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OFFICIAL COPY

August 10, 2009

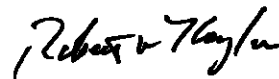
Ms. Renné C. Vance, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

RE: Docket No. E-7, Sub 831

Dear Ms. Vance:

Enclosed for filing are the original and thirty (30) copies of Duke Energy Carolinas, LLC's Rebuttal Testimony of Raiford L. Smith in the above referenced docket.

Sincerely,



Robert W. Kaylor

Enclosures

cc: Parties of Record

FILED

AUG 10 2009

Clerk's Office
N.C. Utilities Commission

(67)
AG
7-Comm
Bennink
Kirby
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Gruber
3-ps Legal
3-ps ACIS
2-ps EC/Res
3-ps Elect

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-7, SUB 831

FILED

AUG 10 2009

Clerk's Office
N.C. Utilities Commission

In re:)	
Application of Duke Energy Carolinas, LLC)	REBUTTAL TESTIMONY
For Approval of Save-a-Watt Approach,)	OF RAIFORD L. SMITH
Energy Efficiency Rider and Portfolio of)	FOR DUKE ENERGY CAROLINAS
Energy Efficiency Programs)	

1 **Q. HAS WITNESS COLTON PRESENTED ANY NEW OR DIFFERENT**
2 **EVIDENCE IN HIS SUPPLEMENTAL TESTIMONY TO JUSTIFY**
3 **CHANGES FOR LOW-INCOME CUSTOMER PROGRAMS?**

4 **A. No.**

5 **Q. DOES THIS CONCLUDE YOUR SETTLEMENT REBUTTAL TESTIMONY?**

6 **A. Yes.**

1 **Q. PLEASE STATE YOUR NAME, ADDRESS, AND POSITION WITH DUKE**
2 **ENERGY BUSINESS SERVICES, LLC.**

3 A. My name is Raiford L. Smith, and my business address is 526 South Church Street,
4 Charlotte, North Carolina. I am Director, Strategy and Collaboration for Duke
5 Energy Business Services, LLC, a service company affiliate of Duke Energy
6 Carolinas, LLC (“Duke Energy Carolinas” or the “Company”) and am responsible for
7 leading collaborative efforts on new product development and energy efficiency
8 across all retail markets served by Duke Energy Corporation (“Duke Energy”),
9 including Duke Energy Carolinas’ service territory.

10 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS DOCKET?**

11 A. Yes, I have. I filed MIRR Supporting Testimony on June 26, 2009.

12 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

13 A. The purpose of my rebuttal testimony is to rebut the Supplemental Testimony of
14 Roger D. Colton filed on behalf of the North Carolina Justice Center, AARP, NC
15 Council of Churches, and Legal Aid of NC.

16 **Q. MR. COLTON IN HIS SUPPLEMENTAL TESTIMONY STATES THAT THE**
17 **AGREEMENT AND JOINT STIPULATION OF SETTLEMENT AMONG**
18 **DUKE ENERGY CAROLINAS, THE ENVIRONMENTAL INTERVENORS,**
19 **AND THE PUBLIC STAFF (“SETTLEMENT”) SHOULD BE REJECTED BY**
20 **THE COMMISSION ABSENT MODIFICATIONS HE RECOMMENDS. DO**
21 **YOU AGREE WITH MR. COLTON?**

22 A. No.

1 **Q. PLEASE EXPLAIN.**

2 **A. First, Duke Energy Carolinas Witnesses Wiles, Schultz, and Farmer have previously**
3 **filed direct testimony explaining why the settlement is in the public interest. Public**
4 **Staff Witness McLawhorn addressed the key components of the Settlement**
5 **Agreement in his filing on June 19, 2009 by stating that it contains a provision**
6 **requiring the Company to make residential programs available to low-income**
7 **customers without regard to whether they own or rent homes and that the Company is**
8 **now committed to pursuing partnerships with third-party agencies to implement**
9 **programs and offer assistance to low-income customers while recognizing**
10 **improvement for low-income customers in the Settlement Agreement.**

11 **Q. ARE THE CONCERNS EXPRESSED BY WITNESS COLTON IN HIS**
12 **SUPPLEMENTAL TESTIMONY ANY DIFFERENT FROM THE BASIC**
13 **RECOMMENDATIONS HE MADE DURING THE AUGUST 2008**
14 **EVIDENTIARY HEARING IN THIS DOCKET?**

15 **A. No.**

16 **Q. DID THE COMPANY ADDRESS THOSE CONCERNS IN ITS OCTOBER 7,**
17 **2008 PROPOSED ORDER?**

18 **A. Yes.**

1 Q. DID THE COMMISSION RULE ON THE RECOMMENDATION MADE BY
2 WITNESS COLTON IN ITS FEBRUARY 26, 2009 ORDER RESOLVING
3 CERTAIN ISSUES, REGARDING INFORMATION ON UNSETTLED
4 MATTERS, AND ALLOWING PROPOSED RIDER TO BECOME
5 EFFECTIVE SUBJECT TO REFUND ("ORDER")?

6 A. Yes. At pages 21 and 22 of the Order the Commission discussed Witness Colton's
7 testimony as follows:

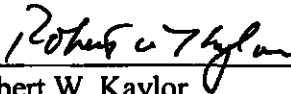
8 ...Colton criticized Duke's proposed portfolio of EE programs as
9 failing to serve low-income households, and described a number of
10 exemplary programs that he suggested the Company model its
11 programs after instead. Specifically, witness Colton expressed
12 concern that the Low Income Energy Efficiency and Weatherization
13 Program will not be widely available to low-income households
14 because its application is restricted to households with incomes of
15 150% to 200% of the federal poverty level and is limited to owner-
16 occupied, single-family, all-electric residences. Witness Colton
17 criticized the Company for assuming that weatherization agencies are
18 available to distribute and install weatherization and starter kits. He
19 based this criticism on his assumption that Duke is planning to
20 leverage federal funds for these purposes, and federal regulations
21 disallow federal weatherization assistance for households above
22 125% of poverty level. Witness Colton cited the Public Service of
23 Indiana (now Duke Energy Indiana) low-income program as an
24 exemplary program that Duke should emulate.

25 The Commission concluded that it was "...of the opinion that Duke's Low Income
26 Energy Efficiency and Weatherization Assistance Program strikes an appropriate
27 balance between assisting low-income customers and maintaining cost-
28 effectiveness...and that the Low Income Energy Efficiency and Weatherization
29 Assistance Program, as proposed, is in the public interest and will benefit Duke's
30 customer body as a whole. As such, the Commission approves this program." (Order
31 at 23).

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC's Rebuttal Testimony of Raiford L. Smith in Docket No. E-7, Sub 831 has been served by electronic mail (e-mail), hand delivery or by depositing a copy in the United States Mail, first class postage prepaid, properly addressed to parties of record.

This the 10th day of August, 2009.



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