

FILE

**PUCO EXHIBIT FILING**

Date of Hearing: OCT. 15, 2015

Case No. \_\_\_\_\_

PUCO Case Caption: \_\_\_\_\_

In the Matter of the Application :  
of Duke Energy Ohio, Inc. for :  
Approval of a Grid Modernization : Case Nos.  
Opt-Out Tariff and a Change in : 14-1160-EL-UNC  
Accounting Procedures Including : 14-1161-EL-AAM  
a Cost Recovery Mechanism. :

**List of exhibits being filed:**

- Confidentiality Waived -  
OCC Ex 2 - Staff Data Request

PUCO

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Technician DMT Date Processed OCT 30 2015

Reporter's Signature: A.E.O.

Date Submitted: 10/29

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of the Application :  
of Duke Energy Ohio, Inc. for :  
Approval of a Grid Modernization : Case Nos.  
Opt-Out Tariff and a Change in : 14-1160-EL-UNC  
Accounting Procedures Including : 14-1161-EL-AAM  
a Cost Recovery Mechanism. :

- - -

PROCEEDINGS

Before Bryce McKenney, Attorney Examiner, at the  
Public Utilities Commission of Ohio, 180 East Broad  
Street, Room 11-C, Columbus, Ohio, called at  
10:00 a.m. on Thursday, October 15, 2015.

- - -

ARMSTRONG & OKEY, INC.  
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(614) 224-9481 - (800) 223-9481  
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- - -

Duke Energy Ohio  
Case No. 14-1160-EL-UNC, 14-1161-EL-AAM  
STAFF First Set Data Requests  
Date Received: June 30, 2014

STAFF-DR-01-008 CONFIDENTIAL  
As to Attachments Only

**REQUEST:**

**Proposed One-time/On-going charges for Operation & Maintenance**

Provide work-papers showing how the metering costs of \$54,737.50 and \$349,015.00, and distribution maintenance costs of \$37,120.00 and \$4,453.68 were derived. Explaining how labor/labor hours and other expenses were determined. In addition, provide additional information exhibiting how these costs are incremental in nature.

**RESPONSE:**

**CONFIDENTIAL PROPRIETARY TRADE SECRET (As to Attachments Only)**

In the absence of the advanced meter opt-out rule, Metering Services would only deploy AMI meters and would not incur \$54,737.50 in upfront costs to purchase, store, repair and test non-AMI meters. Except for that rule, Metering Services would have been able to perform monthly and off-cycle meter reading and theft investigations remotely for all customers. Instead the Company will incur incremental costs of \$349,015.00 annually to perform those functions. The Distribution Maintenance group would not incur the costs to install non-AMI meters – \$37,120.00 – or additional, unplanned communication devices – \$4,453.68 annually – except for the advanced meter opt-out rule requiring the Company to allow customers to opt-out. Cost for the functions described above are incremental, as cost savings derived from the elimination of those functions are being credited annually to customers through the Duke Energy Ohio smart grid rider (Rider DR-IM).

Please see Staff-DR-01-008(a) and (b) attachments for workpapers.

**PERSON RESPONSIBLE:**

Justin Brown

PRIVILEGED AND CONFIDENTIAL - Draft Prepared at Request of Counsel  
725 : Assumed # NSMO Customers

Topic Area	Topic Details	Rate	Hours to Complete	Unit Cost	# of Meters Addressed	Total Cost
Meter Swaps/installs	Cost to remove AMI and install NSM for non-AMI NSMO customers.	\$ 51.20	1	\$ 51.20	725	\$ 37,120.00
						\$ 37,120.00

PRIVILEGED AND CONFIDENTIAL - Draft Prepared at Request of Counsel  
 725 : Assumed # NSMO Customers

Topic Area	Topic Details	Rate	Hours to Complete	Unit Cost	Frequency	# of Events Annually	Annual Cost
Communication Device Installation	Fully loaded labor and equipment rate for 2 technicians and truck to perform scoping field work and device installation.	\$ 344.30	1	\$ 344.30	Annual for 1% of NSMO Customers	7	\$ 2,496.18
Communication Device	Cost for a range extender and mounting bracket.	\$ 270.00	N/A	\$ 270.00	Annual for 1% of NSMO Customers	7	\$ 1,957.50
							\$ 4,453.68

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725 : Assumed # NSMO Customers

Category	Description	Rate	Hours to Complete	Unit Cost	Non-Meters Addressed	Total Cost
Meter Repair/Testing	Cost for up-front testing and repair of non-standard meters. All non-standard meters should be tested prior to being installed or should be tested for continued use if the customer is currently non-AMI. Labor for storing a 30% reserve of non-AMI meters compared to deployed meter base.	\$ 50.00	1	\$ 50.00	725	\$ 36,250.00
Meter Storage Labor	Cost of a non-standard meter that can be used to replace a deployed non-standard meter.	\$ 50.00	1	\$ 50.00	218	\$ 10,875.00
Cost of Non-Standard Meters		\$ 35.00	N/A	\$ 35.00	218	\$ 7,612.50
						\$ 54,737.50

PRIVILEGED AND CONFIDENTIAL - Draft Prepared at Request of Counsel

ZTS - Assumed # NSMO Customers

Topic	Topic Description	Rate	Hours to Complete	Unit Cost	Frequency	Total Events/Annually	Annual Cost
Monthly Meter Reading	Manual meter reads each month will take 1 hr each. Includes indoor meters.	\$	40.00	1 \$	Monthly per NSMO Customer	8700	348,000.00
Off-cycle Meter Reading	Manual off-cycle meter reads. Necessary due to inability to perform Remote Order Fulfillment services for non-AMI meters (bill complaints or move in/move out).	\$	40.00	1 \$	Annual for 1% of NSMO Customers	7	290.00
Revenue Assurance	Cost for theft investigation. Conduct theft investigation for ~1% of meter base historically, and can do remote theft investigation now for AMI customers.	\$	100.00	1 \$	Annual for 1% of NSMO Customers	7	725.00
							349,015.00