BEFORE

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

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| In the Matter of Application of Duke Energy Ohio, Inc. to Adjust Rider DR-IM and Rider AU for 2013 Grid Modernization Costs. | )  )  )  ) | Case No. 14-1051-GE-RDR |

**DIRECT TESTIMONY OF MATTHEW WHITE**

**December 31, 2014**

**I. INTRODUCTION AND PURPOSE OF TESTIMONY**

**Q.** **Please introduce yourself.**

# A. My name is Matthew White. I am employed by Interstate Gas Supply, Inc. (“IGS” or “IGS Energy”) as Manager, Legal and Regulatory Affairs. My business address is 6100 Emerald Parkway, Dublin, Ohio 43016.

**Q. Please describe your educational background and work history.**

A. I have a Juris Doctor (J.D.) and Masters in Business Administration (M.B.A.) from the College of William & Mary. I also have a Bachelor of Arts (B.A.) from Ohio University. I started my legal career working at the law firm of Chester, Wilcox & Saxbe as an energy and utilities lawyer. At Chester Wilcox, I participated in numerous regulatory proceedings relating to utility matters, including natural gas and electric rate cases and electric power siting cases. I also have worked on power and gas sales transactions. At the beginning of 2011, I was hired into IGS Energy’s rotation program where I spent the next 16 months working in various different departments throughout the company learning IGS’ entire business, including the gas supply and risk departments. In 2012 I began full-time as an attorney in IGS’ regulatory affairs department. In 2014 I was promoted to Manager, Legal and Regulatory Affairs at IGS. In my current position I manage the legal activities for IGS Energy at utilities commissions and other regulatory bodies throughout the United States. My team is responsible for electric and natural gas litigation for IGS Energy, including electric and natural gas rate cases and other proceedings that relate to energy.

**Q. Have you submitted testimony at any regulatory bodies before?**

A. Yes. I have submitted written testimony in the following cases: Public Utilities Commission of Ohio Case Nos. 12-1685-GA-AIR, 13-2385-EL-SSO, 12-426-EL-SSO, 14-841-EL-SSO and 14-1297-EL-SSO; Michigan Public Service Commission Case Nos. U-17131 and No. U- 17332; Kentucky Public Service Commission Case No. 2013-00167; Illinois Commerce Commission Case No. 14-0312.

**Q. What is the purpose of your testimony?**

A. In this proceeding Duke filed an application to recover 2013 costs for the deployment of its grid modernization and related systems (“Smart Grid”). In my testimony I recommend that the Commission disallow Duke from recovering the rate of return component of its 2013 Smart Grid deployment costs. In Case No. 11-3549 Duke agreed as part of its Smart Grid deployment initiative to develop a web-based system that would make available key Advanced Meter Infrastructure (“AMI”) data to competitive retail electric suppliers (“CRES”) *no later than June 1, 2014* (“Stipulation”). Duke affirmed this commitment in Case 13-1141-GE-RDR. Duke has not met its obligation to provide the required data on its web based system by the agreed upon time-frame nor is there any indication that Duke intends to meet its obligation. Thus, Duke is in violation of the Commission Order in Case No. 11-3549-EL-SSO. Further, Duke was Ordered by the Commission in Case No 12-3151-EL-COI to make *AMI data* available to CRES providers. Duke has also failed to meet the requirements in 12-3151-EL-COI.

Duke’s failure to meet its obligations has come at the detriment of Duke customers who have been denied access to CRES provider AMI metered enabled products and services. Duke, therefore, has acted imprudently with ratepayer funds.

**Q. Are you recommending that the Commission order in this proceeding that Duke provide CRES providers access to AMI data?**

A. No. In this proceeding I am not recommending that Duke be ordered to provide CRES providers with customer energy usage data (CEUD) - that obligation already exists today. Duke is obligated to make available residential AMI CEUD via a web based portal as part of the Stipulation that was approved by Commission Order in Case No. 11-3549-EL-SSO and affirmed in 13-1141-GE-RDR. Further, the Commission re-affirmed Duke’s obligation in the most recent Ohio investigation into retail electric markets in 12-3151-EL-COI. Duke has failed to meet its obligations within the prescribed timeframes. In this case Duke has filed an application for cost recovery of its Smart Grid deployment costs. Therefore, I am recommending that Duke’s rate of return on its electric Smart Grid assets be disallowed in its application. At a minimum, Duke’s rate of return should be deferred until Duke meets the obligations required in Cases 11-3549-EL-SSO and 12-3151-EL-COI.

**II. DUKE’S REVENUE REQUIREMENT**

**Q. What is the revenue requirement Duke is requesting from electric customer for Smart Grid deployment through Rider DR-IM?**

A.Witness Laub Schedule 1 indicates Duke is seeking recovery of approximately $53 million in Smart Grid deployment costs through Rider DR-IM rates in this case.

**Q. What percentage of the revenue requirement is the rate of return component that will be returned to Duke shareholders?**

A. Witness Laub Attachment 1 indicates that the rate return component of Duke’s revenue requirement is approximately $20 million.

**Q.** **What is the residential rate impact as a result of Duke’s revenue requirement request?**

A. In Ms. Laub’s testimony, Duke indicates that 85% of Duke’s Rider DR-IM cost recovery comes from residential customers. Further, according to Witness Laub, Duke is seeking a $6.07 charge from all Duke residential customers amounting to approximately $73 of requested cost recovery over the course of a year for every Duke residential customer.

**Q. Is Duke currently making AMI interval data available to CRES providers?**

A. No. Duke does not make AMI interval data available to CRES providers. Duke has indicated in discovery that Duke makes available interval data available for 4,000 of its largest commercial and industrial customers.[[1]](#footnote-1) But this data is available because certain large C&I customers paid for the installation of interval data recorders (“IDR”). These IDRs are wholly separate from Duke’s Smart Grid initiative *and these IDRs are not AMI meters*. In 13-1141-GE-RDR Witness Schneider testified that hourly *AMI interval data* will be available to CRES providers.

**Q. Has Duke reached full AMI Meter deployment for its electric customers?**

A. Yes. In support of the Application, Duke witness Schneider testifies that Duke installed 716,074 electric meters putting Duke’s “planned AMI deployment at approximately 99.9 complete, with deployment planned for completion by fourth quarter 2014.”[[2]](#footnote-2)

**Q. Is it reasonable for customers to expect benefit from the AMI Meters that Duke is installing on customer’s behalf?**

A. Yes. Customers are paying the cost of AMI meter deployment. Thus, it is reasonable for customers to expect benefit for the AMI meters being installed on their behalf. The primary benefit of AMI meters is for Duke customers to be able to receive AMI meter enabled products and services. However, Duke deployed its AMI meters in such a way that effectively prevents all shopping customers from receiving AMI meter enabled products. Further, even non-shopping customers are receiving limited benefit from the AMI meters because the only AMI meter enabled products that are available to customers are those products offered directly by Duke.

**A. Has Duke acted imprudently by failing to upgrade its systems so that customers can receive AMI meter enabled products from CRES providers?**

Q. Yes. Duke’s decision to not develop the systems necessary to allow CRES providers to offer AMI meter enabled products has restricted the development of beneficial products and services available to customers in the Duke service territory. Duke has committed hundreds of millions of dollars of ratepayer money to install AMI meters but they have failed to invest in the systems that would bring the main benefit of AMI meters to the majority of customers. This is despite the facts that 1) Duke committed to make these system upgrades in the 11-3549-EL-SSO Stipulation;[[3]](#footnote-3) 2) Duke further committed to make these system upgrades in its 2012 Grid Modernization case;[[4]](#footnote-4) 3) Duke was Ordered to make AMI interval data available in the Commission 12-3151-EL-COI Order; and 4) CRES providers have explicitly asked Duke to make the systems upgrades needed to allow CRES providers to have access to residential interval data.

**Q. Based on your experience with utilities in other jurisdictions, is it unreasonable for Duke to deploy AMI meters but not develop systems that can make residential customer interval data available to competitive suppliers?**

A. In every Choice market that IGS operates with any meaningful level of AMI deployment the utilities make customer interval data available to competitive suppliers. Those markets include multiple utilities in states such as Illinois, Pennsylvania, Maryland and Texas. Duke is the only Choice utility that I am aware of that does not make AMI interval data available to CRES providers despite having significant AMI meter deployment. Thus, it is apparent that Duke has unreasonably deployed its program in comparison to other similarly situated utilities. As discussed below, Duke’s decisions appear especially unreasonable given that it was fully aware when it deployed its Smart Grid technology that it was expected to make CEUD available to CRES providers.

**III. The Duke ESP Stipulation (CASE NO. 11-3549-EL-SSO)**

**Q. Can you please explain the agreement Duke entered into in Case No. 11-3549-EL-SSO that requires that Duke?**

A. Yes, in Case No. 11-3549-EL-SSO (Duke’s second electric security plan (“ESP”)) all of the parties entered into a Stipulation, which required Duke to (among other things) develop a web based portal that enables CRES providers to receive key AMI interval data of CRES customers. IGS and Duke were a party to that Stipulation. Specifically Section IX.O of the Stipulation reads as follows (with emphasis added in bold):

**Duke Energy Ohio agrees to** work with interested CRES providers and Commission Staff to jointly **develop a secure,** **web-based system that will provide electronic access to key customer usage and account data that can be accessed via a secure, supplier website that presents the following data and information in a format that can be automatically retrieved** by the CRES provider authorized by the customer subject to the appropriate limitations reflecting legal mandated customer privacy issues including compliance with protections addressed in the Ohio Administrative Code and specifically including, but not limited to Rules 4901:1-10-29, 4901:1-10-24, O.A.C. and any successors to such Rules. The following data and information, in a format that can be automatically retrieved, will be the subject of the web-based system:

* Account Numbers
* Meter numbers
* Names
* Service Address, including zip codes
* Billing Address, including zip code
* Email address (if available)
* Meter Reading Cycle Dates
* Meter Types
* Indicator if Customer has an Interval Meter
* Rate Code Indicator
* Load Profile Group Indicators
* PLC and NSPL values (capacity and transmission obligations)
* 24 months of consumption data (in kWh) by billing period including
* 24 months of demand data (in kW)
* **24 months of interval data**
* Indicator if SSO customer
* Identifier as to whether customer is participating in the Budget Billing Plan.[[5]](#footnote-5)

Moreover, Duke committed to provide this data through a web portal by June 1, 2014. Section IX.O of the Stipulation further states:

Duke Energy Ohio shall use commercially reasonable efforts to add to the existing web system the Load Profile Group Indicators and the customer service addresses by March 1, 2012, but shall complete such additions no later than June 1, 2012. *Duke Energy Ohio shall make a commercially reasonable effort to add the other items by June 1, 2013,* **but agrees to complete the additional data items no later than June 1, 2014**, and will work with Commission Staff and interested in its 2012 application to adjust Rider DR-IM.[[6]](#footnote-6)

**Q. Did Duke re-affirm its commitment to make available CRES customer interval usage data by June 1, 2014 in Case No. 13-1141-GE-RDR?**

A. Yes. In case No. 13-1141-GE-RDR where Duke sought continued recovery of its costs for Smart Grid deployment Duke Witness Donald Schneider testified that “Duke Energy Ohio’s CRES Portal enhancements, planned for June 1, 2014, will enable Duke Energy Ohio **to provide interval customer usage AMI data** . . . . **The interval customer usage AMI data will be in hourly intervals** and will be updated monthly after each account bills. CRES providers will be able to export hourly- interval customer usage AMI data from the CRES Portal in flat file (e.g. Excel, CSV, comma delimited, etc.) format on a meter-by-meter basis.”[[7]](#footnote-7) The Commission approved Duke’s Smart Grid deployment cost recovery based on the representations made by Donald Schneider in case 13-1141-GE-RDR.

**Q. Section IX.O of the Stipulation references that the discloser of customer data to CRES providers be subject to the Commission’s privacy rules. Does this give Duke the ability to just ignore its obligation under the Stipulation simply because its obligation is subject to privacy rules.**

A. No. The Stipulation indicates that the provision of customer data to CRES providers be *subject* to the customer privacy rules set forth in the Ohio revised code.[[8]](#footnote-8) The disclosure of customer data being subject to customer privacy rules doesn’t mean that Duke can unilaterally ignore its obligation to make residential interval data available to CRES providers that are able to get the required customer authorizations required under the Commission rules. At the time the Stipulation was enter into there were Commission rules relating to customer privacy of customer energy usage data. Those rules have since been modified. Effective December 1, 2014 new rules set forth in revised OAC 4901:1-10-24 govern disclosure of customer energy usage data. However, Duke has simply failed to develop the systems that are capable of providing the residential customer usage data required in the Stipulation. Thus, a CRES provider cannot receive the AMI customer data required in the Stipulation *even if the CRES fully complies with the requirements set forth in revised 4901:1-10-24*.

**Q. Are you aware of Duke being relieved of its obligation to upgrade its web-portal to provide interval meter data for residential customers?**

A. No. In-fact the Commission in case 12-3151-EL-COI reaffirms Duke’s obligation to make AMI meter data available to CRES providers. The Order Filed on March 26, 2014 in 12-3151-EL-COI states “Staff recommends that the Commission require EDUs that have deployed AMI to file amendments to their tariffs to specify the terms, conditions, and charges associated with providing interval customer energy usage data (CEUD) . . . .”[[9]](#footnote-9) and “The Commission finds that Staff's recommendation should be adopted and the EDUs should file amended tariffs that specify the terms, conditions, and charges associated with providing interval CEUD (emphasis added).”[[10]](#footnote-10) Further, in its Entry on Rehearing on May 21, 2014 the Commission found that “the EDUs must provide interval CEUD to CRES providers . . . and must file amended tariffs that specify the terms, conditions, and charges associated with providing interval CEUD within six months of this Entry on Rehearing.”[[11]](#footnote-11)

**Q. Has Duke filed its CEUD tariffs as required in Case 12-3151-EL-COI?**

A. No. On December 16, 2015 Duke filed an Application for Tariff approval in Case No. 14-2209-EL-ATA; however, the filings did not include new tariff sheets that set forth the terms and conditions CRES providers can receive customer AMI interval meter data as required by 12-3151-EL-COI. Rather Duke filed an Application to amend its existing tariffs. Specifically those tariffs only make available interval data for the only 4,000 IDR meters, ***not AMI customers*** as required in the 12-3151-EL-COI Order and Duke’s prior commitments. As I already noted, IDR interval data has nothing to do with Duke’s AMI deployment.

**Q. Does providing CRES providers with access with a limited amount of interval data from IDR meters satisfy the express language or intent of the Commission’s order in 12-3151-EL-COI?**

A. Absolutely not. First the Duke committed in case 13-1141-GE-RDR to provide interval data from AMI meters, not IDR meters. Further, AMI meters were specifically addressed in the RMI order, not IDR meters. Finally, as I have noted, IDR meters were around *before* Duke’s Smart Grid initiative, and CRES providers had the capability of getting access to the largest customers IDR interval meter data before Duke spent hundreds of millions of dollars on AMI meter deployment. Therefore, it cannot be reasonably claimed that Duke has somehow met its obligations and commitments to provide CRES providers with CEUD, when all Duke has really done is allowed CRES providers to have access to a very small amount of customers interval data that was already available before AMI meters were deployed.

**Q. Are Duke customers harmed because of Duke’s failure to make interval data available from its AMI meters?**

A. Yes. Duke customers are being denied the availability of AMI meter enabled products because of Duke’s failure to meet its obligations under the ESP Stipulation and under the 12-3151-EL-COI Order. There are a number of CRES providers that are offering AMI meter enabled products throughout the country. Those products include time-of-use rates, residential demand response products, peak-time rebate products to name a few. But CRESs suppliers cannot offer these products in the Duke service territory. Thus, Duke customers are harmed because Duke has not met its commitment to make customer AMI interval data available to CRES providers. Furthermore, CRES providers invest money in markets so that they can make available sophisticated products to customers such as AMI meter enabled products. Thus, the citizens in the Duke service territory have lost out on supplier investment dollars that otherwise would have occurred but for Duke’s failure to invest in the needed system upgrades for its AMI meters

**IV. CASE NO. 13-1141-GE-RDR**

**Q. Can you please explain the Commission order in the last case Duke sought Smart Grid cost recovery?**

A. Yes. In Case No. 13-1141-GE-RDR Duke sought cost recovery of its 2012 Smart Grid deployment costs. In that case Direct Energy intervened and requested that, among other things, Duke be required to provide AMI CEUD to CRES providers via an internet portal. In an Order issued on April 4, 2014 The Commission denied Direct Energy’s request noting that the Commission’s docket in case No. 12-3151-EL-COI was the appropriate mechanism to determine issues regarding utility sharing of AMI meter data.

**Q. What is different about your recommendation in this proceeding, and Direct Energy’s request in Case No. 13-1141-GE-RDR?**

A. First, in the 13-1141-GE-RDR case the Commission concluded that the issue of whether Duke should be required to make available residential AMI CEUD is better resolved in the retail market investigation (“RMI”) case 12-3151-EL-COI. After the Commission’s Order in 13-1141-GE-RDR, the Commission issued an Order in 12-3151-EL-COI directing all utilities with AMI meters to make CEUD available to CRES providers, and also to file tariffs outlining the terms by which the CEUD data is made available. See 12-3151-EL-COI Entry on Rehearing (May 21, 2014). Duke has not filed updated tariffs that provide terms and conditions under which CRES providers can receive CUED *from customers with AMI meters,* contravening the Commission’s clear intent in the 12-3151-EL-COI Order.

Second, the Commission’s Order in 13-1141-GE-RDR came *before* the June 1, 2014 deadline that Duke committed to in the ESP Stipulation that requires Duke to develop the systems necessary to make AMI interval data available to CRES providers. The June 1, 2014 deadline has since passed, and therefore Duke has now failed to meet its obligations under the ESP Stipulation. Further, Duke made representations in its 13-1141-GE-RDR that it would be able to share *AMI interval data* with CRES providers via a web portal by June, 1 2014. As, I already noted, only IDR interval data is available for a tiny fraction of Duke customers, and AMI interval data is not available for any Duke customers.

Third, as I already noted, IGS is not requesting that Duke be required to make CEUD available in this proceeding like Direct Energy did in the previous proceeding. IGS is requesting that there be a disallowance on the return component of Duke’s costs that it seeks to recover as a part of its Application filed in this proceeding.

**Q. Is Duke’s cost recovery of Smart Grid deployment costs relevant to this proceeding?**

A. Yes. Whether Duke should be able to recover the costs from customers that it seeks in its Application is the very point of this proceeding. If parties cannot present evidence in this proceeding on how Duke has acted imprudently with respect to deploying its Smart Grid investment there would be no point in having a Commission proceeding on Duke’s Application in the first instance. Duke’s Application might as well just be rubber stamped and Duke automatically receive all of the costs it requests without any chance for meaningfully review. This obviously was not the intent of the Commission’s Order in Case No. 13-1141-GE-RDR.

**Q. Should parties be allowed to present evidence in the proceeding regarding Duke’s failure to meet its obligations to upgrade its systems to make residential AMI data available to CRES providers?**

A. Yes. Duke meeting its obligations with respect to Smart Grid deployment is directly relevant to whether Duke prudently deployed ratepayer dollars that Duke now seeks to recover. Thus, evidence on the system upgrades Duke failed to make as part of its Smart Grid deployment is fundamentally important into assessing whether Duke should be authorized to recover the dollars requested in this proceeding.

Q. **Why should the Commission make a disallowance for Duke’s cost recovery as you recommend in this testimony?**

A. This proceeding (where Duke seeks cost recovery) is the only proceeding where Duke can be held accountable for failing to invest ratepayer dollars for AMI deployment in a way that brings benefit to customers. If the Commission simply approves Duke’s cost recovery as a matter of course every year, without holding Duke accountable for keeping its commitments or bringing benefit to customers, then Duke could just commit to anything without any risk of negative consequences.

**Q. Why is it important the Commission grant a disallowance in this proceeding, and not wait for future proceedings to make a determination on Duke’s cost recovery?**

A. The Commission must disallow cost recovery in this proceeding because Duke is requesting a majority of its cost recovery for residential customers in this Application. As I already noted, Duke is requesting recovery of $73 residential customers through Rider DR-IM in this Application over a course of a year. Per a Stipulation entered into in 13-1141-GE-RDR, however, Duke is capped at recovering just $6.75 and $7.00 *per year* from residential customers in the next two Smart Grid cost recovery filings. Therefore, if the Commission does not disallow cost recovery in this case, there will be limited opportunity to hold Duke accountable in future proceedings for imprudently deploying ratepayer dollars.

**Q. If the Commission does not grant a disallowance to Duke in this proceeding what is the likely outcome?**

A. If Duke is able to get the cost recovery it requests in this proceeding, it will send a clear message to Duke that it really does not have an obligation to deploy AMI meters in a way that allows CRES providers to offer AMI metered enabled products to customers. Duke can continue to drag its feet and delay developing the systems that make AMI meters truly useful to customers. Duke has already indicated it is willing to stonewall and delay indefinitely as it has failed to meet the directives and the intent of the order in the 12-3151-EL-COI case, its commitment in Case No. 13-1411-GE-RDR, and the Stipulation in 11-3549-EL-SSO case. In short, failure to put Duke’s cost recovery at jeopardy in this case will likely result in multiple years of additional undue delay for residential customers to get the benefits of AMI meters. Further, it will put Ohio further behind other states in the development of innovative products available to customers and result in millions of dollars lost in investment in Ohio.

**V. ANTI-COMPETITIVE ISSUES**

**Q. Are there any other concerns you have with Duke’s failure to make AMI interval data available to CRES providers?**

A. Yes. Duke’s failure to make residential AMI meter data available to CRES providers has anti-competitive effects in Ohio’s competitive retail electric markets. Duke (the distribution utility) currently offers electric generation products that utilize residential customer’s interval data to provide AMI meter enabled products. CRES providers are unable to offer the same, or similar, products because Duke fails to provide CRES providers with residential interval data. According to Ohio law, electric generation service is a competitive service. Thus, Duke’s is using electric distribution assets to benefit the generation products it offers customers, without affording that same benefit to CRES products. This is an anti-competitive subsidy, in violation of Ohio law.

**Q. Has Duke also committed to deploying its Smart Meters in a manner that benefits shopping and non-shopping customers alike?**

A. Yes. Duke has created these anti-competitive conditions despite its ESP Stipulation commitment to not discriminate against shopping customers with smart meters. The ESP Stipulation provides that “(a)ll energy efficiency programs and rebates shall be made available at the same terms and conditions to customers, regardless of whether they purchase generation service from a CRES provider or Duke Energy Ohio. Duke Energy Ohio shall maintain its policy to make SmartGrid meters and data available to all customers on a competitively neutral basis and without regard to their status as a shopping or non-shopping customer.”[[12]](#footnote-12)

**Q. What are the AMI meter enabled products Duke makes available to customers?**

A. Duke makes available three categories of AMI meter enabled products and services to customers. Those products are time-of-use (“TOU”) rates which differentiate customer’s generation price based on the time the customer uses electricity; peak demand rebates which give a credit directly on the customer’s bill when the customer reduces demand during peak periods; and direct load control which automatically reduces customer consumption during peak periods.[[13]](#footnote-13) Customer interval data is required to make these services available to customers.

**Q. Do competitive suppliers in other utility jurisdictions make available the same or similar smart meter enabled products that Duke offers to its SSO generation customers?**

A. Yes. For every category of AMI meter enabled products listed above, competitive suppliers offer those products to residential customers in other utility jurisdictions. However, because Duke has failed to make interval meter data available to CRES providers, CRES providers cannot make these products available to their customers in the Duke service territory.

**Q. Must customers remain on Duke standard service offer (“SSO”) generation service in order for customers to enroll in Duke’s AMI meter enabled products?**

A. Yes. Customers must remain on SSO service to be eligible for the AMI meter enabled products offered by Duke. CRES customers cannot enroll in these products.

**Q. Is the anti-competitive effects on the retail electric markets additional rationale to disallow cost recovery for Duke’s Grid Smart deployment?**

A. Yes. Duke is leveraging the Smart Grid assets that all distribution customers are paying for to benefit only the generation services that Duke offers customers. It is imprudent of Duke to spend hundreds of millions of dollars in distribution ratepayer money to invest in assets that can only benefit utility generation service. Duke is fully aware that Ohio is a competitive retail electric state. Duke is also fully aware that it is unlawful to advantage utility generation service over competitive generation service. Thus, Duke’s imprudence is compounded by the fact that it has willfully decided to deploy its AMI meters in a way that cannot benefit competitive generation customers.

**VI. RECOMMENDATIONS**

**Q. Can you please summarize your recommendation in this proceeding?**

A. Yes. I recommend that:

* The Commission determine that Duke acted imprudently by investing hundreds of millions of Duke ratepayer dollars to install AMI meters, and then failing to make the system upgrades needed that would actually make the AMI meters useful to Duke customers;
* As a result of Duke’s imprudence Duke should be disallowed from recovering the approximately $20 return component that it is requesting in its Application. Thus, the Commission should reduce the costs that Duke is able to recover to approximately $33 million dollars. Further, the Commission should reduce the charges Duke is able to recover through Rider DR-IM from customers to correspond with the reduction in Duke’s revenue requirement;
* At a minimum the Commission should defer Duke’s cost recovery (without carrying costs) until a future date that Duke demonstrates it has acted prudently with ratepayer dollars by investing in the needed systems that will enable customers to get the full benefit of the AMI meters.

**Q. Does this conclude your testimony?**

A. Yes it does.

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing *Direct Testimony of Matthew White* was served this 31st day of December 2014 via electronic mail upon the following:

*/s/ Joseph Oliker\_\_\_\_\_\_\_*

Joseph Oliker

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| --- | --- |
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1. Ex. MW-1 (IGS-INT-01-001); *see also* MW-1 (IGS-INT-01-001 through IGS-INT-01-12). [↑](#footnote-ref-1)
2. Direct Testimony of Donald Schneider at 4. [↑](#footnote-ref-2)
3. *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*, Stipulation and Recommendation at 33-35 (Oct. 21, 2011) (hereinafter “*ESP Stipulation*”). [↑](#footnote-ref-3)
4. *In the Matter of the Application of Duke Energy Ohio, Inc., to Adjust Rider DR-IM and Rider AU for 2012 Grid Modernization Costs*, Case No. 13-1141-GE-RDR, Opinion and Order at 15 (Apr. 9, 2014) (hereinafter “*2012 Grid Modernization Case*”); *see also* *2012 Grid Modernization Case*, Supplemental Direct Testimony of Donald Schneider at 5-6 (Jan. 29, 2014). [↑](#footnote-ref-4)
5. Stipulation at 33-34 (emphasis added). [↑](#footnote-ref-5)
6. Stipulation at 34 (emphasis added). [↑](#footnote-ref-6)
7. *2012 Grid Modernization Case*, Supplemental Direct Testimony of Donald Schneider at 5-6 (Jan. 29,

   2014) (emphasis added). [↑](#footnote-ref-7)
8. *ESP Stipulation* at 33. [↑](#footnote-ref-8)
9. *In the Matter of the Commission’s Investigation of Ohio’s Retail Electric Service Market*, Case No. 12-3151-EL-COI, Finding and Order at 35-36 (Mar. 26, 2014) (emphasis added) (hereinafter “*RMI Case*”). [↑](#footnote-ref-9)
10. *Id.* at 36 (emphasis added). [↑](#footnote-ref-10)
11. *RMI Case*, Entry on Rehearing at 19 (May 21, 2014). [↑](#footnote-ref-11)
12. *ESP Stipulation* at 37. [↑](#footnote-ref-12)
13. See Duke Energy Unbundled Retail Standard Tariff: Rate TD-2012 (Time-of-Day); Rate TD-13 (Time-of-Day); Rider PTR\_3 (Peak Time Rebate). It should be noted that in order to bid a peak time rebate product into PJM’s demand response markets CEUD date is needed. [↑](#footnote-ref-13)