BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

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

SUPPLEMENTAL DIRECT TESTIMONY OF

DONALD L. SCHNEIDER, JR.

ON BEHALF OF

DUKE ENERGY OHIO, INC.

January 29, 2014

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I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Donald L. Schneider, Jr., and my business address is 400 South Tryon Street, Charlotte, North Carolina, 28201.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Duke Energy Business Services LLC, an affiliate of Duke Energy Ohio, Inc. (Duke Energy Ohio or Company), as Director, Advanced Metering in our Grid Modernization – Project Execution organization.

Q. ARE YOU THE SAME DONALD L. SCHNEIDER, JR. WHO FILED DIRECT TESTIMONY IN THIS PROCEEDING ON JUNE 28, 2013?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL DIRECT TESTIMONY IN THIS PROCEEDING?

A. The purpose of my supplemental direct testimony is to respond to some of the points raised in the testimony filed by Direct Energy Business, LLC, and Direct Energy Services, LLC, (Direct Energy) that was filed on January 10, 2014. Specifically, I will provide information in an effort to dispel the confusion that seems to exist with respect to the Company's meter data management systems and its ability to interact with Competitive Retail Electric Service providers (CRES providers).

II. METER DATA MANAGEMENT SYSTEM

Q. DIRECT ENERGY WITNESS JENNIFER L. LAUSE ARGUES THAT DUKE ENERGY OHIO SHOULD IMPLEMENT A METER DATA MANAGEMENT

(MDM) SYSTEM. HAS DUKE ENERGY OHIO IMPLEMENTED A MDM SYSTEM?

A. Direct Energy witness Jennifer L. Lause argues that the Commission should not approve a stipulation unless Duke Energy Ohio implements an MDM System. However, Duke Energy Ohio has already implemented first and second generation MDM Systems.

Q. WHY DID DUKE ENERGY OHIO IMPLEMENT FIRST AND SECOND GENERATION MDM SYSTEMS?

A. Duke Energy Ohio implemented its first generation MDM System in preparation for its initial pre-scale Advanced Metering Infrastructure (AMI) deployment. In 2013, Duke Energy Ohio became aware of new technology that would better suit the needs of the Company and customers. This technology had not been available at the time of the Company's initial pre-scale AMI deployment. The second generation MDM System has functionalities which were not industry standard at the time the first generation MDM System was implemented. It was determined that the second generation MDM System was a better choice for the Company and for its customers.

Q. WHAT FUNCTIONALITIES ARE POSSIBLE IN THE SECOND GENERATION MDM SYSTEM THAT ARE NOT POSSIBLE WITH THE FIRST GENERATION MDM SYSTEM?

A. Duke Energy Ohio's first generation MDM System does not have scalable Validation, Estimate, & Edit (VEE) functionality for hourly-interval customer usage AMI data. Duke Energy Ohio's second generation MDM System does have scalable VEE functionality for hourly-interval customer usage AMI data. As a result, billing-quality

hourly-interval customer usage AMI data is available from the second generation MDM System, but not from the first generation MDM System, on a scalable basis

III. AVAILABILITY OF CUSTOMER DATA

Q. HOW WILL CRES PROVIDERS ACCESS HOURLY-INTERVAL CUSTOMER USAGE AMI DATA?

A. Pursuant to a Stipulation and Recommendation in Case No. 11-3549-EL-SSO, *et al.*, Duke Energy Ohio's second Electric Security Plan proceeding, the Company is enhancing the existing web portal (CRES Portal) that will improve interaction with CRES providers and allow online access to customer data with proper authorization. The Company is currently finalizing the internet technology required to allow this enhancement to the CRES Portal to be available. Some of the details of interacting with CRES providers, including appropriate authorization, are still being developed by the Commission in a rulemaking proceeding. Also, the Commission opened a docket to consider enhancements to the competitive electric retail service market and the Staff has submitted recommendations that also impact the CRES Portal.

Q. WHAT INTERVAL CUSTOMER USAGE AMI DATA WILL BE AVAILABLE WITH THE CRES PORTAL ENHANCEMENTS ON JUNE 1, 2014?

A. Duke Energy Ohio's CRES Portal enhancements, planned for June 1, 2014, will enable Duke Energy Ohio to provide interval customer usage AMI data from both MDM Systems to CRES providers via the CRES Portal, with an indicator if the AMI data are not billing-quality interval customer usage AMI data that have been processed through VEE. 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.

Q. WHAT INTERVAL CUSTOMER USAGE AMI DATA MAY BE AVAILABLE THROUGH ELECTRONIC DATA INTERCHANGE (EDI) ENHANCEMENTS?

A. Duke Energy Ohio is considering EDI enhancements that have not been internally approved. If Duke Energy Ohio's EDI enhancements are internally approved and if cost recovery is provided, Duke Energy Ohio may be able to provide billing-quality hourly-interval customer AMI usage data to CRES providers *via* EDI for AMI meters that have been processed through VEE. The interval customer usage AMI data would be in hourly intervals and would be updated monthly after each account bills. All hourly-interval customer usage AMI data available via EDI would be billing quality, pursuant to the previously mentioned Stipulation and Recommendation in Case No. 11-3549-EL-SSO. It is anticipated that this project will be discussed further in the Duke Energy Ohio SmartGrid Collaborative and submitted to the Commission for approval as appropriate. At present, the Company is only aware of one CRES provider that is interested in time-of-use rates.

Q. WHAT IS REQUIRED TO HAVE BILLING-QUALITY HOURLY-INTERVAL CUSTOMER USAGE DATA FOR ALL AMI METERS?

A. In order to provide billing-quality hourly-interval customer usage data to CRES providers for all AMI meters, it would be necessary to migrate data from the first generation MDM System to the second generation MDM System, which has scalable VEE functionality for hourly-interval customer usage AMI data.

An MDM System migration would migrate all Duke Energy Ohio AMI meter data from Duke Energy Ohio's first generation MDM System, which does not have scalable VEE functionality for hourly-interval usage data, to its second generation MDM System, which does have scalable VEE functionality for hourly-interval data. If stakeholders require this functionality, and the Commission determines that it is of value to customers, Duke Energy Ohio would have billing-quality hourly-interval customer usage data for all AMI meters. Additional Duke Energy Ohio projects may then be required to provide hourly-interval customer usage data to CRES providers via EDI and the CRES Portal for these migrated AMI meters.

As with the EDI enhancements, a decision to go forward with this project will be discussed internally and with external stakeholders and presented to the Commission when appropriate.

IV. DIRECT ENERGY WITNESS TESTIMONY

Q. DIRECT ENERGY WITNESS JENNIFER L. LAUSE STATES THAT THE COMMISSION SHOULD ORDER DUKE TO IMPLEMENT PRIORITY PHASE ONE WITHIN NINE MONTHS OF THE OPINION AND ORDER IN THIS CASE. DOES DUKE ENERGY OHIO HAVE PLANS TO DELIVER ALL THE PRIORITY PHASE ONE PROPOSALS REQUESTED BY DIRECT ENERGY?

A. No, Duke Energy Ohio currently only has plans to deliver functionalities outlined as the CRES Portal enhancements of June 1, 2014.

Q. DIRECT ENERGY WITNESS JENNIFER L. LAUSE STATES THAT THE COMMISSION SHOULD ORDER DUKE ENERGY OHIO TO IMPLEMENT PRIORITY PHASE TWO AND THREE CAPABILITIES, WITH PRIORITY

PHASE THREE TO BE IN PLACE NO LATER THAN JUNE, 2018. DOES DUKE ENERGY OHIO HAVE PLANS TO DELIVER ALL THE PRIORITY PHASE TWO AND THREE PROPOSALS?

A. No, Duke Energy Ohio currently only has plans to deliver functionalities outlined as the CRES Portal enhancements of June 1, 2014. Also, even if a project to migrate MDM System data and enhance EDI proceeds, Duke Energy Ohio does not plan to make data available with intervals shorter than hourly, reporting more frequently than monthly after billing, or to push data to suppliers upon demand.

Q. IN TESTIMONY, DIRECT ENERGY WINTESS TERESA L. RINGENBACH STATES THAT THE COMMISSION SHOULD REQUIRE DUKE ENERGY OHIO TO IMPLEMENT AND 'GO LIVE' WITH A FLAT FILE TRANSFER SITE WITHIN SIX MONTHS OF THE COMMISSION'S INITIAL ORDER IN THIS CASE. DOES DUKE ENERGY OHIO HAVE PLANS TO IMPLEMENT SUCH A FUNCTIONALITY?

A. Yes, as of June 1, 2014, CRES providers will be able to export hourly-interval customer usage AMI data from the CRES Portal in flat file format on a meter-by-meter basis.

Q. DIRECT ENERGY WITNESS TERESA L. RINGENBACH STATES THAT COSTS ASSOCIATED WITH DUKE ENERGY OHIO'S EDI ENHANCEMENTS SHOULD BE INCLUDED IN THE RIDER. HAS DUKE ENERGY OHIO INCLUDED ANY COSTS ASSOCIATED WITH THE EDI ENHANCEMENTS IN THE RIDER FILING FOR THIS CASE?

A. No, the EDI enhancements were not implemented in 2012, and therefore could not be included in the rider adjustments for recovery of 2012 SmartGrid costs.

V. CONCLUSION

Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?

A. Yes.