

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke	)	
Energy Ohio, Inc. for an Adjustment to	)	Case No. 17-2318-GA-RDR
Rider AMRP Rates.	)	
	)	
In the Matter of the Application of Duke	)	Case No. 17-2319-GA-ATA
Energy Ohio, Inc. for Tariff Approval.	)	

**DIRECT TESTIMONY  
OF  
JAMES D. WILLIAMS**

**On Behalf of**  
**The Office of the Ohio Consumers' Counsel**  
*65 East State Street, 7<sup>th</sup> Floor*  
*Columbus, Ohio 43215-3485*

**April 5, 2018**

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## **ATTACHMENTS**

Attachment JDW-1 List of Previous Testimony Filed at the PUCO by James Williams

Attachment JDW-2 Duke Response to OCC INT 1-007

1   **I.       INTRODUCTION**

2

3   ***Q1.   PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.***

4   ***A1.***   My name is James D. Williams. My business address is 65 East State Street, 7<sup>th</sup>

5       Floor, Columbus, Ohio 43215. I am employed by the Office of the Ohio

6       Consumers' Counsel ("OCC") as a Senior Utility Consumer Policy Analyst.

7

8   ***Q2.   PLEASE BRIEFLY SUMMARIZE YOUR EDUCATION AND***

9       ***PROFESSIONAL EXPERIENCE.***

10   ***A2.***   I am a 1994 graduate of Webster University, in St. Louis, Missouri, with a Master

11       of Business Administration, and a 1978 graduate of Franklin University, in

12       Columbus, Ohio, with a Bachelor of Science, Engineering Technology. My

13       professional experience includes a career in the United States Air Force and over

14       22 years of utility regulatory experience with the OCC.

15

16       Initially, I served as a Compliance Specialist with the OCC and my duties

17       included the development of compliance programs for electric, natural gas, and

18       water industries. Later, I was designated to manage all of the agency's specialists

19       who were developing compliance programs in each of the utility industries. My

20       role evolved into the management of OCC's consumer hotline, the direct service

21       provided to consumers to resolve complaints and inquiries that involved Ohio

22       utilities. More recently, following a stint as a Consumer Protection Research

23       Analyst, I was promoted to a Senior Utility Consumer Policy Analyst. In this

*Direct Testimony of James D. Williams  
On Behalf of the Office of the Ohio Consumers' Counsel  
PUCO Case No. 17-2318-GA-RDR et al.*

1       role, I am responsible for developing and recommending policy positions on  
2       utility issues that affect residential consumers.

3  
4       I have been directly involved in the development of policy issues that impact  
5       Ohio residential utility consumers involving natural gas, electric, water, and  
6       telecommunications for many years. My responsibilities have included  
7       participating in the evaluation of several Public Utilities Commission of Ohio  
8       ("PUCO") cases where utilities have sponsored and promoted customers spending  
9       billions of dollars for infrastructure modernization programs as a separate charge  
10      on their natural gas and/or electric bills. Specific to this proceeding, I have been  
11      involved in the review of the Accelerated Mains Replacement Program  
12      ("AMRP") application, the development of OCC policy positions regarding the  
13      need for more consumer protections, and in the preparation of comments<sup>1</sup> filed by  
14      the OCC.

15

16   ***Q3.   HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY OR TESTIFIED***  
17   ***BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO?***

18   ***A3.***   Yes. The cases that I have submitted testimony and/or have testified before the  
19       PUCO can be found in Attachment JDW-1.

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<sup>1</sup> Case 17-2318-GA-RDR, Comments by the Office of the Ohio Consumers' Counsel (March 28, 2018).

1    **II.     SUMMARY OF MY TESTIMONY**

2

3    ***Q4.    WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS***  
4    ***PROCEEDING?***

5    **A4.**    The purpose of my testimony is to recommend that the PUCO require Duke to file  
6           a gas distribution rate case before the end of 2018. In the previous AMRP Rider  
7           case, the PUCO Staff commented that AMRP was completed in 2015. Therefore  
8           Duke is no longer replacing bare steel or cast iron mains in its system. The  
9           separate charge to customers for the AMRP rider will end once the costs are  
10          included in base rates as part of a base rate proceeding. Since Duke has made no  
11          new investments in replacing bare steel or case iron mains for almost three years,  
12          a rate case provides the opportunity for a full examination of Duke financial  
13          records to ensure that customers are being charged just and reasonable rates for  
14          natural gas service.

15

16   **III.    ACCELERATED MAINS REPLACEMENT PROGRAM (AMRP) RIDER**

17

18   ***Q5.    CAN YOU PROVIDE A BRIEF SUMMARY REGARDING THE DUKE***  
19   ***AMRP RIDER?***

20   **A5.**    Yes. The PUCO approved the Duke AMRP Rider as part of Duke's 2001 rate  
21          case as a mechanism for Duke to separately collect money from customers as part  
22          of a ten-year plan to replace all 12-inch and bare steel and cast iron mains within  
23          its distribution system. Subsequent changes authorized by the PUCO supported

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1       the use of the AMRP Rider to collect costs from customers associated with the  
2       rider replacement program (“RRP”). Duke customers have collectively spent  
3       hundreds of millions of dollars on the AMRP rider since inception.

4  
5       Rate cases in 2007 and 2012 have resulted in the AMRP rider investment costs  
6       being included within the Utility rate base and have reset the rates that are  
7       collected from customers through the rider. However, Duke has not filed a  
8       natural gas distribution rate case since 2012. Since that time, the Company  
9       completed the replacement of all bare steel and cast-iron mains across its system  
10      in 2015.<sup>2</sup> The AMRP Rider primarily collects money from customers for Duke’s  
11      expenses associated with depreciation and property taxes until these costs are  
12      included in base rates. And the AMRP is intended to reflect lower operating costs  
13      that Duke would benefit from in fewer main(s) leaks until operating costs are  
14      reflected in base rates.

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<sup>2</sup> Per a Settlement in Case No. 10-2788-GA-RDR, Duke agreed that all capital additions associated with the AMRP would be placed in service by December 31, 2015. Duke further agreed to file an annual application to adjust AMRP costs between 2017 and the filing of its next distribution rate case. The applications were prohibited from including any new main line, service line and riser replacement additions.

1   ***Q6. DOES THE AMRP RIDER INCLUDE AN ADJUSTMENT TO THE***  
2                   ***REVENUE REQUIREMENT TO REFLECT OPERATIONAL SAVINGS***  
3                   ***THAT HAVE OCCURRED AS A RESULT OF REPLACING BARE STEEL***  
4                   ***AND CAST IRON MAINS?***

5   ***A6.***   Yes. The application includes a \$312,532 credit to customers<sup>3</sup> that is reflected as  
6                   a maintenance expense reduction within the overall annual \$28,378,697 revenue  
7                   requirement for the AMRP Rider.

8  
9   ***Q7. IS THE \$312,532 OPERATIONAL SAVINGS INTENDED TO REFLECT***  
10                  ***THE ACTUAL SAVINGS THAT DUKE HAS ACHIEVED AS A RESULT OF***  
11                  ***SPENDING CUSTOMER MONEY ON THE AMRP RIDER?***

12   ***A7.***   No. As part of a settlement in Case No. 10-2788-GA-RDR, a guaranteed savings  
13                  of \$929,670 was agreed upon as a baseline number for adjusting the annual  
14                  revenue requirement until the actual savings are reflected in rates during a future  
15                  base rate proceeding.<sup>4</sup> This estimate was based on projects in the number of main  
16                  leaks that would be reduced between 2009 and 2015. The baseline was adjusted  
17                  to reflect cost savings that have supposedly already been included in base rates  
18                  following the 2012 rate case. The \$312,532 credit has been held constant since  
19                  2015 when Duke stopped making additional plant additions.<sup>5</sup>

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<sup>3</sup> Application, Attachment A, Schedule 10.

<sup>4</sup> Duke Response to OCC INT-01-007 (attached herein as JDW-2).

<sup>5</sup> Id.

1   ***Q8. HAVE DUKE'S TOTAL REVENUES AND EXPENSES BEEN EXAMINED***  
2   ***SINCE THE UTILITY COMPLETED THE AMRP?***

3   ***A8.*** No. Duke's last natural gas distribution rate case was in 2012. The AMRP was  
4 completed in 2015. Therefore, there has not been a full examination of Duke's  
5 revenues and expenses since AMRP was completed. A base rate case is the  
6 appropriate forum where all operational savings from the AMRP will be  
7 evaluated. A base rate proceeding provides the opportunity for total revenues and  
8 expenditures during a test year to be examined to <sup>6</sup> verify that customers are being  
9 charged just and reasonable rates for natural gas service.

10

11   ***Q9. ARE THERE OTHER BENEFITS ASSOCIATED WITH DUKE FILING A***  
12   ***DISTRIBUTION RATE CASE?***

13   ***A9.*** Yes. The distribution rate case provides the opportunity for future AMRP  
14 expenses to be included within distribution base rates. There are efficiencies in  
15 eliminating the regulatory expenses in tracking and monitoring of the AMRP  
16 rider. And Duke's customers will no longer be required to pay a separate charge  
17 for AMRP as a rider on their bill. Furthermore, hopefully a rate case would  
18 demonstrate that the massive spending that Duke has made in the AMRP program  
19 has indeed reduced Duke's operating costs. Ultimately this was an intended  
20 purpose of the AMRP. But until Duke is required to file a distribution rate case,  
21 there is no assurance that consumers who have paid for these very expensive  
22 programs are fully benefiting from cost reductions that

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<sup>6</sup> O.R.C. 4909.15



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1       should have occurred. Regular reviews of utility expenses and costs are necessary  
2       for protecting consumers who are paying, through a rider, for capital intensive  
3       programs like the AMRP.<sup>7</sup> The rate case provides the forum for examining the  
4       reductions in the test year Operation and Maintenance expenses and passing them  
5       on to customers (in the form of lower rates).

6

7       Also since the 2012 rate case, the PUCO authorized Duke to establish a regulatory  
8       asset for tracking certain integrity management expenses<sup>8</sup> that Duke asserts were  
9       not included in base rates or in the AMRP Rider.<sup>9</sup> The PUCO authorized Duke to  
10      defer collection of up to \$4 million per year plus carrying charges for its pipeline  
11      inspection program.<sup>10</sup> The distribution base rate case provides the opportunity for  
12      a full examination of Duke's pipeline inspection costs and to check that there is  
13      no dual collection of costs from customers. Also, the base rate case eliminates the  
14      supposed need for continuing the deferral of expenses (and carrying charges)  
15      associated with the pipeline inspection program(s). These costs are ultimately  
16      charged to Duke's customers and increase their monthly bills.

17

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<sup>7</sup> See *In re the Application of Ohio Edison Company, the Cleveland Electric Illuminating Company, and the Toledo Edison Company*, Case No. 14-1297-EL-SSO, Eighth Entry on Rehearing (Aug. 16, 2017) at 90-91. (The PUCO agreed with Staff's testimony stating, "it is a prudent regulatory practice to gain a holistic understanding of the regulated distribution company on a regular basis").

<sup>8</sup> *In the Matter of the Application of Duke Energy Ohio, Inc. for Approval to Change Accounting Methods*, Case No. 16-0387-GA-AAM, Application, (February 19, 2016).

<sup>9</sup> Direct Testimony of Duke Witness Lawler (February 26, 2018) at 5.

<sup>10</sup> Case No. 16-387-GA-AAM, Opinion and Order (January 4, 2017) at 4.

1   ***Q10. IN ADDITION TO THE AMRP RIDER, ARE THERE OTHER NATURAL***  
2                   ***GAS RIDERS ON CUSTOMER BILLS THAT CAN BE ELIMINATED ONCE***  
3                   ***DUKE FILES A BASE RATE CASE?***

4   ***A10.*** Yes. The separate collection of money from customers for the Advanced Utility  
5           (“AU”) Rider can also be eliminated. Rider AU is used to collect money from  
6           customers for expenses associated with Duke’s smart grid program. The PUCO  
7           Staff determined that the Duke smart grid deployment was completed in October  
8           2015.<sup>11</sup> And consistent with a previous agreement with Duke,<sup>12</sup> this required the  
9           Utility to file an electric distribution rate case.<sup>13</sup> The electric smart grid costs will  
10          be included in base rates once the electric rate case is completed.

11  
12          However, customers will still pay for the gas smart grid costs as a separate charge  
13          until there is a natural gas base rate case. Requiring Duke to file a distribution  
14          rate case provides the opportunity to eliminate the AU rider and the regulatory  
15          costs associated with tracking and monitoring this rider. Any future smart grid  
16          costs should be collected from customers in base rates rather than through a rider  
17          on customer bills.

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<sup>11</sup> *In the Matter of the Application of Duke Energy Ohio, Inc. to Adjust Rider DR-IM and Rider AU for 2010 SmartGrid Costs and Mid-Deployment Review.*, Case 10-2326-GE-RDR, Notice of Staff Determination, (October 22, 2015).

<sup>12</sup> Case 10-2326-GE-RDR, Opinion and Order (June 13, 2012) at 15.

<sup>13</sup> *In the Matter of the Application of Duke Energy Ohio, Inc. for an Increase in Electric Distribution Rates.*, Case 17-032-EL-AIR, Application (March 3, 2017).

1   **IV.   RECOMMENDATIONS**

2

3   ***Q11.   CAN YOU SUMMARIZE YOUR RECOMMENDATIONS?***

4   ***A11.***   Yes. The PUCO should require Duke to file a gas distribution rate case by the  
5           end of 2018. Duke has spent hundreds of millions of dollars on the AMRP  
6           program since inception. The Utility completely finished its replacement of bare  
7           steel and cast-iron mains in 2015 and collection of main replacement costs  
8           through a rider can now end. The Company should be required to file a natural  
9           gas distribution rate case to end the cost collection from customers through the  
10          rider, and to determine if the operation and maintenance savings created by this  
11          program are being fully shared with customers. Until and unless there is a natural  
12          gas distribution rate case, there is no assurance that customers of Duke are paying  
13          just and reasonable rates for service as required by Ohio law. Other benefits of a  
14          base rate case for natural gas service include the ending of both the AMRP and  
15          the AU riders on customer bills. Also, a base rate case would help evaluate if  
16          Dukes pipeline inspection expenses are accurately reflected in rates.

17

18   **V.   CONCLUSION**

19

20   ***Q12.   DOES THIS CONCLUDE YOUR TESTIMONY?***

21   ***A12.***   Yes. However, I reserve the right to incorporate new information that may  
22          subsequently become available through outstanding discovery or otherwise.

**CERTIFICATE OF SERVICE**

I hereby certify that a true copy of the foregoing Direct Testimony of James D. Williams on Behalf of the Office of the Ohio Consumers' Counsel was served via electronic transmission to the persons listed below on this 5th day of April 2018.

/s/ Zachary Woltz  
Zachary Woltz  
Assistant Consumers' Counsel

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**Testimony of James D. Williams**  
**Filed at the Public Utilities Commission of Ohio**

1. *In the Matter of the Application of the Cincinnati Gas and Electric Company for an Increase in Its Rates for Gas Service to All Jurisdictional Customers, Case No. 95-0656-GA-AIR (August 12, 1996).*
2. *In the Matter of the Application of the Cincinnati Gas and Electric Company for an Increase in Its Rates for Gas Service to All Jurisdictional Customers, Case No. 01-1228-GA-AIR (February 15, 2002).*
3. *In the Matter of the Commission's Investigation into the Policies and Procedures of Ohio Power Company, Columbus Southern Power Company, The Cleveland Electric Illuminating Company, Ohio Edison Company, The Toledo Edison Company and Monongahela Power Company regarding installation of new line extensions, Case No. 01-2708-EL-COI (May 30, 2002).*
4. *In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for an Increase in Its Rates for Gas Service to All Jurisdictional Customers, Case No. 07-0829-GA-AIR (June 23, 2008).*
5. *In the Matter of the Application of the Columbia Gas of Ohio, Inc. for Authority to Amend Filed Tariffs to Increase the Rates and Charges for Gas Distribution, Case No. 08-072-GA-AIR (September 25, 2008).*
6. *In the Matter of a Settlement Agreement Between the Staff of the Public Utilities Commission of Ohio, The Office of the Consumers' Counsel and Aqua Ohio, Inc. Relating to Compliance with Customer Service Terms and Conditions Outlined in the Stipulation and Recommendation in Case No. 07-564-WW-AIR and the Standards for Waterworks Companies and Disposal System Companies, Case No. 08-1125-WW-UNC (February 17, 2009).*
7. *In the Matter of the Application of the Ohio American Water Company to Increase its Rates for water and Sewer Services Provided to its Entire Service Area, Case No. 09-391-WS-AIR (January 4, 2010).*
8. *In the Matter of the Application of Aqua Ohio, Inc. for Authority to Increase its Rates and Charges in its Masury Division, Case No. 09-560-WW-AIR (February 22, 2010).*
9. *In the Matter of the Application of Aqua Ohio, Inc. for Authority to Increase its Rates and Charges in Its Lake Erie Division, Case No. 09-1044-WW-AIR (June 21, 2010).*

10. *In the Matter of the Application of The Ohio American Water Company to Increase its Rates for Water Service and Sewer Service*, Case No. 11-4161-WS-AIR (March 1, 2012).
11. *In the Matter of Columbus Southern Power Company and Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Ohio Rev. Code, in the Form of an Electric Security Plan*, Case No. 11-346-EL-SSO, et al (May 4, 2012).
12. *In the Matter of the Application of The Dayton Power and Light Company for Approval of its Market Rate Offer*, Case No. 12-426-EL-SSO (June 13, 2012).
13. *In the Matter of the Application of Ohio Power Company to Establish Initial Storm Damage Recovery Rider Rates*, Case No. 12-3255-EL-RDR (December 27, 2013).
14. *In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Ohio Rev. Code, in the Form of an Electric Security Plan*, Case No. 13-2385-EL-SSO (May 6, 2014).
15. *In the Matter of the Application of Duke Energy Ohio for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan, Accounting Modifications and Tariffs for Generation Service*, Case 14-841-EL-SSO (May 29, 2014).
16. *In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Authority to Provide for a Standard Service Offer Pursuant to R.C. 4928.143 in the Form of an Electric Security Plan*, Case No. 14-1297-EL-SSO (December 22, 2014).
17. *In the Matter of the Application of Duke Energy Ohio, Inc., to Adjust Rider DR-IM and Rider AU for 2013 Grid Modernization Costs*, Case No. 14-1051-EL-RDR (December 31, 2014) and (February 6, 2015).
18. *In the Matter of the Application Not for an Increase in Rates Pursuant to Section 4901:18, Revised Code, of Ohio Power Company to Establish Meter Opt Out Tariff*, Case No. 14-1158-EL-ATA (April 24, 2015).
19. *In the Matter of the Application of Duke Energy of Ohio, Inc., for Approval of a Grid Modernization Opt-out Tariff and for a Change in Accounting Procedures Including a Cost Recovery Mechanism.*, Case 14-1160-EL-UNC and 14-1161-EL-AAM (September 18, 2015).

20. *In the Matter of the Application of Duke Energy Ohio, Inc., for Approval of an Alternative Rate Plan Pursuant to Section 4929.05, Revised Code, for an Accelerated Service Line Replacement Programs*, Case No. 14-1622-GA-ALT (November 6, 2015).
21. *In the Matter of the Complaint of Jeffrey Pitzer, Complainant, v. Duke Energy Ohio, Inc. Respondent.*, Case No. 15-298-GE-CSS (December 30, 2015).
22. *In the Matter of the Application of Ohio Power Company to Initiate Phase 2 of Its gridSMART Project and to Establish the gridSMART Phase 2 Rider.*, Case No. 13-1939-EL-RDR (July 22, 2016).
23. *In the Matter of the Application of Columbia Gas of Ohio, Inc. for Approval of Demand Side Management Program for its Residential and Commercial Customers.*, Case No. 16-1309-GA-UNC (September 13, 2016).
24. *In the Matter of the Application of the Dayton Power and Light Company for Approval of Its Electric Security Plan*, Case No. 16-0395-EL-SSO (November 21, 2016). Supplemental Testimony, (March 29, 2017).
25. *In the Matter of the Application of Aqua Ohio, Inc. to Increase Its Rates and Charges for Its Waterworks Service.*, Case No. 16-0907-WW-AIR (December 19, 2016).
26. *In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to R.C. 4928.143, in the Form of an Electric Security Plan*, Case No. 16-1852-EL-SSO, (May 2, 2017).
27. *In the Matter of the Application of the Ohio Development Services Agency for an Order Approving Adjustments to the Universal Service Fund Riders of Jurisdictional Ohio Electric Distribution Utilities*, Case No. 17-1377-EL-USF, (August 11, 2017).
28. *In the Matter of the Application of Duke Energy Ohio, Inc. to Adjust Rider AU for 2016 Grid Modernization Costs*, Case No. 17-690-GA-RDR, (August 18, 2017).
29. *In the Matter of the Application of Duke Energy Ohio, Inc., for an Adjustment to Rider AMRP Rates*, Case No. 17-2318-GA-RDR, (April 5, 2018).

**Duke Energy Ohio  
Case No. 17-2318-GA-RDR  
OCC First Set Interrogatories  
Date Received: March 9, 2018**

**OCC-INT-01-007**

**REQUEST:**

Referring to the Application at Schedule 10, please provide calculations supporting the \$929,670 in guaranteed savings that was purportedly agreed upon in Case No. 10-2788-GA-RDR.

**RESPONSE:**

The guaranteed savings of \$929,670 is comprised of \$847,146 in Small Diameter Guaranteed Savings and \$82,524 in Proposed Large Diameter Guaranteed Savings. The amount comes from the exhibit filed by Duke Energy Ohio, Inc. on August 12, 2011 in PUCO Case No. 10-2788-GA-RDR. This exhibit is attached here for reference as OCC-INT-01-007 Attachment (A).

The \$82,524 of large diameter guaranteed savings was memorialized in that exhibit.

For the \$847,146 of small diameter guaranteed savings, the Company assumed a total of 271 fewer main leaks from 2009 to 2015. This was multiplied by the average cost to repair a main leak of \$3,126. This calculation was outlined in Confidential Stipulation Exhibit 2 in PUCO Case No. 09-1849-GA-RDR.

As plant additions covered by the AMRP Rider ceased in 2015, the guaranteed savings amount has been held consistent since 2015.

**PERSON RESPONSIBLE:** Sarah E. Lawler



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**BEFORE THE**

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## PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke Energy Ohio, Inc., for an Adjustment to Rider AMRP Rates to Recover Costs Incurred in 2010. ) ) Case No. 10-2788-GA-RDR ) )

In the Matter of the Application of Duke )  
Energy Ohio, Inc. for Tariff Approval. ) Case No. 10-2789-GA-ATA

**SUBMISSION OF LATE-FILED EXHIBIT  
BY  
DUKE ENERGY OHIO, INC.**

In an Opinion and Order issued May 4, 2011, the Public Utilities Commission of Ohio (Commission) approved a Stipulation and Recommendation (“Stipulation”) that established Duke Energy Ohio, Inc.’s (Duke Energy Ohio) Accelerated Main Replacement Program (AMRP) rates effective May 6, 2011.<sup>1</sup> The Stipulation further provided:

The Parties agree that Duke Energy Ohio will file with the Commission a late filed exhibit ("Exhibit") that will memorialize the methodology by which the Company will calculate maintenance savings associated with the replacement of larger than 12 inch diameter pipe that serves as an offset to the AMRP Rider rate that customers will be asked to pay.<sup>2</sup>

On July 1, 2011, Duke Energy Ohio and the Office of the Ohio Consumers' Counsel and the Staff of the Public Utilities Commission of Ohio (collectively, the Parties) jointly submitted a

<sup>1</sup> Duke Energy Ohio AMRP, Sheet No. 65 (May 6, 2011).

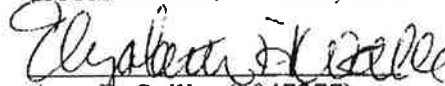
<sup>2</sup> Stipulation at 6 (April 8, 2011).

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motion requesting an extension within which to provide the late-filed exhibit and the Attorney Examiner granted the motion on July 14, 2011. Subsequently, the Parties have met and resolved remaining issues. As a result of the Parties resolution of the remaining issues, Duke Energy Ohio hereby submits the attached exhibit that provides a methodology for calculating maintenance savings associated with the replacement of larger than 12-inch diameter cast iron and bare steel pipe.

Duke Energy Ohio respectfully requests that the Commission accept this exhibit as part of the record in this matter.

Respectfully submitted,  
DUKE ENERGY OHIO, INC.



Amy B. Spiller (0047277)

Deputy General Counsel

Elizabeth H. Watts (0031092) (Counsel of Record)

Associate General Counsel

155 East Broad Street, 21st Floor

Columbus, Ohio 43215

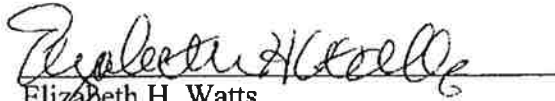
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[Elizabeth.Watts@duke-energy.com](mailto:Elizabeth.Watts@duke-energy.com)

**Certificate of Service**

I hereby certify that a true and accurate copy of the foregoing has been served upon the following parties via electronic mail on this 12th day of August, 2011.

  
Elizabeth H. Watts

Steven L. Beeler  
Assistant Attorney General  
Public Utilities Section  
180 East Broad Street, 6<sup>th</sup> Floor  
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Columbus, Ohio 43215-3485  
[sauer@occ.state.oh.us](mailto:sauer@occ.state.oh.us)

	2011	2012	2013	2014	2015
Small Diameter Guaranteed Savings	\$475,152	\$612,696	\$662,712	\$734,610	\$847,146
Proposed Large Diameter Guaranteed Savings		\$6,877	\$27,508	\$55,016	\$82,524
Accumulated Total	\$475,152	\$619,573	\$690,220	\$789,626	\$929,670

368 Total Leaks over 10 years for 33 miles

33.5 Miles of large diameter main

10 Years of data

1.1 Leaks/mile/year

**This foregoing document was electronically filed with the Public Utilities**

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**Case No(s). 17-2318-GA-RDR, 17-2319-GA-ATA**

Summary: Testimony Direct Testimony of James D. Williams on Behalf of The Office of the Ohio Consumers' Counsel electronically filed by Ms. Jamie Williams on behalf of Woltz, Zachary E Mr.