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BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke )  
Energy Ohio to Adjust and Set Its Gas and )  
Electric Recovery Rate for 2009 SmartGrid Costs ) Case No. 10-867-GE-RDR  
Under Riders AU and Rider DR-IM )

DIRECT TESTIMONY OF

MARK D. WYATT

ON BEHALF OF

DUKE ENERGY OHIO, INC.

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## **I. INTRODUCTION**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Mark D. Wyatt and my business address is 400 South Tryon Street,  
3 Charlotte, North Carolina 28285.

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

5 A. I am employed by Duke Energy Business Services LLC, a service company  
6 affiliate of Duke Energy Ohio, Inc. (Duke Energy Ohio or Company) as Vice  
7 President of SmartGrid and Energy Systems.

8 **Q. PLEASE SUMMARIZE YOUR EDUCATION AND PROFESSIONAL**  
9 **BACKGROUND.**

10 A. I earned a Bachelor of Science Degree in Computer Science from North Carolina  
11 State University in 1980. I currently serve on the board of directors of Customer  
12 Services Week, a non-profit organization that provides educational opportunities  
13 for utility customer service professionals. Additionally, I am the immediate past  
14 chair of the Strategic Advisory Board for the department of Computer  
15 Engineering at North Carolina State University.

16 **Q. PLEASE SUMMARIZE YOUR PROFESSIONAL EXPERIENCE.**

17 A. I joined Duke Power in 1980 as a programmer analyst. After a series of  
18 promotions in the information technology area, I was named the Director of  
19 Global Asset Development in 1998, where I established a service delivery process  
20 supporting both domestic and international information management business  
21 needs for Duke Energy Corp.'s unregulated portfolio of businesses. I became  
22 Managing Director of Information Management in 2000 and was promoted to  
23 Vice President of Information Management for Duke Energy Generation Services

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1 in 2001. I became Vice President of Information Management for Duke Energy  
2 North America in 2003, and then became Vice President of Information  
3 Technology for Duke Power in late 2003. I became Vice President of Enterprise  
4 Business Applications in 2006, and I was named to my current position in 2009.

5 **Q. PLEASE SUMMARIZE YOUR DUTIES AS VICE PRESIDENT OF**  
6 **SMART GRID AND ENERGY SYSTEMS.**

7 **A.** I am the lead executive responsible for the overall deployment of Smart Grid in  
8 the five states in which Duke Energy Corp. has regulated utility affiliates. My  
9 accountabilities include leadership of the program management function for  
10 deployment of the following aspects of the Smart Grid program: (1) Automated  
11 Metering Infrastructure (AMI); (2) Distribution Automation; (3) the two-way  
12 digital communications network; and (4) all supporting information technology  
13 (IT) systems required to enable the collection and management of Smart Grid  
14 generated data in support of Duke Energy's business goals and objectives.

15 The program management function consists of the following functional  
16 areas: (1) managing the integrated cost and schedule for all projects under the  
17 Smart Grid program; (2) managing Smart Grid vendor/supplier relationships; (3)  
18 performing periodic quality assurance audits of Smart Grid vendors/suppliers; (4)  
19 providing independent assessments of Smart Grid projects; and (5) management  
20 over site of the Department of Energy Stimulus Investment Grant award.

21 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**  
22 **PROCEEDING?**

1 A. The purpose of my testimony in this proceeding is to describe the functional  
2 capabilities that customers receive when the two-way digital communications  
3 network and AMI meter are certified in our Duke Energy Ohio service territory.

4 **II. DISCUSSION OF SMARTGRID FUNCTIONS**

5 **Q. PLEASE TELL US ABOUT THE FUNCTIONAL CAPABILITIES THAT**  
6 **CUSTOMERS ARE NOW EXPERIENCING.**

7 A. Duke Energy goes through a rigorous process known as certification during the  
8 deployment of the two-way digital communications network and AMI meter.  
9 Certification means that both the digital communications network and AMI meter  
10 have been verified to be reliably working thereby enabling the following  
11 functional capabilities for the customer:

12 Improved Billing Accuracy: Automated metering enables the Company  
13 to obtain reliable, actual meter reads without having to gain access to the meter,  
14 which may be located inside a customer's home. And as physical access to  
15 meters can be restricted, automated metering eliminates the need to routinely  
16 issue bills based upon estimated reads.

17 Access to Daily Usage: The digital communications network and the AMI  
18 meter provide customers with the ability to access their daily usage information.  
19 This, in turn, provides customers with better insight into their daily energy usage  
20 patterns.

21 Remote Connections/Disconnections: With the new technology, Duke  
22 Energy Ohio can remotely connect new electric service or disconnect existing  
23 electric service. This reduces the inconvenience to customers that results from  
24 having to schedule an appointment with the Company to either connect or

1 disconnect service and further enables a more timely response to a request to  
2 connect or disconnect service.

3 Time Differentiated Pricing: The new technology also enables customers  
4 to participate in available, time differentiated pricing programs. Duke Energy  
5 Ohio has proposed three time-differentiated pricing pilots, two of which have  
6 been approved by this Commission. We hope that these new pilot tariff rates will  
7 provide some important information about how customers experience ways in  
8 which to become energy efficient.

9 **Q. IS DUKE ENERGY OHIO EVALUATING THE COSTS OF THE**  
10 **SMARTGRID DEPLOYMENT WITH REGARD TO THESE FUNCTIONAL**  
11 **BENEFITS?**

12 A. Yes. Duke Energy Ohio is evaluating the costs of deployment and continuing to  
13 update and model costs and benefits. Consistent with the Stipulation and the  
14 Commission's Order in Case No. 09-543-GE-UNC, Duke Energy Ohio will report  
15 to the Staff and the Collaborative with such data and information needed to  
16 understand any revisions or changes to its business case for SmartGrid as  
17 set forth in the most recent Duke Energy Ohio electric rate case, including  
18 information pertaining to revised projected costs and revised projected  
19 operational benefits.

20 **Q. ARE THERE OTHER BENEFITS THAT CUSTOMERS WILL**  
21 **EXPERIENCE AS SMARTGRID DEPLOYMENT CONTINUES?**

22 A. Pursuant to the Stipulation and Recommendation approved in Case No. 09-543-  
23 EL-UNC, (2008 SmartGrid cost recovery), the Company will provide the  
24 members of the SmartGrid collaborative with updated information on the benefits

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1 associated with SmartGrid. In light of this commitment, which be fulfilled before  
2 the end of this year, I do not believe this is the appropriate proceeding in which to  
3 address future benefits. Rather, such a discussion should occur with the  
4 collaborative, consistent with the expectations of those parties to the Stipulation  
5 and Recommendation.

### **III. CONCLUSION**

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

7 **A. Yes.**