

Response: Duke Energy Indiana is standardizing its residential meter hardware to the AMI meter. Installing an AMI meter with radios disabled, rather than leaving a legacy meter in the field, allows for this standardization. Disabling the radio means that the AMI meter will not communicate wirelessly with the mesh network and must be read manually. By using a standard meter for all of its customers, Duke Energy Indiana avoids the need for specific meter testing of multiple meter types, enables efficiencies in meter inventory, contract and vendor management, and record keeping.

3. Please indicate whether the legacy meter vendor is different from the new AMI vendor.

Response: Yes. Duke Energy has eight vendors for its non-AMI meters, including the vendor that manufactures the AMI meters. The current AMI vendor, Itron, is one of Duke Energy Indiana's legacy meter vendors.

4. In Mr. Brown's rebuttal testimony at page 3, he states that "[k]eeping numerous meter types in the field will result in logistical inefficiencies that will cost our customers more in the long run." Please identify the number of meter types that currently exist amongst the legacy meters.

Response: Duke Energy Indiana's non-AMI meters are manufactured by eight different vendors. There are 59 different types of non-AMI meters deployed on Duke Energy Indiana's system. By deploying AMI, Duke Energy Indiana will reduce its number of vendors to one, and there will be 10 meter types depending on customer amperage.

5. If customers who opt-out were allowed to keep their legacy meter, please explain whether there would be more than just the two types of meters – the new AMI meter and the old legacy meter.

Response: Yes. There could be 69 meter types; the 10 meter types currently being deployed as part of AMI and the legacy 59 meter types already in the field.

6. Please explain in further detail how keeping the legacy meters with the new AMI meter would result in logistical inefficiencies that would cost customers more in the long run.

Response: Keeping the legacy meters will result in added costs to customers. These costs include truck stocking, installation delays due to multiple types of meters, more frequent premise re-visits, and testing costs for multiple meter types.

Additionally, keeping multiple legacy meters will promote inventory challenges. Many of the legacy meters are over 30 years old and are no longer manufactured. These legacy meters require continued field meter testing in addition to the testing of the AMI meters.

The legacy non-AMI meters also require legacy software and hardware to support. The costs to support the older technology create inefficiencies when a single meter is able to be used for both remote or manual reading.

7. Please explain whether the cost of keeping the legacy meters is not more than offset by the one-time set-up fee of \$104.96 and the monthly recurring fee of \$28.59 that Duke proposes.

Response: Duke Energy Indiana has not quantified the inherent inefficiency, costs and process difficulties of keeping existing non-AMI meters on its system. Those costs would be in addition to the costs identified in Duke Energy Indiana's cost estimate for the fees proposed in this case.

The estimated costs in the proposed one-time fee would mostly remain, as the Company would still need to perform the same back-office tasks, IT work, and conduct a site visit to apply an opt-out label to the legacy meter to ensure it is not replaced with a standard AMI meter accidentally. If a legacy meter were left in place, the Company would not need to perform the work to disable meter radios in the lab. The estimated costs in the proposed monthly recurring fee – i.e. meter reading and IT system updates – would all remain.

8. Mr. Brown, in his rebuttal testimony at page 8, states that numerous utilities across the country offer an optional opt-out tariff and then goes on to list 15 different utilities. Please identify how many of those 15 utilities listed allow those who opt-out to keep their legacy meter.

Response: The bulleted list below shows what the 15 utilities referenced on page 8 of Mr. Brown's testimony do with existing meters for customers who choose to enroll in an optional opt-out tariff. In summary, 10 of the 15 utilities allow customers who opt-out to keep their legacy meter, assuming that the customer already has the legacy meter offered by the utility as part of its opt-out plan. Only three utilities appear not to charge a one-time fee if a customer keeps their legacy meter. Ultimately, there is no indication that any utilities are required to leave existing meters in place in perpetuity, and many utilities appear to have discretion to install whatever meter type they choose (short of a communicating AMI meter) when the utility determines replacement of a legacy meter is necessary.

- AEP Ohio: Customer can keep legacy meter; however the legacy meter can be replaced with a meter incapable of two-way communications at the utility's discretion.
- AEP Texas: The Public Utility Commission has adopted the Non-Standard Metering Service rule, which allows a customer to choose a non-standard meter as an alternative to the standard advanced meter, by replacing the existing meter with (1) an advanced meter with the communications technology disabled (2) a digital, non-communicating meter, or (3) an analog meter, subject to commercial availability. The utility can leave existing meter in place if customer wants that type of opt-out meter. AEP Texas charges \$105 one-time fee to leave existing meters in place, to recover back-office costs of information technology changes necessary to offer non-standard metering service, USPS mailing costs and an estimate of rate case expenses.
- Baltimore Gas & Electric: In compliance with Maryland Public Service Commission Order No. 86200, BGE will install a pre-Smart Grid standard meter, first installed in 1996 and known as an Electronic Receiver Transmitter (ERT) [drive-by] meter. Other legacy, non-ERT meters are not supported by BGE and require replacement with an ERT meter. Opt-out fees continue to apply to all non-smart meters, including ERT meters.
- CenterPoint Energy: The Public Utility Commission has adopted the Non-Standard Metering Service rule, which allows a customer to choose a non-standard meter as an alternative to the standard advanced meter, by replacing the existing meter with (1) an advanced meter with the communications technology disabled (2) a digital, non-communicating meter, or (3) an analog meter, subject to commercial availability. The utility can leave existing meter in place if customer wants that type of opt-out meter. CenterPoint Energy charges \$91 one-time fee to leave existing meters in place, to recover half of the utility's IT system costs.
- Central Maine Power: If the customer's existing meter is a properly functioning electro-mechanical meter, the customer may retain said meter and will pay the initial charge. The Company, at its sole discretion, may replace the customer's existing electro-mechanical meter with an equivalent meter.
- Consumers Energy: Charges a \$69.39 one-time fee to leave existing meter in place.
- Duke Energy Kentucky: A non-communicating AMI meter will be installed.
- Duke Energy Ohio: Customer can keep legacy meter; however, a legacy meter can be replaced with a meter incapable of two-way communications at the utility's discretion.
- Florida Power & Light: Customers enrolled in the Non-Standard Meter Option will be allowed to keep their existing non-standard meter. However, if a replacement non-standard meter is necessary, it will be a digital meter that does not communicate.
- Lakeland Electric: It appears customers keep their legacy meter.
- NV Energy: NV Energy will switch out existing analog meter with a refurbished analog meter. The refurbished analog meter is non-communicating, incapable of storing data, and must be read manually.

- Pepco: It does not appear that the one-time fee can be waived. In the event that the customer's current meter is a smart meter, analog or digital meter, the utilities may install an ERT/AMR meter at the opt-out customer's premises for no additional costs beyond the opt-out fees established by this Order.
- San Diego Gas & Electric: One-time fee is not waived, because field visit required even if customer keeps an analog meter. Field visit is required to replace smart devices and/or mark extant analog devices as "opt-out".
- Southern Maryland Electric Cooperative: All meters will be exchanged. SMECO will remove the existing meter, review the condition of the meter base and service conductors, and install a standard digital meter.
- Texas New Mexico Power Company: The Public Utility Commission has adopted the Non-Standard Metering Service rule, which allows a customer to choose a non-standard meter as an alternative to the standard advanced meter, by replacing the existing meter with (1) an advanced meter with the communications technology disabled (2) a digital, non-communicating meter, or (3) an analog meter, subject to commercial availability. The utility can leave existing meter in place if customer wants that type of opt-out meter. Texas New Mexico Power Company charges \$63.97 one-time fee to leave existing meters in place, to recover fixed costs not related to the initiation of nonstandard metering service of \$193,128.08, including \$106,511 attributable to rate case and notice expense costs, and \$86,617.08 of fixed costs attributable to one-time back office and hand-held meter reading expenditures.

9. Please indicate whether Duke allows customers to keep their legacy meter in any of the states in which Duke currently does business where an opt-out provision exists.

Response: Approved opt-out programs in Duke Energy Kentucky and Duke Energy Carolinas – South Carolina utilize a non-communicating AMI meter. Due to a rule implemented statewide in Ohio, Duke Energy Ohio customers are allowed to keep their legacy meter.

10. Please explain what happens under Duke's opt-out proposal when a homeowner, who has a new smart meter installed, sells their house to someone who wishes to opt-out.

Response: The new homeowner can contact Duke Energy Indiana to enroll in the optional opt-out tariff at that property and the Company would install a non-communicating AMI meter.

11. Please explain whether Duke has any concern that customers who wish to opt-out of the new AMI technology because of health, safety, or privacy concerns will be troubled by

still having an AMI meter placed on their property even though Duke is informing them the communication capability is disabled.

Response: Duke Energy Indiana wants to provide solutions that satisfy each of its customers. Duke Energy Indiana has proposed the optional opt-out tariff to satisfy the very small minority of its customers that do not want a communicating AMI meter installed. To address customer concerns about health, safety or privacy, Duke Energy Indiana has proposed to turn off the AMI meter radios as part of proposed optional opt-out program. The non-communicating AMI meter will show that it is in opt-out mode on the meter display and there will be a sticker inside the meter glass indicating that it is an opt-out meter. If customers do not trust Duke Energy Indiana, they can purchase their own RF detector which will detect any RF signal coming from the meter. These are readily available from a number of providers. With communications turned off, the proposed opt-out meters will function similar to the more than 125,000 non-AMI, digital meters that are already in place in Indiana, and should address customer concerns with regard to health, safety or privacy.

The AMI meters that Duke Energy Indiana is installing meet all federal and state safety standards. If a customer still has some concern about their health, safety or privacy, they should petition the applicable federal or state agency that has expertise in determining whether consumer products are safe.

12. Please explain whether Duke has any concern about upsetting customers who choose to opt-out due to concerns about AMI technology and are asked to pay a one-time set up fee of \$104.96 and a recurring fee of \$28.59 per month when Duke goes ahead and places an AMI meter on their property.

Response: Duke Energy Indiana wants to keep its customers as happy as possible. Duke Energy Indiana proposed its AMI solution to save customer costs and keep customer rates low, and also to satisfy what is a growing customer demand across the electric industry for advanced services and products.

The proposed AMI opt-out tariff is an entirely optional tariff. Duke Energy Indiana maintains that its AMI meter is safe and meets all federal and state safety standards. To quell any customer concerns, Duke Energy Indiana has proposed this optional opt-out program to give customers the option of choosing a voluntary, cost-based service. Because the service is cost based and optional, the customer will have an option of paying what it costs to opt out of the AMI meter, or having the communicating AMI installed. Duke Energy Indiana views the addition of an opt-out tariff as preferable from a customer service standpoint, to requiring all customers to accept the communicating AMI meter. As explained in testimony, it also requires the minority of customers that are

causing additional costs to the utility to pay those costs, rather than spreading those costs to all customers.

13. Please explain how Duke intends to use the data it receives from the AMI meters.

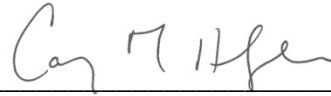
Include in your response whether Duke will own the data it receives and if so, whether Duke intends to sell or otherwise make that data available to others.

Response: In general, personal identification information provided by the customer to establish or maintain service is the property of the customer. Individual usage patterns, system demands, consumption, peak demand, etc., information that is necessary for Duke Energy Indiana's operations, planning, billing, and reliability is jointly owned and controlled by the customer and company. The Company invests in and manages the hardware and systems to provide service and track customer usage, and therefore has a vested interest in the quality and use of the information. As the owner and steward of the data, the company recognizes its serious obligation to protect customer privacy, and therefore obtains customer consent for any use by the company or sharing with a third-party outside of the scope of normal electric operations.

Respectfully submitted,

DUKE ENERGY INDIANA, LLC

By:



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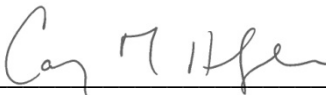
CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Submission was electronically delivered this 30th day of November, 2017, to the following:

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