



**Dianne M. Triplett**  
DEPUTY GENERAL COUNSEL  
Duke Energy Florida, LLC

June 4, 2018

**VIA ELECTRONIC DELIVERY**

Ms. Carlotta Stauffer, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: *Petition for limited proceeding for approval of a smart meter opt-out tariff  
by Duke Energy Florida, LLC; Docket 20180088-EI*

Dear Ms. Stauffer:

Please find enclosed for electronic filing, Duke Energy Florida, LLC's Response to Staff's Second Data Request (Nos. 1-9).

Thank you for your assistance in this matter. If you have any questions concerning this filing, please feel free to contact me at (727) 820-4692.

Sincerely,

*/s/ Dianne M. Triplett*

Dianne M. Triplett

DMT/cmck  
Enclosure

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail to the following this 4<sup>th</sup> day of June, 2018.

/s/ Dianne M. Triplett

Attorney

<p>Kyesha Mapp Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 <a href="mailto:kmapp@psc.state.fl.us">kmapp@psc.state.fl.us</a></p>	<p>Elisabeth Draper Henry Merryday Division of Economics Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 <a href="mailto:edraper@psc.psc.state.fl.us">edraper@psc.psc.state.fl.us</a> <a href="mailto:hmerryda@psc.state.fl.us">hmerryda@psc.state.fl.us</a></p>
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**DUKE ENERGY FLORIDA, LLC'S (DEF), RESPONSE TO  
STAFF'S SECOND DATA REQUEST (NOS. 1-9) REGARDING  
DEF'S PETITION FOR LIMITED PROCEEDING FOR  
APPROVAL OF A SMART METER OPT-OUT TARIFF  
DOCKET NO. 20180088-EI**

1. If the actual costs associated with the NSMR tariff are different from the projected costs, will DEF monitor and address these discrepancies? Please explain.

**RESPONSE:**

DEF developed the costs of NSMR to minimize the impacts on those customers who choose to participate in the NSMR. For example, the NSMR IT programming was purposely designed without an administration feature to track revenues/costs related to this tariff solely. If included, this would have added significant and unnecessary costs to the program participants without a reasonable benefit. DEF based the expected customer participation in the tariff on industry experience. As currently designed, DEF does not expect any significant variance between actual costs and its projected costs. DEF does not believe a formal process of tracking these costs is necessary, however, as with all the Company's tariffs, DEF will periodically review this tariff and will make updates if modifications are determined to be needed. DEF intends that the NSMR expenses will not be subsidized by customers who receive service through standard communicating meters.

2. Please describe and explain in greater detail the differences in the IT Resource Costs and Business Project Resource Costs found in DEF's Response to Staff DR1-Q9 (20180088-DEF-STAFF DR1-000011).

**RESPONSE:**

The "IT Resource Costs" and "Business Project Resource Costs" shown on the "IT System Costs" tab of DEF's Response to Staff DR1-Q9 delineate between project costs charged by individuals working in the IT organization as opposed to project costs charged by individuals who are outside the IT organization (e.g. the Billing organization). A more detailed calculation of the values on the "IT System Costs" tab of DEF's Response to Staff DR1-Q9 was provided in DEF's Response to Staff DR1-Q14.

3. Please state whether any new positions are being created in response to the NSMR tariff.

**RESPONSE:**

DEF is not proposing to identify the creation of new positions to solely perform the work required to offer the NSMR program. DEF plans to have the incremental tasks required to offer this optional program performed by DEF employees or contractors who would otherwise not need to perform those tasks (e.g. manual meter reading), and calculated the NSMR tariff costs in that way. In the absence of this NSMR program, the current staffing of these positions may have been reduced as a result of the AMI deployment.

4. Please clarify the tasks in lines 1-6 in Expenses (One-Time per Participant) from Exhibit A of the petition. In particular, please provide support for the time estimates for each position and task.

**RESPONSE:**

Please refer to the attached “Duke Energy Florida Non-Standard Meter Rider (NSMR) Incremental Work Descriptions” document bearing bates numbers 20180088-DEF-STAFF DR2-000019 through 20180088-DEF-STAFF DR2-000021, for the steps performed for the one-time tasks listed in Expense lines 1-6.

5. Referring to Expenses (One-Time per Participant) from Exhibit A of the petition, please state the steps performed to program the opt-out meter (line 3) and state whether the task is performed at DEF or at the customer premises.

**RESPONSE:**

Expense line 3 “Metering Services technician to program and label meter @ 30 mins/customer” is performed at the DEF Meter Lab. Please refer to the “Metering Services Lab Programming of Meter” section of the document attached at response #4 above for a description of the steps performed for this task.

6. Referring to Expenses (One-Time per Participant) from Exhibit A of the petition, please confirm that the two tasks performed by the Metering Services technician (line 3 and 4) are performed during the same trip.

**RESPONSE:**

Expense line 3 “Metering Services technician to program and label meter @ 30 mins/customer” is performed at the DEF Meter Lab. Expense line 4 “Metering Services technician to exchange meter @ 45 mins/customer” is performed at the customer’s premises. Therefore, the two tasks are not performed during the same trip.

7. Referring to Expenses (One-Time per Participant) from Exhibit A of the petition, please explain why lines 2 and 6 are not condensed into one task/position.

**RESPONSE:**

The tasks are performed by two different performers requiring different levels of expertise. Expense line 2 “Metering Services work order mgmt @ 5 mins/customer” is performed by the Work Management Specialist utilizing the Work Management System, eMax. Expense line 6 “Manual meter reading route analysis @ 20 mins/customer” is performed by the Meter Route Analyst utilizing the routing / mapping system, Route Smart, and/or the customer system, CSS.

8. Referring to DEF's Response to Staff DR1-Q9 (20180088-DEF-STAFF DR1-000013), please clarify what DEF classifies as Incentives under Labor Rates.

**RESPONSE:**

DEF classifies its annual bonus payments made under the Company's Short-Term Performance Program as Incentives.

9. Referring to DEF's Response to Staff DR1-Q9 (20180088-DEF-STAFF DR1-000010), please explain the basis for the assumed 5% of NSMR customers to have off-cycle reads.

**RESPONSE:**

The 5% of NSMR customers to have off-cycle reads assumption is based on the average of 5% off cycle reads per year for our total DEF customer base. The Company assumes that same rate would apply within the NSMR customer population.

## **Non-Standard Meter Rider (NSMR) Incremental Work Descriptions**

(Estimated incremental time required to perform each activity)

### **Customer Service (3 minutes) – Excluded from NSMR fee calculation**

The 3 minute (0.05 hours) per customer is a conservative average estimate based on the incremental time to complete the required NSMR registration process beyond the standard time to set up a new customer account.

Customer call comes into Customer Contact Center requesting NSMR service.

Customer Care Specialists:

- I. Verify the Customer of Record/Account Holder is the caller, note why the customer called in, quote the NSMR charges and explain that the one-time charge will be on the first billing statement if a certified AMI meter is already installed at the premise.
- II. NSMR special condition will be set on the customer's account.
- III. Create Customer Documentation to initiate NSMR process, including the customer account #.
- IV. Check whether there is a non-communicating AMI meter already installed at the premise; if no, proceed to step V; if yes, proceed to step VI.
- V. Create meter change order in CSS to be routed to the field for completion. If the request is for a brand new home, the request will be routed to the New Service team, which will create the meter order through CSS.
- VI. If a non-communicating AMI meter is already installed, reverse the one-time NSMR fee.

### **Metering Services Work Order Management (5 minutes)**

The 5 minutes (0.0833 hours) per customer is a conservative average for the Work Management Specialist to create applicable work orders (lab to program non-communicating AMI meter, manual meter reading route analysis for new manually-read customer and assignment to corresponding work groups).

### **Metering Services Lab Programming of Meter (30 minutes)**

The 30 minutes (0.5 hours) is a conservative average to identify the appropriate meter type, disable radios and set up an internal courier shipment of the meter to the assigned field technician.

Meter Lab Tech prepares meter for shipment to Field Meter Tech:

- Meter Lab Tech is informed of need for a non-communicating AMI meter via work order

## Duke Energy Florida

## Non-Standard Meter Rider (NSMR) Incremental Work Descriptions

May 29, 2018

- Reviews information to confirm requested meter type and meter form are correct for this application
- Locates appropriate meter in inventory
- Removes meter from inventory, using inventory management system
- Powers up meter in lab on appropriate equipment
- Powers up and logs into computer
- Opens vendor software
- Connects optical probe from computer to meter
- Use the vendor provided software to log into meter
- Program meter with residential rate program
- Disconnects meter from computer and power
- Accuracy tests are performed
- Packages meter and ships to the appropriate location where the Meter & Service Tech would receive the meter and place on their truck.

**Meter Exchange** (45 minutes)

The 45 minutes (0.75 hours) for Field Meter Tech and vehicle consists of the 30 minute system average travel time from an Operations Center to customer premise, and 15 minutes to prepare meter, remove existing meter, and install new meter.

Field Meter Tech prepares to install meter:

- Field Meter Tech is informed of meter exchange via work order
- Verifies the appropriate meter, with radios disabled, is available and loads into truck
- Travels to customer premise
- Reviews work order before exiting vehicle
- Gathers and dons appropriate Personal Protective Equipment (PPE)
- Performs pre-job briefing
- Knocks on door of business/residence to inform customer of meter exchange
- Assesses site for safety issues while searching and walking to the meter
- Confirms the found meter is the correct meter to be exchanged
- Records current meter read of existing meter
- Removes meter seal and existing meter
- Installs Opt- out meter
- Confirms meter is showing correct displays and meter is working appropriately (Programs for special rates, if necessary)
- Installs meter seal
- Tag the removed meter
- Gathers any material, old seals, etc. to carry back to work vehicle
- Knocks on door of business/residence to inform customer that job is complete

## Duke Energy Florida

## Non-Standard Meter Rider (NSMR) Incremental Work Descriptions

May 29, 2018

- Returns to vehicle and closes out work order.

**Vehicle for Field Meter Tech to perform meter exchange**

The 45 minutes (0.75 hours) for Field Meter Tech and vehicle consists of the 30 minute system average travel time from an Operations Center to customer premise, and 15 minutes to prepare meter, remove existing meter, and install new meter. The actual DEF Fleet chargebacks to Metering Services for 2017 were identified by vehicle type. By adding up the monthly average costs of ownership, labor, parts, fuel, commercial work, and other non-fuel charges, a total monthly average charge per vehicle type was determined. Commercial work is defined as any vehicle maintenance work performed by an external party, while the labor and parts charges are for work by internal company resources on the vehicles.

Then, using the total monthly charges for the type of vehicle used by DEF Field Meter Techs, "Van > 8500", and dividing by the average number of payroll hours per month of 173.33 (40 hrs. x 52 weeks = 2080 hrs. per year. 2080 hrs. per year / 12 months = 173.3 hrs. per month). The resulting \$5.90 represents an estimated average cost per hour to operate that type of vehicle.

**Manual Meter Reading Route Analysis (20 minutes)**

Previously, when a new manually read meter was installed, the performer working the install would go to the nearest manually-read meter they could find to record the meter number on the work order. When the order goes through the close process, the closer sets the newly installed meter up in the same route and on the same billing cycle as the "nearby" meter the field performer provided. With increased deployment of AMI technology, the population of manually-read meters is continually decreasing, thereby increasing the NSMR unit of time necessary to locate the nearest manually-read meter to the new install. It is no longer practical to require the field performer to complete this task.

For the AMI opt-out customers, the route analysis will consist of geographically locating the meter within the routing/mapping system. The Meter Route Analyst will have to utilize the routing/mapping system tools to locate the nearest remaining manually-read meter and add the opt-out meter to that existing route to minimize the inefficiencies of manual meter reading routes. This process will also include determining the customer's existing billing cycle and changing it to match the billing cycle of the nearest manually-read meter, again to minimize the inefficiencies of manual meter reading routes.