3 would have the ability to manually put that customer  
4 in the queue to get the certified data from the  
5 meter, correct?

6 A. Duke would have the capability to  
7 manually migrate on an individual meter basis from  
8 first generation MDM to second generation MDM through  
9 a manual process.

10 Q. Thank you.

11 And, I'm sorry, just to make sure we have  
12 the record straight, once the data -- if you were to  
13 migrate a customer to the second generation MDM, once  
14 that customer's data was billing quality, going  
15 forward it would always be billing quality, there  
16 would be no lapse back to a nonbillable quality.

17 A. That's correct.

18 Q. Thank you. Sorry for the duplication.

19 A. No problem.

20 Q. Moving to page 6 of your testimony, lines  
21 5 to 7, here you discuss the EDI enhancements that  
22 Direct Energy has proposed. Specifically on lines 6  
23 and 7 you talk about whether the EDI enhancements  
24 were both internally approved and cost recovery is  
25 provided.

1                   Can you discuss what criteria such a  
2 project would have to meet for internal approval at  
3 Duke Energy?

4           A.    I mean, it would go through a  
5 cost-benefit analysis in a business case just like  
6 any other capital project would which also involves  
7 distinguishing, you know, what the cost recovery  
8 mechanism might be for that capital expense.

9           Q.    Actually, segues nicely. What mechanism  
10 would you expect Duke would expect cost recovery to  
11 come through?

12          A.    I'm not an expert in that area to speak  
13 to that.

14          Q.    Fair enough.

15                   In line 7, after you talk about the  
16 internal approval and cost recovery, you say "Duke  
17 Energy Ohio may be able to provide billing quality  
18 hourly data." Can you talk about -- the use of the  
19 word "may" seems to imply that there are other things  
20 that need to happen for the project to actually move  
21 forward.

22          A.    No. I think the reason the word "may" is  
23 in there is because the project is in the development  
24 stage and so that would be the objective of the  
25 project.

1 Q. Okay.

2 A. But until we fully have the project  
3 planned out and understand that we can do it, we have  
4 to say "may."

5 Q. Also on page 6, lines 12 to 14, you  
6 anticipate that the project will be discussed further  
7 in your collaborative and submitted to the Commission  
8 for approval. Do you have an approximate time frame,  
9 do you think that project would take from both, you  
10 know, internal approval through coming through the  
11 collaborative to an actual application to the  
12 Commission to ask for approval to do it?

13 A. I don't think I can because I have not  
14 been a regular member of the collaborative so I don't  
15 know how timely they react to things.

16 Q. Sure. And then on page 15 and 16 you  
17 indicate there that the company's only aware of one  
18 CRES provider interested in time-of-use rates. Is  
19 that CRES provider --

20 A. You said page 15 or line?

21 Q. Oh, I'm sorry. Page 6, lines 15 to 16.

22 A. Okay.

23 Q. Here you indicate that the company is  
24 only aware of one CRES provider interested in  
25 time-of-use rates. Is that CRES provider Direct

1 Energy?

2 A. Yes.

3 Q. I want to talk to you about page 7 of  
4 your supplemental testimony, the first paragraph,  
5 lines 1 through 9. Here you talk about the migration  
6 from first generation MDM to second generation MDM.  
7 I just wanted to confirm from one of your discovery  
8 responses that for the pilot program you had to move  
9 customers from the first generation to the second  
10 generation MDM.

11 A. (Witness nods.)

12 Q. Is that correct?

13 A. That's correct.

14 Q. Okay. And is that true for any -- when I  
15 looked yesterday, there were three separate pilot  
16 tariffs on file with the Commission. Is that true  
17 for all three or for all of your pilot programs that  
18 are time-of-use rates?

19 A. I'm not sure I follow that question.

20 Q. For all of your pilot programs --

21 A. Yes.

22 Q. -- do you have to migrate each of those  
23 customers for all of those programs to the  
24 generation -- second generation?

25 A. Yes. Yes.

1           Q.    Okay.  And then I think, finally, I want  
2   to talk about -- move to page 8, please, lines 6 to  
3   8.  Here you indicate that Duke doesn't plan to make  
4   your data or make data available with intervals  
5   shorter than hourly, or reporting more frequently  
6   than monthly after billing, or to push data to  
7   suppliers on demand.  I just want to be clear, these  
8   things aren't impossible, correct?

9           A.    At this point, yes.

10          Q.    Are they only impossible because Duke  
11   doesn't have the technology in place to do so?

12          A.    Yes.

13          Q.    Okay.

14               MR. CLARK:  Just a second, your Honor.  I  
15   think we're almost finished.

16          Q.    Just one final question.

17          A.    Sure.

18          Q.    Same, on page 8, line 7, while Duke does  
19   not plan to make data available more granular than  
20   hourly, your meters do read on a 15-minute basis,  
21   correct?

22          A.    Correct.  They are currently programmed  
23   to read on 15 minutes.

24               MR. CLARK:  That's all we have.  Thank  
25   you, Mr. Schneider.

1 EXAMINER SHEETS: Staff have any  
2 questions?

3 MR. PARRAM: No questions.

4 EXAMINER SHEETS: Anything on redirect?

5 MS. WATTS: Yes, your Honor. May we have  
6 a brief break?

7 EXAMINER SHEETS: Yes.

8 MS. WATTS: Thank you.

9 (Recess taken.)

10 EXAMINER SHEETS: Let's go back on the  
11 record.

12 MS. WATTS: Thank you, your Honor.

13 - - -

14 REDIRECT EXAMINATION

15 By Ms. Watts:

16 Q. Mr. Schneider, you were asked a question  
17 about how many suppliers have an interest or have  
18 expressed an interest in time-of-use rates in the  
19 Duke Energy Ohio service territory. I believe your  
20 testimony says that we only know of one; is that  
21 correct?

22 A. Yes.

23 Q. Can you tell me how many CRES suppliers  
24 are active in Duke Energy Ohio's service territory?

25 A. Sixty or more to my understanding.

1 Q. Okay. Thank you.

2 There were some questions around a manual  
3 process, well, let me back up a bit. Mr. Clark asked  
4 you about how many customers, not how many, but  
5 whether customers on the company's pilot tariffs had  
6 been migrated to the, is it the second generation  
7 MDMS?

8 A. Yes.

9 Q. Approximately how many customers were  
10 manually migrated into MDMS2?

11 A. I believe it was in the 900 range.

12 Q. And how many customers is it your  
13 understanding that Direct Energy wishes to bill for  
14 time-of-use rates?

15 A. I believe I've seen --

16 MR. CLARK: Objection, your Honor. I  
17 think we're getting into our settlement discussions.

18 MS. WATTS: It's in your testimony. The  
19 number's in the testimony.

20 MR. CLARK: I'm sorry. Just a moment,  
21 your Honor.

22 Sorry.

23 MS. WATTS: That's okay. Did you find  
24 it?

25 MR. CLARK: Hold on, I think it's in --



1 your Honor, if counsel -- I'm sorry. I can't find  
2 it.

3 MS. WATTS: I'll rephrase the question.

4 MR. CLARK: Okay.

5 Q (By Ms. Watts) Mr. Schneider, do you  
6 know -- well, you know what, I'll withdraw the  
7 question. We'll deal with it otherwise.

8 MR. CLARK: Okay.

9 Q. One of the questions Mr. Clark asked you  
10 had to do with cost recovery for some of the changes  
11 that need to be made to Duke Energy Ohio's systems.

12 A. Yes.

13 Q. And you indicated that you didn't know  
14 how cost recovery would be -- how it would be  
15 proposed by the company, but isn't it true that  
16 generally the company would expect that these costs  
17 be picked up either by CRES suppliers that are  
18 interested in the rates or customers?

19 A. Yes.

20 Q. There was discussion on cross-examination  
21 about migrating customers into MDM2.

22 A. Yes.

23 Q. Does the MDM2 system have the capacity to  
24 migrate the entire population of customers into it?

25 A. No, it does not.

1 Q. Can you elaborate on that a little bit?

2 A. Yeah, so the 12 percent that will be in  
3 there upon completion of our current deployment and  
4 certification of those meters is what the system is  
5 designed to handle at this point.

6 Q. And so what would be required in order to  
7 migrate additional customers into that system?

8 A. There would be additional upgrades to  
9 that second generation MDM that would be required.

10 MS. WATTS: I have nothing further, your  
11 Honor.

12 EXAMINER SHEETS: Any on recross?

13 MR. CLARK: Just a moment, your Honor.

14 - - -

15 RECROSS-EXAMINATION

16 By Mr. Clark:

17 Q. Mr. Schneider, on redirect you were asked  
18 about or you say it was your understanding there are  
19 60 or more active CRES providers in Duke Energy's  
20 service territory?

21 A. (Witness nods.)

22 Q. Are you saying that there's 60 suppliers  
23 making -- currently making offers in your service  
24 territory?

25 A. I don't know that they're -- I don't know

1 if they're all making offers or not.

2 Q. So are you saying there are 60 suppliers  
3 that are certified by Duke to serve customers if they  
4 choose to make offers in your territory?

5 A. That's my understanding, yes.

6 Q. But you do not know how many are actually  
7 making offers today.

8 A. I do not know.

9 Q. You were asked on redirect about the  
10 customer migration and I believe you indicated that  
11 the 12 percent is what the system was made to handle  
12 currently.

13 A. That's correct.

14 Q. Are you saying that under the current  
15 MDM2 system that you cannot move -- there is no  
16 additional room to move any more customers into the  
17 MDM2?

18 A. Once we are completed with the  
19 deployment, that is correct, we would have the  
20 capability to manually move one by one, but the  
21 system will be at its max based on its current plan.

22 Q. So when you complete deployment and you  
23 continue to move customers into the MDM system or --  
24 can I call it "phase 2"? Is that okay?

25 A. Sure.

1           Q.    -- into phase 2, how do you decide what  
2 meters get moved from phase 1 to phase 2?

3           A.    No meters are moved from phase 1 to phase  
4 2. It's just the meters that we are installing today  
5 that we will -- those are coming into generation 2  
6 MDM.

7           Q.    Okay. How many meters today are in MDM2?

8           A.    There's roughly 80,000. And there will  
9 be roughly 90,000 when we're finished. There's about  
10 22,000 certified.

11          Q.    I'm sorry. Maybe I'm confused. If you  
12 have -- I guess let me ask the question more  
13 directly, it might be helpful.

14                   So currently there is room for more  
15 meters in MDM2.

16          A.    Up to the completion of our installation.

17          Q.    So after -- so from an ongoing basis  
18 after today more meters will be added to MDM2, will  
19 continue to be added to MDM2.

20          A.    Only those that are installed from today  
21 going forward will be in MDM2 and certified.

22          Q.    So are all meters on a going-forward  
23 basis automatically installed in MDM2?

24          A.    Yes.

25          Q.    Given that the system was only meant to

1 handle the roughly 12 percent of meters that it can  
2 handle now, what differentiates the meters you put in  
3 before today versus what's going forward as to why  
4 those meters automatically get enrolled?

5 A. So we start our deployment with our  
6 residential and small C and I customers, so they were  
7 all in the generation 1 MDM. Towards the end of our  
8 deployment we started deployment on what we refer to  
9 our gap meters, which is our large residential and  
10 medium size C and I customers. So when we started  
11 those deployments, it was a different technology, and  
12 so those are the ones we put into -- at that time the  
13 MDM2 was stood up and we put those meters, as we  
14 deployed, into the MDM2.

15 Q. And do you have an approximate date at  
16 which all meters, once they were installed, began  
17 going into MDM2?

18 A. We have no plans at this point to migrate  
19 all meters from MDM1 to MDM2.

20 Q. I'm sorry. Let me be clear.

21 A. Okay.

22 Q. You indicated that on a going-forward  
23 basis all meters are installed automatically go into  
24 MDM2, correct?

25 A. The ones that we are deploying today to

1 close out the project will be going into MDM2.

2 Q. Great. Was there a particular date at  
3 which MDM2 was stood up on its own so that all meters  
4 that were newly installed could go into MDM2?

5 A. Yes. That happened in 2013.

6 Q. Do you have an approximate month or is  
7 there a particular date?

8 A. It was the last half of the year.

9 Q. Okay. Can you remind me again, once a  
10 meter is installed, approximately how long does it --  
11 how many days does it take for the meter to then be,  
12 I'm sorry, I'm going to use the phrase "go live" in  
13 MDM2 or be available in MDM2?

14 A. On average, 45 to 90 days that it is  
15 certified.

16 Q. Okay. I'm sorry. We're just trying to  
17 make sure we have the numbers, the math works for us.  
18 Can you clarify again, the 12 percent of meters, what  
19 exactly the 12 percent number is in reference to?

20 A. Again, it's in reference to the large  
21 residential and medium size commercial and industrial  
22 customers that we are currently deploying meters for.

23 Q. In the last half of 2013 when you started  
24 to take the meters, basically in the last half of  
25 2013 when the meters started to automatically go into

1 MDM2, I guess we're trying to understand before that  
2 date are there any meters from -- installed before  
3 that date that are also in MDM2?

4 A. Just the time-of-use rate customers,  
5 pilot rate customers, roughly 900 that we migrated  
6 manually.

7 Q. So when your rollout, then, was the  
8 rollout designed to hit the smaller residential  
9 customers first and then move through until you got  
10 to the larger residential/the small commercial that  
11 you're talking that automatically go into the phase  
12 2?

13 A. Yes. So the large residential and medium  
14 size C and I is a different technology.

15 Q. Okay.

16 A. So it made sense to put those into MDM2.

17 Q. Okay. So the only residential, smaller  
18 residential customers that get installed first, the  
19 only batch of those customers that are in MDM2 are  
20 those who were manually moved for the pilot program.

21 A. That's correct.

22 MR. CLARK: I think that's all I have.  
23 Thanks for letting me get into the weeds.

24 EXAMINER SHEETS: You're excused.

25 THE WITNESS: Thank you.

1 (Witness excused.)

2 MS. WATTS: Your Honor, that's all we  
3 have in terms of witnesses. We would move into  
4 evidence Duke Energy Ohio Exhibits 1 through 8.

5 EXAMINER SHEETS: Very good. What I'll  
6 do is admit those exhibits at this time.

7 (EXHIBITS ADMITTED INTO EVIDENCE.)

8 MS. WATTS: And also Joint Exhibit 1.

9 EXAMINER SHEETS: And that one too.

10 (EXHIBIT ADMITTED INTO EVIDENCE.)

11 MS. WATTS: That's all we have.

12 EXAMINER SHEETS: Very good.

13 Proceed to Direct Energy now.

14 MR. CLARK: Thank you, your Honor. May I  
15 approach?

16 Direct Energy calls Teresa Ringenbach to  
17 the stand, please.

18 EXAMINER SHEETS: Raise your right hand.

19 (Witness sworn.)

20 MR. CLARK: Your Honor, I did want to  
21 note we routed to all the parties yesterday -- I  
22 realized when I did my preparation for hearing that  
23 the original version that we filed didn't have line  
24 numbers so we, the copies are exact duplicates of the  
25 one in the record but they just have line numbers.



1 As well as the exhibits, we just added the witness's  
2 initials in front of them because they were two  
3 separate sets of attachments for the witnesses, so  
4 they're exactly the same just they have line numbers  
5 and a witness initial now.

6 EXAMINER SHEETS: Very good.

7 MR. CLARK: Thank you, your Honor.

8 EXAMINER SHEETS: Proceed.

9 - - -

10 TERESA L. RINGENBACH

11 being first duly sworn, as prescribed by law, was  
12 examined and testified as follows:

13 DIRECT EXAMINATION

14 By Mr. Clark:

15 Q. Ms. Ringenbach, can you state your name,  
16 please.

17 A. Teresa Ringenbach.

18 Q. And your business address.

19 A. 21 East State Street, Columbus, Ohio.

20 Q. And do you have before you what we're  
21 going to mark as Direct Energy Exhibit 1, which is  
22 your direct prepared testimony as well as the  
23 attachments to your testimony?

24 A. I have my testimony, Joe, I think I need  
25 the attachment. Oh, this, right?

1 Q. Yes.

2 A. Yes.

3 Q. Okay. And was Direct Energy Exhibit 1  
4 prepared at or under your direction?

5 A. Yes.

6 Q. Do you have any corrections or edits to  
7 your testimony today?

8 A. No.

9 Q. And if I asked you the same questions  
10 today, would your answers be the same?

11 A. Yes.

12 MR. CLARK: Your Honor, Direct Energy  
13 moves our exhibit for admission and tenders the  
14 witness for cross-examination.

15 EXAMINER SHEETS: Very good.

16 Start with Duke.

17 MS. WATTS: Thank you, your Honor.

18 - - -

19 CROSS-EXAMINATION

20 By Ms. Watts:

21 Q. Good morning, Ms. Ringenbach.

22 A. Good morning.

23 Q. For purposes of clarity, during our  
24 discussion I will be referring to "Direct Energy" but  
25 I'd ask you whether it's all right with you, we can

1 agree that "Direct Energy" means Direct Energy  
2 Services and Direct Energy Business together.

3 A. Yes.

4 Q. Ms. Ringenbach, you reviewed Duke  
5 Energy Ohio's application for purposes of preparing  
6 your testimony in this proceeding, correct?

7 A. Yes.

8 Q. And would you agree with me that there's  
9 no reference in the company's application to cost  
10 recovery for system enhancements that would allow  
11 Duke Energy Ohio to provide the time-of-use  
12 billing-quality data that Direct Energy is requesting  
13 in this proceeding? Correct?

14 A. I would agree that there's nothing  
15 specific to cost recovery but the application did  
16 talk about technology-enabled tariffs so customers  
17 can understand and employ saving energy and money, so  
18 that's where we saw our opportunity to discuss it in  
19 this docket.

20 Q. But, again, you would agree that the  
21 company didn't specifically make a proposal for  
22 allowing for such technology, correct?

23 A. Yes.

24 Q. And Direct Energy is opposing the  
25 stipulation in this proceeding, correct?

1           A.     Yes.

2           Q.     And the stipulation was signed by the  
3 Commission staff, OCC, and OPAE, correct?

4           A.     Yes.

5           Q.     But it was not signed or opposed by  
6 FirstEnergy Solutions.

7           A.     Yes.

8           Q.     And OCC is the statutory representative  
9 for residential customers in Duke Energy Ohio's  
10 service territory, correct?

11          A.     Yes.

12          Q.     And OPAE is a representative of  
13 low-income customers in Duke Energy Ohio's service  
14 territory.

15          A.     Yes.

16          Q.     And FirstEnergy Solutions is a  
17 competitive retail provider and a competitor of  
18 Direct Energy's in Duke Energy Ohio's service  
19 territory.

20          A.     Yes.

21          Q.     The basis for your stipulation -- the  
22 basis for your opposition to the stipulation in this  
23 proceeding is that the stipulation does not make a  
24 provision for a system to allow suppliers to use the  
25 data to offer products to customers, correct?

1 A. Yes.

2 Q. And that's your sole basis?

3 A. We believe that that leads into the state  
4 policy which is, I can read through them, but in  
5 general it's to expand competitive retail electric  
6 offerings to customers allowing demand-side pricing  
7 for customers, allowing time-of-use pricing for  
8 customers, so we don't believe that the stipulation  
9 follows the state policy.

10 Q. Okay. And you are aware, correct, that  
11 the Commission has opened a docket to investigate  
12 competition in the Ohio electric retail market?  
13 Correct?

14 A. Yes.

15 Q. And to the extent we have additional  
16 discussion around that, let's agree to refer to that  
17 as the "COI" docket.

18 A. Yes.

19 Q. Just to be further specific about that,  
20 that would be Case No. 12-3151-EL-COI?

21 A. Yes.

22 Q. And Direct Energy participated in the  
23 workshops that grew out of that docket, correct?

24 A. Yes.

25 Q. And, in fact, you were a participant on

1 panels for that workshop, correct?

2 A. Yes.

3 Q. And you're further aware that the staff  
4 issued a work plan in that docket on January 16th?

5 A. I'm aware of the staff's report.

6 Q. And in that docket there are participants  
7 and representatives from various electric  
8 distribution utilities, correct?

9 A. Yes.

10 Q. And customer representatives such as OCC  
11 and OP&E and others, correct?

12 A. Yes.

13 Q. And CRES suppliers, other CRES suppliers  
14 in addition to Direct Energy, correct?

15 A. Yes.

16 Q. And various other industry stakeholders  
17 such as industry representatives, industrial  
18 representatives.

19 A. To the extent they showed up, yes.

20 Q. Okay. So it's a diverse group of  
21 representatives participating in that docket.

22 A. It is.

23 Q. And in your testimony, as I understand  
24 it, you're offering two alternative options for the  
25 Commission to consider?

1           A.     Yes.

2           Q.     In the first Direct Energy is asking for  
3     broad market access for all suppliers and some -- and  
4     an MDM system to receive billable quality customer  
5     usage data, correct?

6           A.     That's correct.

7           Q.     Or otherwise you're proposing a pilot  
8     that would be carried out just by Duke Energy Ohio  
9     and Direct Energy, correct?

10          A.     Yes.

11          Q.     For that first option that would provide  
12     for broad market access, would you agree that the  
13     system changes necessary to make that happen could be  
14     costly to Duke Energy Ohio?

15          A.     I think based on the numbers that we've  
16     seen in terms of EDI access, no. But without having  
17     seen any numbers or anything, I think you could  
18     assume it could be costly or couldn't be until we  
19     actually see the numbers.

20          Q.     So, essentially, you don't know.

21          A.     I don't know.

22          Q.     And would you agree that the company  
23     should be permitted to recover those costs either  
24     from CRES providers or from customers of Duke  
25     Energy Ohio?

1           A.     In my testimony we for the -- we'll call  
2     it the two options. Option 1, the broad rollout,  
3     would be recovered from all customers. And option 2  
4     where we discuss just doing a flat file based on  
5     individual customers' usage data, Direct did offer to  
6     pay for that based on further discussions on what  
7     that cost would be.

8                     However, when we talk about option 1,  
9     that's something that's available to the entire  
10    market so having only one supplier pay for all that  
11    programming so that our competitors could, basically,  
12    come in and use it is not a reasonable approach.

13           Q.     Thank you.

14                     And you would agree with me that your  
15    knowledge of Duke Energy Ohio's systems is based upon  
16    the discovery responses we provided in this  
17    proceeding along with the testimony that was filed in  
18    this case.

19           A.     Yes.

20           Q.     Thank you.

21                     And Direct Energy issued two sets of  
22    discovery in this case, correct?

23           A.     Yes.

24           Q.     And the second set wasn't issued to Duke  
25    Energy until the day the testimony was filed in this



1 case, correct?

2 A. I'd have to check the date. I know we  
3 didn't get it till after the testimony but I don't  
4 remember the date that we actually issued the  
5 discovery.

6 Q. Well, so the point being there that you  
7 didn't have the second set of discovery responses  
8 until after your testimony was filed.

9 A. Yes.

10 Q. And that second set was designed to  
11 really clarify the questions in the first set,  
12 correct?

13 A. Yes.

14 Q. In your testimony there's reference to  
15 the possibility of receiving customer information via  
16 flat files --

17 A. Yes.

18 Q. -- correct? You don't know yourself what  
19 would be required within Duke Energy Ohio to produce  
20 flat files on a per-customer basis to Direct Energy,  
21 correct?

22 A. Correct.

23 Q. And can we further agree that in order  
24 for Duke Energy Ohio to provide even flat-file  
25 information that includes interval usage data, we

1 would have to have customer approval to release that  
2 information? Correct?

3 A. I think under the existing CRES rules the  
4 supplier has to get that approval, whether it's  
5 interval data or just your normal monthly billable  
6 data, and then under the proposed rule which is the  
7 12-2050 case, what would have to happen under that  
8 rule is either the supplier would have to obtain from  
9 the customer a separate piece of paper that listed  
10 out very specific language for the customer to sign  
11 or the customer could provide that to Duke.

12 My understanding is the customer can give  
13 that to anyone and then they would have to provide  
14 that to Duke so Duke knows that the customer has  
15 released that information.

16 Q. Okay. So you just referred to Case  
17 No. 12-2050-EL-ORD, is that the correct designation  
18 for that case, or is it a GE-ORD perhaps?

19 A. I think it's EL. I know it's the  
20 12-2050. I'm not the best at remember all the cases.

21 Q. But that's the Commission rulemaking  
22 docket?

23 A. It is.

24 Q. And that docket is considering changes to  
25 rules in chapter 4901:1-10 of the Ohio Administrative

1 Code?

2 A. Yes, it is.

3 Q. And Direct Energy has provided comments  
4 in that proceeding, correct?

5 A. Yes.

6 Q. As well as Duke Energy Ohio and lots of  
7 other participants.

8 A. Yes.

9 Q. And there's no ruling on those comments  
10 or no directive from the commission yet to finalize  
11 those rules, correct?

12 A. I believe they're under rehearing right  
13 now.

14 Q. Thank you.

15 The way in which customer information  
16 would be exchanged between an EDU, or an electric  
17 distribution utility, and a CRES provider is what is  
18 part of the discussion in that docket.

19 A. I don't believe it gets into the details  
20 of how the information would flow. It's more the  
21 customer -- the authority of the customer to allow  
22 that data to flow rather than the details of does it  
23 appear in a flat file or via EDI or anything like  
24 that.

25 Q. So it's more related to customer privacy

1 as opposed to the functionality of the exchange.

2 A. Yes, I would agree with that.

3 Q. Okay. In your testimony you refer to a  
4 discovery response from Duke Energy Ohio wherein  
5 there was mention of \$1.3 million in costs.

6 A. Yes.

7 Q. Can you tell me what your understanding  
8 is with respect to what that -- what those costs  
9 would include?

10 A. Yes. Do you actually have that discovery  
11 response?

12 MR. CLARK: It's the attachment to your  
13 testimony.

14 Q. Ms. Ringenbach, that reference to the  
15 1.368 million is on page 12 of your testimony.

16 A. Thank you.

17 Q. And I think you were discussing a  
18 discovery response which is point 01-008.

19 A. 008, okay. So the estimated amount would  
20 include, from my understanding from this, the ability  
21 to have EDI transactions that exchange the data just  
22 as any other data is exchanged today; it includes all  
23 the timelines and milestones which have not been  
24 determined; and it essentially would provide billing  
25 time using 60-minute interval data via EDI.

1           Q.    Ms. Ringenbach, on page 12 of your  
2           testimony you also refer to the fact that Direct  
3           Energy receives interval and advanced meter data for  
4           residential and small commercial customers in Texas  
5           and Pennsylvania. Do you see that?

6           A.    Yes.

7           Q.    How many states does Direct Energy do  
8           business in?

9           A.    For electricity? Retail electricity?

10          Q.    Yes.

11          A.    Twenty-four states.

12          Q.    Thank you.

13                Based on the testimony that you've seen  
14           in these proceedings and the discovery responses and  
15           the testimony you've heard here this morning is it  
16           your understanding that Duke Energy Ohio would need  
17           to make some system changes in order to be in a  
18           position to offer Direct Energy what it's asking for?

19          A.    It's my understanding from what I heard  
20           today that if we wanted to go down the route of  
21           allowing customers to enroll, that Duke could  
22           manually migrate customers as they enroll with Direct  
23           Energy or any supplier, migrate them into the MDM2  
24           system which would allow for bill-quality data to be  
25           provided to CRES providers in order to serve them

1 under more advanced products.

2 Q. Ms. Ringenbach, did you understand Duke  
3 Energy Ohio Witness Schneider to testify that in  
4 order to accomplish what you just described, we would  
5 require system updates?

6 A. What I heard is there's a limit on MDM2  
7 and the number of customers that go in there. It  
8 wasn't clear to me that the limit had been reached so  
9 to the extent that that limit or that 12 percent  
10 amount has been filled, then yes.

11 Q. Ms. Ringenbach, have you, in the course  
12 of your employment with Direct Energy, ever  
13 participated in what the Commission refers to as the  
14 EDI working group, or the electric data interchange  
15 working group?

16 A. In the course of Direct Energy I think I  
17 might have at some point attended one of those  
18 meetings, but I couldn't tell you the exact date.

19 Q. You're aware of the existence of that  
20 group.

21 A. Yes.

22 Q. And you're further aware that there's  
23 been a proposal by the Commission staff in the  
24 Commission's COI docket to create an additional sort  
25 of a policy working group that would discuss and make

1 recommendations with respect to policy as it  
2 interacts with the EDI working group's issues.

3 A. Yes, I am.

4 MS. WATTS: Thank you. I have no further  
5 questions.

6 EXAMINER SHEETS: OCC have questions?

7 MR. ETTER: Yes, thank you, your Honor.

8 - - -

9 CROSS-EXAMINATION

10 By Mr. Etter:

11 Q. Good morning, Ms. Ringenbach.

12 A. Good morning.

13 Q. In your discussions with counsel for Duke  
14 Energy you mentioned that the \$1.368 million would be  
15 collected -- under Direct Energy's plan would be  
16 collected through customers and not through CRES  
17 providers; is that correct?

18 A. That is correct.

19 Q. And if Duke Energy were to make the  
20 changes that are necessary to implement the plan that  
21 Direct Energy is putting forth, who would be causing  
22 those costs to occur, customers or Direct Energy?

23 A. I believe it would be customers because  
24 that's ultimately who's going to get the full use of  
25 the meters that they're paying for.

1           Q.    But customers are not asking Duke to make  
2 these changes to its system, correct?

3           A.    I don't think customers know to ask for  
4 those changes because they haven't been offered the  
5 full capability of their meter.

6           Q.    But it's Direct Energy who is asking Duke  
7 to make these changes, correct?

8           A.    It is.

9           Q.    So the costs would be incurred because of  
10 a plan that's being proposed and asked for by Direct  
11 Energy, correct?

12          A.    The costs would be incurred so Direct  
13 Energy could offer those products because customers  
14 would ask for them when they signed up on the  
15 products.

16          Q.    So you would only -- you would only offer  
17 the products to those customers who asked for them,  
18 correct?

19          A.    We're a retail supplier so we only sell  
20 the products to customers who ask for them.

21          Q.    And customers who are on Duke's standard  
22 service offer would not be using the process that  
23 Direct Energy is proposing, correct?

24          A.    In Duke's standard service offer?

25          Q.    Right.



1           A.    No, they would not.

2           Q.    And even CRES customers who are on a flat  
3   rate, would they be using the process that Direct  
4   Energy is proposing?

5           A.    Do you mean like a fixed per  
6   kilowatt-hour rate?

7           Q.    Yes.

8           A.    Assuming it doesn't change throughout the  
9   month it would not be used.

10          Q.    So it would be just those customers who  
11   Direct Energy or another CRES provider are using on a  
12   time interval rate; is that correct?

13          A.    That's correct.

14          Q.    On page 11 of your testimony, lines 14  
15   and 15, you state that Duke currently can provide  
16   customer usage information through flat files, and  
17   you state there that there's a cost for this,  
18   correct?

19          A.    Yes.

20          Q.    And who pays the cost for flat-file  
21   transfers?

22          A.    In our proposal for the flat-file  
23   transfer for the pilot program, Direct had offered to  
24   pay for that.

25          Q.    But they're currently in use -- Duke

1 currently has flat-file transfer in place; is that  
2 correct?

3 A. They do for certain things, not  
4 necessarily this particular issue.

5 Q. Okay. And who pays those costs now  
6 that --

7 A. So typically today, if we get flat file,  
8 it's normally for historical usage and there is a fee  
9 for historical usage that's put on the CRES provider.

10 Q. Just to be clear, the \$1.3 million that  
11 it would cost to implement the program that Direct  
12 Energy is proposing, that was not costs that were  
13 incurred by Duke in conjunction with the smart meter  
14 deployment in 2012; is that correct?

15 MS. WATTS: Your Honor, I'm going to  
16 interpose an objection here because I think  
17 Mr. Etter's question misstates what Duke Energy Ohio  
18 witnesses testified so, therefore, there may be some  
19 confusion around it.

20 Q. Well, if I can clarify, this would be a  
21 future cost, correct? This would be something that  
22 would be -- that Duke, a cost they would incur in the  
23 future during 2014, for example.

24 A. So, to be clear, that dollar amount was  
25 related to Duke providing EDI-based billing-quality

1 data or bill-quality interval data and not related to  
2 flat files or Duke's MDM1 or 2 web portal access for  
3 CRES providers. So related specifically just to that  
4 EDI cost?

5 Q. Uh-huh.

6 A. According to Duke they have not  
7 implemented any of this so it would be a future cost,  
8 yes.

9 MR. ETTER: Thank you. That's all the  
10 questions I have.

11 EXAMINER SHEETS: Does OPAC have any  
12 questions?

13 MS. MOONEY: Yes, your Honor.

14 - - -

15 CROSS-EXAMINATION

16 By Ms. Mooney:

17 Q. So just to follow up on that, the  
18 1.3 million is not an issue in this case at all as  
19 far as cost recovery goes.

20 A. The 1.3 million is an issue in this case  
21 as far as cost recovery goes because it would allow  
22 Duke to recover the costs to implement the EDI  
23 changes necessary to provide this data.

24 Q. You mean that Direct is recommending that  
25 Duke recover through the rider that's established in

1 this case the 1.3 million?

2 A. Yes.

3 Q. Even though they haven't spent that  
4 money?

5 A. Yes, we are. Because it's our belief,  
6 having -- my belief, having participated in the Ohio  
7 regulatory market for nearly 13 years, that most  
8 utilities get things done faster when they know they  
9 have cost recovery rather than waiting until after  
10 the fact when they can be denied.

11 Q. So you would suggest they get prospective  
12 cost recovery when they haven't even spent the money  
13 and don't even intend necessarily to spend the money?

14 A. Yes. That would not be the first time  
15 that the Commission has allowed a utility, they've  
16 done it in Columbia Gas too, they've allowed them to  
17 recover costs as the work was being done.

18 Q. But -- okay.

19 You've said several times the option 1,  
20 that Direct was willing to pay to get the flat  
21 files --

22 A. That's option 2.

23 Q. Oh, I thought that was --

24 A. Option 2 is the pilot. Option 1 is full  
25 open access.

1           Q.    Okay.  For the pilot, I haven't had or  
2           heard an estimate of what that number is that you  
3           would be offering to pay, Direct itself?  How much?

4           A.    We never got to that point in the  
5           discussions.  Our assumption is that -- our  
6           assumption internally was that it would be based on  
7           Duke's hourly programming costs which are in their  
8           tariff, but timing that it would take to actually  
9           provide the files or program to offer the files, we  
10          never got to that point.

11          Q.    And as far as the 1.3 million, as far as  
12          the -- whichever option that is that all of the CRES  
13          providers would have the data, would you agree with  
14          me that how a CRES provider will or will not pay  
15          themselves for interval data from the smart meters is  
16          an issue that's also in the 3151, I think it's  
17          12-3251 docket?

18          A.    How CRES providers pay themselves?  I'm  
19          sorry.  I'm not sure what your question is.

20          Q.    Who will pay for the data from the smart  
21          meters, whether it's CRES -- I mean, your proposal at  
22          this point is the customers will pay.  That it will  
23          go through the rider, in this case.  In the Duke  
24          case.  That the cost to get the data to the CRES will  
25          be paid by customers.

1 MR. CLARK: I'm sorry, objection, your  
2 Honor.

3 Colleen, could you rephrase? I'm sorry.  
4 There were a lot of moving parts in there.

5 MS. MOONEY: Yes.

6 MR. CLARK: If you could maybe chop it up  
7 for me.

8 Q. The 1.3 million that we've been  
9 discussing is a cost for what?

10 A. EDI changes to allow Duke to provide what  
11 we're calling the bill-quality interval data to CRES  
12 suppliers.

13 Q. To all CRES suppliers.

14 A. Yes.

15 Q. And who would pay for that, that  
16 1.3 million? Who will pay the 1.3 million? How will  
17 it be paid?

18 A. How will it be paid? So by our estimates  
19 residential customers would pay approximately 16  
20 cents a bill, or a dollar 89 for an entire year,  
21 nonres would pay about 24 cents a bill or \$2.81 for  
22 one single year.

23 Q. And in this case for Duke it would go  
24 through the cost recovery rider.

25 A. That's correct.

1           Q.    Would you agree with me that the issue  
2           whether customers pay for that, for the CRES --  
3           whether customers pay for that is also an issue in  
4           the 3151 docket?

5           A.    I don't recall in the 3151 docket us  
6           having discussions regarding who pays for AMI data.  
7           And my recollection of the Staff Report is it's not  
8           in there either but, rather, that they're directing  
9           the utilities to work out a tariff that would allow  
10          access and, in fact, a utility that is more advanced  
11          should go ahead and file that tariff. That's what I  
12          read in the Staff Report.

13          Q.    Was there anything about cost recovery?  
14          If they have a tariff, then there would be cost  
15          recovery; is that correct?

16          A.    That would happen as part of the tariff  
17          proceeding, but it's not part of the COI.

18          Q.    But it's not part of this proceeding  
19          either.

20          A.    It is part of this proceeding. This is  
21          the rider where they recover their costs for smart  
22          meters.

23          Q.    Would you agree with me that this sort of  
24          cost recovery ought to be uniform throughout the, say  
25          the whole state of Ohio as far as where -- cost

1 recovery for this kind of cost?

2 MR. CLARK: Objection, your Honor, beyond  
3 the scope of her testimony.

4 EXAMINER SHEETS: I'll allow the  
5 question. Go ahead.

6 Can you reask it?

7 Q. You're proposing in this case that  
8 customers pay through the Duke cost recovery rider  
9 for the SmartGrid 1.3 million that is the cost of  
10 Duke providing to CRES providers data from the smart  
11 meter; is that correct?

12 A. For the EDI portion, that's the number  
13 that we have, yes.

14 Q. And would you agree with me that that's a  
15 generic issue that should be resolved in a more  
16 generic proceeding at the Commission?

17 A. No, not in this situation. Duke is the  
18 farthest along with their smart meter deployment, the  
19 other utilities are nowhere near to that, and I  
20 think, as we've seen throughout competition as it's  
21 developed in this state, there's always a utility  
22 that moves forward and then creates the foundation  
23 for everyone else to follow.

24 Q. Would you think that this case, then,  
25 would set a precedent for other utilities?



1           A.    I am not an attorney, so speaking to  
2 precedent would be beyond me.

3           Q.    If customers pay for this transfer of  
4 data to the CRES providers, if customers pay for  
5 that, would you think that all customers should  
6 benefit from it?

7           A.    Yes.

8           Q.    And how would all customers benefit from  
9 it?

10          A.    Well, any customer who's eligible for  
11 choice would have the option to enroll with a CRES  
12 provider or pick a CRES provider product that would  
13 allow them to use that data in different ways.

14                Some examples were in my testimony such  
15 as power to go products where they can see what  
16 they're using depending on how often we get the data,  
17 almost daily, and change their usage before they get  
18 that big bill at the end of the month. Other options  
19 would be customers who potentially may not be  
20 eligible to shop could actually view their data more  
21 regularly and make changes based on things that they  
22 may not know today, right?

23                So if you're looking at your information  
24 daily, you might not realize that yesterday that fan  
25 you left running, or whatever it was, it cost you a

1 lot more than you really thought it was. So it's a  
2 way to start educating customers regardless of their  
3 eligibility.

4 Q. What customers are not eligible for  
5 choice?

6 A. So in Ohio PIPP customers cannot switch  
7 and customers who are in -- are actively in arrears  
8 are not eligible to switch until they clear up their  
9 arrearage or enter into a payment plan.

10 Q. And that means those customers take  
11 Duke's standard service offer?

12 A. Yes.

13 Q. Are you aware that any of the Duke pilot  
14 programs that have come from the Duke collaborative,  
15 that PIPP customers are not -- have not been eligible  
16 for any of those pilot programs?

17 A. I am not aware if PIPP customers are  
18 eligible for the pilot programs or not.

19 Q. Now, I take it that Direct intends to  
20 solicit time-of-use rates to residential customers;  
21 is that correct?

22 A. We intend to solicit advanced meter  
23 capability, not necessarily all time-of-use rates.

24 Q. And you intend to solicit time-of-use  
25 products and other products to residential customers?

1           A.    Other competitive retail electric service  
2 products, yes.

3           Q.    Will you make any distinction with regard  
4 to low income residential customers when do you the  
5 soliciting?

6           A.    In Duke, because of the POR program, as  
7 long as they're eligible to shop we do not make that  
8 distinction.

9           Q.    When your solicitors go, say, door to  
10 door and they're soliciting customers for, say, a  
11 time-of-use -- when a time-of-use product or other  
12 product from the -- with the data that you'll get,  
13 will your solicitors inform customers of the  
14 consequences of being on a time-of-use rate?

15          A.    I'm not sure what you mean by  
16 "consequences."

17          Q.    Well, how do time-of-use rates work?

18          A.    There's multiple different --

19               MR. CLARK: Your Honor, I'm sorry.  
20 That's a really vague question. The time of use is  
21 not defined by counsel either.

22          Q.    Well, what kind of rate products would  
23 you be intending to offer in your pilot program?

24          A.    So I've laid out multiple different  
25 products in my testimony and depending on how often

1 and the type of data we get from Duke will depend on  
2 the actual product that we offer in Duke. So is  
3 there a particular product you want to know about?

4 Q. No, I'm more interested in your  
5 soliciting. I'm specifically interested in  
6 soliciting to low-income customers or to any  
7 customers and what you do to distinguish whether or  
8 not a rate offer might be beneficial or might be  
9 harmful to the customer you're soliciting. So I'm  
10 trying to figure out what Direct does when it goes  
11 soliciting rate offers to warn a customer that this  
12 might not be a product that's good for them.

13 MR. CLARK: Your Honor, objection. This  
14 is outside of the scope of the witness's testimony.  
15 Additionally, I'm not really sure what the relevancy  
16 to anything in this case.

17 EXAMINER SHEETS: I'll allow the  
18 question. If you can answer it, go ahead.

19 A. So I'm unclear why we would be warning  
20 customers, but I will say we follow all of the  
21 requirements for CRES providers when soliciting  
22 customers which includes explaining to customers all  
23 of the terms and conditions. In addition to that,  
24 for a time-of-use product, let's say it was our free  
25 day products, the customer would be told what day

1 their power would be free, they would also be  
2 informed how they would be provided additional tips  
3 and information on ways to shift their load to their  
4 free day.

5 In addition to that, if the solicitation  
6 happens at the customer's door, not only does the  
7 customer sign the terms and conditions and agreement  
8 and disclosures, but the agent, even though this  
9 isn't required today in the rules, must physically  
10 leave the property and then the customer is called  
11 separately by a third-party verifier who may only ask  
12 the customer very specific questions related to terms  
13 and conditions where the customer must answer yes or  
14 no. If they answer anything else, the sale is  
15 completely voided and does not go through.

16 So as part of those terms and conditions  
17 they will be told the rates, what day is free, and  
18 they understand how this product works, all of that,  
19 and then they are also provided, after that, a  
20 welcome packet from Direct Energy and a rescission  
21 letter from the utility prior to their enrollment  
22 being finalized.

23 Q. On page 10 of your testimony you discuss  
24 how the time-of-use, this is just at the top,  
25 time-of-use products offer customers the options to

1 shift their load to off-peak times in order to save.

2 Do you see that?

3 A. I do, yes.

4 Q. Direct's solicitation for this type of  
5 product, would they describe to the customer exactly  
6 how it would work that the customer would shift load  
7 to off-peak times?

8 A. Are we still talking about a residential  
9 customer?

10 Q. Yes. Even a low income residential  
11 customer.

12 A. So time-of-use products can work -- a  
13 true time-of-use product is a product where the  
14 customer's price would change hourly. So it's a  
15 situation where the customer may either be informed  
16 via e-mail or some other form what the upcoming  
17 hourly price is so they can make a change then.  
18 There's also time-of-use products where you go into  
19 things like shifting to certain off-peak hours,  
20 right? So run your dishwasher overnight, run your  
21 dryer overnight, that type of thing.

22 So there's different types of time-of-use  
23 products but the truest form is a different price  
24 every single hour in which case the customer would be  
25 informed of you're going to receive the price and

1       it's up to you to make these changes to shift to the  
2       cheaper priced times.

3               Q.     And what information does the customer  
4       need to be able to make that shift?

5               A.     So the way that we run our products,  
6       whether it's time of use or a free power day or  
7       anything like that, is the customer can choose to  
8       receive e-mails or text messages, so they're actually  
9       getting -- we found it's more effective when the  
10      customer's being regularly poked a little bit  
11      throughout the day or throughout the week or whatever  
12      to remind them, hey, your free day is this day, or  
13      it's cheaper if you shift things like your  
14      dishwasher, your dryer, you sort of remind them along  
15      the way.

16              If it's a true changing price every hour,  
17      they can get that by logging in on their own and  
18      viewing an e-mail or a website that lists what the  
19      upcoming hourly prices are.

20              Q.     So in order to participate in this sort  
21      of a pilot, the customer would have to have access to  
22      the customer's e-mail almost continuously; is that  
23      correct?

24              A.     The customer would have to have access to  
25      the e-mail at some point. If it's a true hourly

1 changing price, then yes, and that would be part of  
 2 the enrollment process: What is your e-mail address,  
 3 you understand you're going to have this information  
 4 this way, or what is the, you know, the phone number  
 5 for us to text you.

6 Q. And so the Direct solicitation would tell  
 7 the customer that they could get hourly information  
 8 from Direct via, say, a smartphone or something like  
 9 that.

10 A. Whatever the product is the customer  
 11 would be explained how to use it.

12 Q. And then if the customer doesn't have  
 13 access to e-mail or a smartphone or can't get hourly  
 14 messages from Direct, then the customer would not be  
 15 solicited for this type of product; is that correct?

16 A. Well, they would be solicited until we  
 17 found that out and then they would be ineligible for  
 18 the product and likely offered something else.

19 Q. And your solicitor would not pursue that  
 20 customer if the customer did not have the necessary  
 21 equipment to get the messages from Direct; is that  
 22 correct?

23 A. Well, it would be a no sale because we  
 24 wouldn't be able to complete the sale on our end even  
 25 after that because we wouldn't have the proper data.



1 So they should not be pursuing that because they  
2 would never be paid for that sale.

3 Q. Well, the customer is the one that  
4 wouldn't be getting the e-mails from Direct because  
5 the customer wouldn't have access to Direct's  
6 e-mails?

7 A. Right, but there's -- through the TPV we  
8 would have to verify that information with the  
9 customer: Your e-mail address or phone number to be  
10 used for this product is X, Y, and Z, "yes" or "no"?  
11 And then, in addition to that, behind the scenes when  
12 we're pushing things out, if we're getting failed  
13 e-mails or whatever, we're going to stop that and  
14 either contact the customer or -- it wouldn't be part  
15 of the final enrollment process regardless.

16 Q. And then what if the customer did enroll  
17 and at that time you signed them up and then  
18 subsequently, three months later, that customer no  
19 longer had e-mail access? What would happen then?

20 A. What would happen if they no longer had  
21 e-mail access?

22 Q. Yes, if they were no longer the e-mails.

23 A. I believe it's the responsibility of the  
24 customer at that point to make sure that they're  
25 maintaining their end of the agreement too, which is

1 a requirement that you have access to all of this  
2 information and you understand that you're  
3 responsible for checking and shifting your load.

4 Q. So would you keep the customer on the  
5 time-of-use rate even if the customer no longer was  
6 receiving the e-mails?

7 A. If the time-of-use rate required us to  
8 send e-mails and e-mails were going out and we had no  
9 ability to know that the customer was no longer  
10 receiving them, I'm not sure how we would make a  
11 decision for that customer without -- if we're  
12 sending everything out, doing what we're supposed to  
13 do and having nothing rejecting or failing and nobody  
14 calling us? Then yes, we would keep them on that  
15 rate.

16 Q. Would Direct intend -- if this pilot gets  
17 initiated and goes into effect, would Direct intend  
18 to follow the Commission's newly-adopted rules on  
19 third-party verifications?

20 A. The Commission newly-adopted rules?

21 Q. Well, it's in the process right now, but  
22 there are draft rules in effect at this point for  
23 third-party verification; is that correct?

24 A. Direct Energy would follow whatever rules  
25 are in effect for the pilot program.

1 Q. What makes a rule in effect?

2 MR. CLARK: Objection, your Honor. It's  
3 calling for a legal conclusion.

4 Q. Well, would the Commission, would Direct  
5 consider a Commission's, say, entry on rehearing?

6 MR. CLARK: Objection, your Honor,  
7 calling for a legal conclusion.

8 EXAMINER SHEETS: Go ahead and answer to  
9 the best of your ability.

10 A. This is my understanding of how all the  
11 rules come in effect, it's not just the Commission  
12 order, it has to go through the JCARR process and  
13 until that's done and that full process is gone  
14 through those rules are not technically in effect.

15 So just my history with legislators and  
16 what's sort of happening over there with smart  
17 metering and different things, I think we might  
18 consider it, but if I'm hearing through my lobbying  
19 arms or from legislators that those rules are going  
20 to change, I think that would come into play whether  
21 or not we would follow them at that point or wait for  
22 them to be fully effective.

23 Q. And they're fully effective when JCARR  
24 says they are?

25 A. They've gone through the full process.

1 MS. MOONEY: I think that's all I have.

2 Thank you.

3 EXAMINER SHEETS: Staff have any  
4 questions?

5 MR. PARRAM: No questions, your Honor.

6 EXAMINER SHEETS: Anything on redirect?

7 MR. CLARK: May we have a minute, your  
8 Honor, to confer? Thank you.

9 (Recess taken.)

10 EXAMINER SHEETS: Let's go back on the  
11 record.

12 - - -

13 REDIRECT EXAMINATION

14 By Mr. Clark:

15 Q. Ms. Ringenbach, on cross-examination you  
16 indicated that you would support the recovery, the  
17 preapproval of recovery for the \$1.368 million for  
18 the 2012 rider for the EDI enhancements, correct?

19 A. Yes.

20 Q. Is your support of the recovery through  
21 that rider conditioned on the fact that Duke actually  
22 does the EDI enhancements?

23 A. Yes.

24 MR. CLARK: That's all I have, your  
25 Honor.

1 EXAMINER SHEETS: Recross?

2 MR. ETTER: No, your Honor.

3 MS. WATTS: No, your Honor.

4 EXAMINER SHEETS: OPAE?

5 MS. MOONEY: No, your Honor.

6 MR. PARRAM: No, your Honor.

7 EXAMINER SHEETS: You're excused.

8 THE WITNESS: Thank you.

9 (Witness excused.)

10 MR. CLARK: Your Honor, would you like me

11 to move the exhibits in individually by witness or at

12 the end when I'm finished?

13 EXAMINER SHEETS: You can do it all at

14 once if you want.

15 MR. CLARK: Great. Thank you.

16 EXAMINER SHEETS: Do you have another

17 witness?

18 MR. CLARK: I do, please, your Honor.

19 Direct Energy calls Jennifer L. Lause to the stand.

20 May I approach, your Honor?

21 (Witness sworn.)

22 EXAMINER SHEETS: Thank you.

23 - - -

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JENNIFER L. LAUSE

being first duly sworn, as prescribed by law, was  
examined and testified as follows:

DIRECT EXAMINATION

By Mr. Clark:

Q. Ms. Lause, can you state your full name,  
please.

A. Jennifer L. Lause.

Q. And your business address.

A. 21 East State Street, 19th floor,  
Columbus, Ohio 43215.

Q. And do you have in front of you what we  
marked as Direct Energy Exhibit 2?

A. Yes.

Q. And that includes both your direct  
testimony and your attachments to your testimony,  
correct?

A. Yes.

Q. And was this testimony prepared by you or  
under your direction?

A. Yes.

Q. Great. Do you have any corrections or  
edits you want to make to your testimony?

A. I do. On Attachment 1, I realized in  
preparation for the hearing today that several of the

1 lines in the matrix were duplicative so I have  
2 deleted those lines and I'll just go through it  
3 briefly, although hopefully it will be fairly  
4 obvious.

5 In phase 1 the line that included an  
6 hourly frequency, reporting monthly on a bill cycle,  
7 bill-quality data via an EDI file was repeated twice  
8 so I deleted one of those lines.

9 And then also in phase 1 hourly, next  
10 day, AMI meter data via an FPT file, so that line was  
11 deleted.

12 In phase 2, the lines for 15-minute, next  
13 day, AMI meter data via FPT file was repeated twice,  
14 and 15-minute monthly billing cycle, bill-quality  
15 data via an FPT file was repeated twice, as well as  
16 the 1-minute, next day, AMI meter data via FPT file,  
17 and 1-minute, monthly billing cycle, bill-quality FTP  
18 file. So four lines in phase 2 were deleted.

19 And then in phase 3, 15-minute,  
20 live/real-time, bill quality via URL, and 1-minute  
21 live/real-time bill quality via a URL. So two lines  
22 in phase 3 were deleted.

23 Q. Essentially, all you've done is just  
24 deleted duplicative lines that were --

25 A. That's correct.

1 Q. Okay. Do you have any other corrections  
2 or edits to your testimony?

3 A. No.

4 Q. If I asked you the same questions today,  
5 would your answers be the same?

6 A. Yes.

7 MR. CLARK: Your Honor, we move for  
8 admission of Direct Energy Exhibit 2 and tender the  
9 witness for cross-examination.

10 EXAMINER SHEETS: Okay. Let's start with  
11 you.

12 MS. WATTS: Thank you, your Honor.

13 - - -

14 CROSS-EXAMINATION

15 By Ms. Watts:

16 Q. Good morning, Ms. Lause.

17 A. Good morning.

18 Q. Is it still "Ms. Lause"?

19 A. For another couple of months.

20 Q. As I discussed with Ms. Ringenbach, can  
21 we agree that when I refer to "Direct Energy," I mean  
22 Direct Energy Services and Direct Energy Business?

23 A. Yes.

24 Q. Is it your opinion that the stipulation  
25 in this proceeding that was offered by the parties



1 not including Direct or FES does not benefit  
2 ratepayers?

3 A. That is my opinion.

4 Q. And the basis for that opinion is because  
5 the stipulation does not make provision for a meter  
6 data management system, correct?

7 A. Yes.

8 Q. And you also believe that the  
9 stipulation --

10 A. Although, hold on, let me clarify that.  
11 I want to be specific that it's not simply that it  
12 doesn't provide for a meter data management system  
13 because my understanding is that Duke does have such  
14 a system in place, but that the capabilities of that  
15 system are not sufficient to allow CRES providers to  
16 offer time-of-use or other dynamic-pricing products  
17 to residential customers.

18 Q. Okay.

19 A. I just wanted to be precise.

20 Q. Thank you for that clarification.

21 You also believe that the stipulation  
22 violates state policy, again, because it does not  
23 include the functions that you just described,  
24 correct?

25 A. That's correct.

1           Q.    And the stipulation, in your view, did  
2           not ensure diversity of suppliers because it limits  
3           the ability of CRES providers to bring time-of-use or  
4           other dynamically-priced products to the market.

5           A.    Yes.

6           Q.    Those are the sole, those are the only  
7           reasons for your opposition to the stipulation.

8           A.    Those are the only that come to mind.

9           Q.    Are you aware of the Commission's  
10          investigation into the competitive electric retail  
11          market?

12          A.    Yes, I am.

13          Q.    And, again, as I did with Ms. Ringenbach,  
14          can we agree to call that the Commission's COI?

15          A.    Yes.

16          Q.    And that would be Case No.  
17          12-3151-EL-COI.

18          A.    Yes.

19          Q.    And are you aware that the staff filed a  
20          work plan or, as Ms. Ringenbach preferred to call it,  
21          a Staff Report on January 16th of this year?

22          A.    Yes.

23          Q.    And are you aware that the staff made  
24          recommendations in that proceeding concerning the  
25          uniformity and consistency among EDUs?

1           A.     Yes.

2           Q.     And would you agree with me that there  
3 are a diverse -- there is a diverse group of  
4 stakeholders participating in that docket?

5           A.     Yes.

6           Q.     Including EDUs, CRES suppliers, customer  
7 representatives, and other interested stakeholders.

8           A.     Yes.

9           Q.     Could you describe for me the four types  
10 of time-of-use rates that Direct Energy is presently  
11 offering in other states?

12          A.     Sure. The first is Free Power Day which  
13 is simply a time-of-use product that allows customers  
14 to use free power for one 24-hour block of time  
15 during the week and then pay a fixed price for the  
16 other six days of the week. Another variation on  
17 that product is Free Nights and then Free Weekends.  
18 And then we also have a prepaid product that is not  
19 necessarily time variant in its pricing but it is a  
20 product that is enabled by the deployment of smart  
21 meters or AMI meters.

22          Q.     Was there one more?

23          A.     There's also another product that Direct  
24 Energy has recently launched that we consider a smart  
25 product and that's our Meridian product, it bundles a

1 commodity supply of energy -- of electricity with a  
2 smart thermostat and, to my knowledge, I don't  
3 believe that that product is necessarily time variant  
4 in its pricing, but it is in what we consider our  
5 existent suite of smart products or products that are  
6 enabled by AMI meters.

7 Q. For the free power day does the customer  
8 get to select which day they receive free power?

9 A. It depends upon the jurisdiction. I  
10 believe in both Texas and Pennsylvania there's a  
11 variant of that product that's automatically  
12 designated as free Saturday. So if a customer elects  
13 free Saturday, then Saturday is by default their free  
14 day. But there's also a product called Free Power  
15 Day and under that specific program the customer does  
16 have the option of electing whatever day of the week  
17 they would like to have free power.

18 Q. And, Ms. Lause, in your testimony you  
19 discuss three phases of let's call them deployment  
20 you recommend the Commission require Duke Energy Ohio  
21 to implement in order to allow for CRES suppliers to  
22 provide time-of-use rates, correct?

23 A. In the meter data management system  
24 proposal that we submit we do identify three  
25 different phases, three different phases in which

1 that system could be deployed or could be made  
2 available.

3 Q. Okay. And those phases were developed as  
4 a result of Direct Energy's participation in a series  
5 of workshops in ComEd's territory in Illinois,  
6 correct?

7 A. That was the origination of the  
8 development of these three phases, and subsequently  
9 this same type of phasing has been proposed by Direct  
10 Energy in other dockets as well.

11 Q. Thank you.

12 And you've also proposed a time frame  
13 associated at least with the first phase, correct?

14 A. That's correct.

15 Q. And you didn't have any specific  
16 conversations with anyone from Duke Energy Ohio in  
17 formulating the proposals you've put forth in your  
18 testimony, correct?

19 A. Although Direct Energy did not have a  
20 specific negotiation or did not specifically solicit  
21 Duke's input on the phasing or the timing for those  
22 phases, the same information that's presented in the  
23 meter data management system proposal was discussed  
24 by myself with Duke and other stakeholders during the  
25 collaborative meetings, during the SmartGrid

1 collaborative meetings.

2 Q. Would you agree with me that in those  
3 collaborative meetings the discussions revolved  
4 around Direct Energy's interest in hourly interval  
5 data and 15-minute data, but there was no feedback  
6 from Duke Energy Ohio with respect to any -- there  
7 was no discussion of these specific proposals?

8 A. I'll agree that there was no -- there was  
9 no agreement by Duke and that there was no specific  
10 discussion around the proposal but, if I recall, my  
11 discussion of these issues also included the idea  
12 that Direct Energy would be interested in receiving  
13 next-day nonbill-quality data as well as monthly  
14 bill-quality data in addition to the hourly and the  
15 15-minute frequencies.

16 Q. Okay. So, just to be clear, what you're  
17 describing is what Direct Energy's interests were but  
18 not necessarily what Duke Energy Ohio's response to  
19 those --

20 A. Yes.

21 Q. Okay. With respect to the changes that  
22 would need to be made in Duke Energy Ohio's systems  
23 in order to implement phases 2 and 3, Direct Energy  
24 doesn't propose to pay for those costs itself,  
25 correct?

1 A. That's correct.

2 Q. So Direct Energy would expect those costs  
3 to be passed through a rider or otherwise collected  
4 through some rate mechanism from either -- from its  
5 customer base, correct?

6 A. From Duke Energy Ohio's customer base?

7 Q. Yes.

8 A. Yes.

9 Q. And as of right now we don't know what  
10 those costs would be, correct?

11 A. I don't know what those costs may be.

12 Q. Thank you for that clarification.

13 MS. WATTS: I have no further questions.

14 EXAMINER SHEETS: OCC?

15 MR. ETTER: Yes, thank you, your Honor.

16 - - -

17 CROSS-EXAMINATION

18 By Mr. Etter:

19 Q. Good morning, Ms. Lause.

20 A. Good morning.

21 Q. On page 4, lines 21 and 22 of your  
22 testimony you state that the stipulation does not  
23 benefit ratepayers. Does that mean that the  
24 stipulation has absolutely no benefit for ratepayers?

25 A. I don't know that I would say there's

1 absolutely no benefit, but I think that the state  
2 policy is a little bit more broad than that. So I  
3 don't know whether there's that qualification.

4 Q. Under the -- are you familiar with the  
5 three-prong test for reviewing stipulations?

6 A. Yes, I am.

7 Q. And does the -- is there a qualification  
8 as to the amount of benefit that has to be there for  
9 customers in order for the stipulation to be approved  
10 by the Commission?

11 A. No, not to my knowledge.

12 Q. Under the stipulation Duke agrees to not  
13 disconnect or refuse service to residential customers  
14 who refuse or opt out of having a smart meter  
15 installed; is that correct?

16 A. I don't have a copy of the stipulation in  
17 front of me. That language sounds familiar, but it  
18 would be subject to checking.

19 Q. That would be a benefit for customers, to  
20 not face disconnection if they didn't want to have a  
21 smart meter installed; is that correct?

22 A. I honestly -- I honestly don't know.

23 Q. And are you aware that the stipulation  
24 also places rate caps of \$6.75 for 2014 and \$7 for  
25 2015 on amounts that are collected through the rider?



1           A.    Again, I don't have the stipulation right  
2           in front of me but that language does sound familiar,  
3           so subject to checking I'll agree with that.

4                   MR. ETTER:   That's all I have.   Thank  
5           you.

6                   EXAMINER SHEETS:   OPAE, do you have any  
7           questions?

8                   MS. MOONEY:   Yes.

9                                   - - -

10                                   CROSS-EXAMINATION

11           By Ms. Mooney:

12                   Q.    Let me just ask you about, in your  
13           testimony on page 6 and 7 you refer to the Free Power  
14           Day product that Direct offers in Texas and  
15           Pennsylvania.

16                   A.    Yes.

17                   Q.    Is the Free Power Day product something  
18           that Direct would offer to -- in Duke's service  
19           territory?   Would plan to offer in Duke's service  
20           territory?

21                   A.    I can't say that with certainty, but I  
22           think that there's a fair probability of that product  
23           being offered in Duke's territory if we had access to  
24           the necessary data to bill customers and communicate  
25           with them on a regular basis in order to engage them

1 in that product.

2 Q. But the solicitation of a product like  
3 the Free Power Day would be -- for Direct would be  
4 dependent on Direct having the data that it's looking  
5 for in this case; is that correct?

6 A. Well, we certainly wouldn't solicit a  
7 customer -- we wouldn't offer a product to a customer  
8 that they wouldn't be eligible to enroll in. So yes,  
9 we wouldn't -- our ability to bring time-of-use or  
10 other dynamic-pricing products to residential  
11 customers in Duke's territory is contingent upon our  
12 ability to access the interval meter data in order to  
13 bill customers on that product.

14 Q. So you don't have any -- so Direct  
15 doesn't have any plans at this point to solicit those  
16 kind of products to Duke's customers; is that  
17 correct?

18 A. Not until we have access to the data.

19 Q. So the access to the data is the first,  
20 is a precondition before you can -- Direct can offer  
21 these products; is that correct?

22 A. Yes, it is.

23 MS. MOONEY: That's all. Thank you.

24 MR. PARRAM: No questions.

25 MR. CLARK: Your Honor, may we have just

1 a minute?

2 EXAMINER SHEETS: Okay.

3 MR. CLARK: Thank you.

4 (Recess taken.)

5 EXAMINER SHEETS: Let's go back on the  
6 record.

7 - - -

8 REDIRECT EXAMINATION

9 By Mr. Clark:

10 Q. Ms. Lause, just one question for you.  
11 Assuming that Direct Energy was able to get  
12 billing-quality data as outlined in phase 1 of your  
13 MDM attachment, would it be your expectation that  
14 Direct Energy would offer dynamic or time-of-use  
15 products to customers?

16 A. In Duke's territory, yes.

17 MR. CLARK: That's all I have, your  
18 Honor.

19 EXAMINER SHEETS: Duke?

20 MS. WATTS: No recross, thank you.

21 MS. MOONEY: No, no thank you.

22 MR. ETTER: No questions, your Honor.

23 MR. PARRAM: No questions, your Honor.

24 EXAMINER SHEETS: You're excused.

25 (Witness excused.)

1 MR. CLARK: Thank you, your Honor. At  
2 this time Direct Energy would like to move Exhibits  
3 1, 2, and 3, including the attachments to 1 and 2,  
4 into evidence, please.

5 EXAMINER SHEETS: I'll admit those  
6 exhibits at this time.

7 (EXHIBITS ADMITTED INTO EVIDENCE.)

8 EXAMINER SHEETS: Do we have anything  
9 else?

10 MS. MOONEY: Your Honor, I move to admit  
11 OP&E Exhibit 1 which is OP&E's comments.

12 EXAMINER SHEETS: I'll admit OP&E's and  
13 OCC's.

14 (EXHIBIT ADMITTED INTO EVIDENCE.)

15 MR. ETTER: Yeah, we move for the  
16 admission of OCC Exhibits 1 and 2, comments and reply  
17 comments.

18 EXAMINER SHEETS: I'll admit those  
19 exhibits also.

20 (EXHIBIT ADMITTED INTO EVIDENCE.)

21 MR. PARRAM: And Staff's exhibit also.

22 EXAMINER SHEETS: Staff's exhibit also.

23 (EXHIBIT ADMITTED INTO EVIDENCE.)

24 EXAMINER SHEETS: Is there anything else?

25 (No response.)

1 EXAMINER SHEETS: Very good. I'll  
2 consider the case submitted on the record. I thank  
3 you all for coming.

4 (Discussion off the record.)

5 EXAMINER SHEETS: Initial briefs are due  
6 on the 14th, reply briefs on the 28th.

7 MR. CLARK: Great. Thank you, your  
8 Honor.

9 MS. WATTS: Thank you.

10 EXAMINER SHEETS: Is that fine? Okay.  
11 Thank you.

12 (The hearing concluded at 11:37 a.m.)

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CERTIFICATE

I do hereby certify that the foregoing is a true and correct transcript of the proceedings taken by me in this matter on Tuesday, February 4, 2014, and carefully compared with my original stenographic notes.

Maria DiPaolo Jones, Registered  
Diplomate Reporter and CRR and  
Notary Public in and for the  
State of Ohio.

My commission expires June 19, 2016.  
(74570-MDJ)

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**Case No(s). 13-1141-GE-RDR**

Summary: Transcript in the matter of Duke Energy Ohio, Inc. hearing held on 02/04/14 electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Jones, Maria DiPaolo Mrs.