

1 BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

2 - - -

3 In the Matter of the :
4 Application of Duke Energy:
5 Ohio, Inc. to Adjust and :
6 Set Its Gas and Electric :
7 Recovery Rate for 2010 :
8 SmartGrid Costs Under : Case No. 10-2326-GE-RDR
9 Riders AU and Rider DR-IM :
10 and Mid-deployment Review :
11 of AMI/SmartGrid Program :

12 - - -

13 PROCEEDINGS

14 before Mr. Jonathan Tauber, Hearing Examiner, at the
15 Public Utilities Commission of Ohio, 180 East Broad
16 Street, Room 11-A, Columbus, Ohio, called at 10:01
17 a.m. on Tuesday, March 13, 2012.

18 - - -

19
20
21 ARMSTRONG & OKEY, INC.
22 222 East Town Street, 2nd Floor
23 Columbus, Ohio 43215-5201
24 (614) 224-9481 - (800) 223-9481
25 Fax - (614) 224-5724

 - - -

APPEARANCES:

Mike DeWine, Ohio Attorney General
Public Utilities Section
By Mr. Thomas G. Lindgren
Assistant Attorney General
180 East Broad Street, 6th Floor
Columbus, Ohio 43215

On behalf of the Staff of the Public
Utilities Commission of Ohio.

Duke Energy Ohio, Inc.
By Ms. Elizabeth H. Watts
Ms. Amy B. Spiller
139 East Fourth Street
Cincinnati, Ohio 45202

On behalf of Duke Energy Ohio, Inc.

Office of the Ohio Consumers' Counsel
By Mr. Terry Etter
Assistant Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215

On behalf of Residential Utility
Customers of Ohio.

Ohio Partners for Affordable Energy
By Ms. Colleen L. Mooney.
231 West Lima Street
Findlay, Ohio 45840

On behalf of Ohio Partners for Affordable
Energy.

- - -

1	INDEX		
2	- - -		
3	WITNESSES	PAGE	
4	Peggy A. Laub		
	Direct examination by Ms. Watts	6	
5	Examination by Examiner Tauber	8	
	Redirect examination by Ms. Watts	10	
6	- - -		
7			
8	JOINT EXHIBITS	ID'D	REC'D
9	1 - Stipulation and Recommendation	5	16
10	COMPANY EXHIBITS	ID'D	REC'D
11	1 - Supplemental Direct Testimony of	6	13
	Peggy A. Laub, filed 3/6/2012		
12	2 - Application of Duke Energy Ohio,	13	13
	filed 6/30/2011		
13	3 - Reply comments filed 11/18/2011	13	13
14	OCC EXHIBITS	ID'D	REC'D
15	1 - Comments filed 11/4/2011	14	14
16	2 - Reply comments filed 11/18/2011	14	14
17	STAFF EXHIBITS	ID'D	REC'D
18	1 - Comments filed 11/4/2011	15	15
19	COMMISSION-ORDERED EXHIBITS	ID'D	REC'D
20	1 - SmartGrid Audit and Assessment	15	15
21	Report filed 6/30/2011		
22	OPAE EXHIBITS	ID'D	REC'D
23	1 - Comments filed 11/7/2011	15	16
24	- - -		
25			

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Tuesday Morning Session,
March 13, 2012.

- - -

EXAMINER TAUBER: The Public Utilities Commission of Ohio has called for hearing, at this time and place, Case Number 10-2326-GE-RDR being In the Matter of the Application of Duke Energy Ohio to Adjust and Set Its Gas and Electric Recovery Rate for 2010 SmartGrid Costs Under Riders AU and Rider DR-IM and Mid-deployment Review of AMI/SmartGrid Program.

My name is Johnathan Tauber. I'm the attorney examiner assigned by the Commission to preside over this morning's hearing.

Let's begin this morning with appearances, starting on behalf of the Company.

MS. WATTS: Thank you, your Honor. On behalf of Duke Energy Ohio, Amy Spiller and Elizabeth Watts, and we are at 139 East Fourth Street, Cincinnati, Ohio 45202.

EXAMINER TAUBER: Thank you.

MR. ETTER: Oh, we're just going around?

EXAMINER TAUBER: Yeah. Let's go around, work our way around.

MR. ETTER: Thank you, your Honor. Good morning. On behalf of Ohio's Residential Utility

1 Customers, the Office of the Ohio Consumers' Counsel,
2 Bruce J. Weston, Interim Consumers' Counsel, I'm
3 Terry L. Etter, Assistant Consumers' Counsel. We are
4 at 10 West Broad Street, Suite 1800, Columbus, Ohio
5 43215.

6 EXAMINER TAUBER: Thank you.

7 MR. LINDGREN: On behalf of the
8 Commission's Staff, Ohio Attorney General Mike
9 DeWine, by Thomas G. Lindgren, Assistant Attorney
10 General, 180 East Broad, 6th Floor, Columbus, Ohio
11 43215.

12 EXAMINER TAUBER: Thank you.

13 MS. MOONEY: On behalf of Ohio Partners
14 for Affordable Energy, Colleen L. Mooney, 231 West
15 Lima Street, Findlay, Ohio.

16 EXAMINER TAUBER: Thank you.

17 I understand a stipulation has been
18 docketed.

19 MS. WATTS: That's correct, your Honor.
20 I have copies here if you would like one.

21 EXAMINER TAUBER: Sure, I'll take one.

22 MS. WATTS: And may we have this marked
23 as Joint Exhibit 1, please?

24 EXAMINER TAUBER: It shall be so marked.

25 (EXHIBIT MARKED FOR IDENTIFICATION.)

1 MS. WATTS: Would anyone else like a
2 copy? You've seen it enough times.

3 EXAMINER TAUBER: Okay.

4 MS. WATTS: And, your Honor, we have a
5 witness here today to testify with respect to the
6 stipulation if you're ready for that.

7 EXAMINER TAUBER: Yes. You may call your
8 witness.

9 MS. WATTS: Okay. First, may I have
10 marked as Duke Energy Exhibit 1, the Supplemental
11 Direct Testimony of Peggy Laub?

12 EXAMINER TAUBER: It shall be so marked.

13 (EXHIBIT MARKED FOR IDENTIFICATION.)

14 EXAMINER TAUBER: Ms. Laub, please raise
15 your right hand.

16 (Witness sworn.)

17 EXAMINER TAUBER: Thank you. You may be
18 seated.

19 - - -

20 PEGGY A. LAUB

21 being first duly sworn, as prescribed by law, was
22 examined and testified as follows:

23 DIRECT EXAMINATION

24 By Ms. Watts:

25 Q. Would you introduce yourself, please.

1 A. I'm Peggy A. Laub.

2 Q. And, Ms. Laub, could you describe what
3 your -- where are you employed?

4 A. I'm employed by Duke Energy Business
5 Services in Cincinnati, Ohio.

6 Q. And do you have before you what has been
7 now marked as Duke Energy Exhibit 1?

8 A. I do.

9 Q. And is that your direct -- supplemental
10 direct testimony in this proceeding?

11 A. It is.

12 Q. You also have before you what's been
13 marked as Joint Exhibit 1.

14 A. Yes.

15 Q. And is that the Stipulation and
16 Recommendation that was docketed in this proceeding?

17 A. Yes.

18 Q. And with respect to Duke Energy
19 Exhibit 1, your supplemental direct testimony, do you
20 have any additions or corrections?

21 A. I do not.

22 Q. And if I were to ask you the questions
23 contained in that document again today, would your
24 answers be the same?

25 A. Yes.

1 MS. WATTS: Ms. Laub is available for
2 cross-examination.

3 EXAMINER TAUBER: Thank you.

4 Do any of the parties have any questions
5 for Ms. Laub today?

6 MR. ETTER: No questions.

7 MR. LINDGREN: No, your Honor.

8 MS. MOONEY: No.

9 EXAMINER TAUBER: Ms. Laub, I just have a
10 brief question.

11 - - -

12 EXAMINATION

13 By Examiner Tauber:

14 Q. If you could turn to your direct
15 testimony.

16 A. Okay.

17 Q. I think it's the fourth page in, it says:
18 "Does the stipulation benefit consumers and the
19 public interest?" In that, you state that the
20 representation of different interests in the
21 proceeding have benefited. Could you also provide
22 some details about any benefits there may be to the
23 public interest with actual provisions in the
24 stipulation?

25 A. I'm not sure what you mean.

1 Q. Let me rephrase that. I'm sorry about
2 that. I didn't mean to confuse you.

3 In the stipulation, what are some of the
4 provisions that would be in the public interest, some
5 of the negotiated provisions?

6 A. That we -- as far as, like, the
7 guaranteed savings?

8 Q. Correct. Yeah.

9 A. Okay. As part of the stipulation, the
10 company guaranteed future savings to the customers of
11 Duke Energy Ohio related to the deployment of the
12 SmartGrid meters and the automated infrastructure.

13 Q. And, in your opinion, that would benefit
14 customers and the public interest?

15 A. Yes.

16 Q. Are there any other major provisions that
17 you are aware of that benefit Duke's customers and
18 the public interest?

19 A. That were part of the stipulation --

20 Q. Correct.

21 A. -- or part of the whole --

22 Q. Just the stipulation in general.

23 A. I would say that was the major one.

24 EXAMINER TAUBER: Thank you.

25 MS. WATTS: Your Honor, may I follow up

1 with that?

2 EXAMINER TAUBER: Sure.

3 - - -

4 REDIRECT EXAMINATION

5 By Ms. Watts:

6 Q. Ms. Laub, could you turn to what is Duke,
7 I'm sorry, Joint Exhibit 1, the stipulation in this
8 proceeding?

9 A. Yes.

10 Q. On page 6 of that document, paragraph B.

11 A. I have it.

12 Q. Are those the savings that you were just
13 now referring to?

14 A. They are.

15 Q. Okay. Would you turn to page 10 of that
16 document, please.

17 A. I have it.

18 Q. Do you see there's some provisions that
19 relate to customer pilot programs and
20 time-differentiated rates?

21 A. I do.

22 Q. Do those provisions -- are those also
23 provisions that were negotiated in order to reach
24 this stipulation?

25 A. Yes, they are.

1 Q. And do you see in those provisions also
2 some benefits to customers with respect to piloting
3 of time-differentiated rates and pilot programs
4 generally?

5 A. I do.

6 Q. On page 12, Section IV of that document.

7 A. I have it.

8 Q. Do you see a section related to cyber
9 security?

10 A. I do.

11 Q. And does that section in fact provide
12 various measures of transparency for the Commission
13 to track with respect to cyber security as Duke
14 Energy fulfills its deployment?

15 A. Yes.

16 Q. And are those additional benefits to
17 customers as a result of this stipulation?

18 A. They are.

19 Q. Turning to page 16, please.

20 A. I have it.

21 Q. There is a section there entitled
22 "Reliability and Distribution Efficiency
23 Improvement."

24 A. Yes.

25 Q. Again, are those elements that were

1 negotiated as part of this stipulation?

2 A. Yes, they are.

3 Q. And do you see in those elements
4 additional benefits to customers with respect to
5 tracking reliability as deployment occurs and
6 providing additional detailed information to the
7 staff and other parties?

8 A. I do.

9 MS. WATTS: Thank you. I have no further
10 questions.

11 EXAMINER TAUBER: Thank you.

12 In light of the additional questions, do
13 any parties have any further questions for Ms. Watts
14 or any questions for Ms. Watts -- or for Ms. Laub,
15 excuse me.

16 MR. ETTER: No questions, your Honor.

17 MS. MOONEY: No.

18 EXAMINER TAUBER: You may be excused,
19 Ms. Laub.

20 And we have two exhibits that have been
21 moved. Are there any other exhibits that we'd like
22 to move in at this point in time?

23 MS. WATTS: Yes, your Honor. We would
24 ask that the Company's application, which was
25 docketed with the Commission on June 30th, 2011, be

1 marked as Duke Energy Exhibit 2.

2 EXAMINER TAUBER: It shall be so marked.

3 (EXHIBIT MARKED FOR IDENTIFICATION.)

4 MS. WATTS: And we offer that as a --
5 move that into evidence, please.

6 EXAMINER TAUBER: Are there any
7 objections to Duke Exhibit 1, testimony of witness
8 Laub, and Duke Exhibit 2 which is its application in
9 these proceedings?

10 (No response.)

11 EXAMINER TAUBER: Hearing none, Duke
12 Exhibit 1 and 2 shall be admitted into the record.

13 (EXHIBITS ADMITTED INTO EVIDENCE.)

14 MS. WATTS: And then with respect to --
15 on November 18th, 2011, we would ask that the reply
16 comments of Duke Energy Ohio be marked as Duke Energy
17 Exhibit 3, and we would move those into evidence as
18 well.

19 EXAMINER TAUBER: Any objections to
20 Duke's reply comments?

21 MR. LINDGREN: No objections.

22 MR. ETTER: No objections.

23 EXAMINER TAUBER: Hearing none, they
24 shall be admitted at this time.

25 (EXHIBIT ADMITTED INTO EVIDENCE.)

1 MS. WATTS: We have nothing further, your
2 Honor.

3 EXAMINER TAUBER: Thank you.

4 Mr. Etter?

5 MR. ETTER: Yes, your Honor. We would
6 like to have OCC's comments that were filed
7 November 4th, 2011, moved in as OCC Exhibit 1. And
8 then our reply comments that we filed on November
9 18th, 2011 as OCC Exhibit 2.

10 EXAMINER TAUBER: They shall be so
11 marked.

12 (EXHIBITS MARKED FOR IDENTIFICATION.)

13 EXAMINER TAUBER: Are there any
14 objections to OCC's Exhibits 1 and 2?

15 (No response.)

16 EXAMINER TAUBER: Hearing none, OCC's
17 Exhibits 1 and 2 shall be admitted into the record.

18 (EXHIBITS ADMITTED INTO EVIDENCE.)

19 EXAMINER TAUBER: Mr. Lindgren?

20 MR. LINDGREN: Yes, your Honor. I move
21 the admission of the comments filed by the Commission
22 staff on November 4th of 2011. I would ask that be
23 marked as Staff Exhibit No. 1.

24 And I also move the admission of the Duke
25 Energy Ohio SmartGrid Audit and Assessment by MetaVu

1 that was filed, I believe, on June 30th of 2011. I
2 think that should be marked as a Commission-ordered
3 exhibit.

4 EXAMINER TAUBER: Okay. We'll mark it as
5 such.

6 (EXHIBITS MARKED FOR IDENTIFICATION.)

7 EXAMINER TAUBER: And, at this point in
8 time, are there any objections to Staff Exhibit 1 and
9 the Commission-ordered exhibit which is the audit and
10 assessment from June 30th, 2011?

11 (No response.)

12 EXAMINER TAUBER: Hearing none, they
13 shall be admitted into the record.

14 (EXHIBITS ADMITTED INTO EVIDENCE.)

15 EXAMINER TAUBER: Ms. Mooney?

16 MS. MOONEY: OPAC filed comments on
17 November 7th, 2011, and we would also like those to
18 be admitted in the record as OPAC Exhibit 1.

19 EXAMINER TAUBER: It shall be so marked.

20 (EXHIBIT MARKED FOR IDENTIFICATION.)

21 EXAMINER TAUBER: Are there any
22 objections to OPAC's Exhibit 1?

23 (No response.)

24 EXAMINER TAUBER: Hearing none, it shall
25 be admitted into the record.

1 (EXHIBIT ADMITTED INTO EVIDENCE.)

2 EXAMINER TAUBER: And I notice we still
3 have the Joint Exhibit 1 out there, so are there any
4 objections to Joint Exhibit 1 which is the
5 Stipulation and Recommendation filed on March 6th,
6 2012?

7 (No response.)

8 EXAMINER TAUBER: Hearing none, that
9 shall be admitted into the record at this time.

10 (EXHIBIT ADMITTED INTO EVIDENCE.)

11 EXAMINER TAUBER: Is there anything else
12 to come before the Commission this morning?

13 MR. LINDGREN: No, your Honor.

14 MS. WATTS: No, your Honor.

15 MR. ETTER: No, your Honor.

16 MS. MOONEY: No.

17 EXAMINER TAUBER: Thank you. This
18 hearing is adjourned.

19 (Thereupon, the proceedings concluded at
20 10:12 a.m.)

21 - - -

22

23

24

25

CERTIFICATE

I do hereby certify that the foregoing is a true and correct transcript of the proceedings taken by me in this matter on Tuesday, March 13, 2012, and carefully compared with my original stenographic notes.

Carolyn M. Burke, Registered
Professional Reporter, and
Notary Public in and for the
State of Ohio.

My commission expires July 17, 2013.

- - -

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

3/27/2012 10:03:20 AM

in

Case No(s). 10-2326-GE-RDR

Summary: Transcript Transcript of Duke Energy Ohio, Inc. hearing held on 03/13/12 electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Burke, Carolyn M. Mrs.