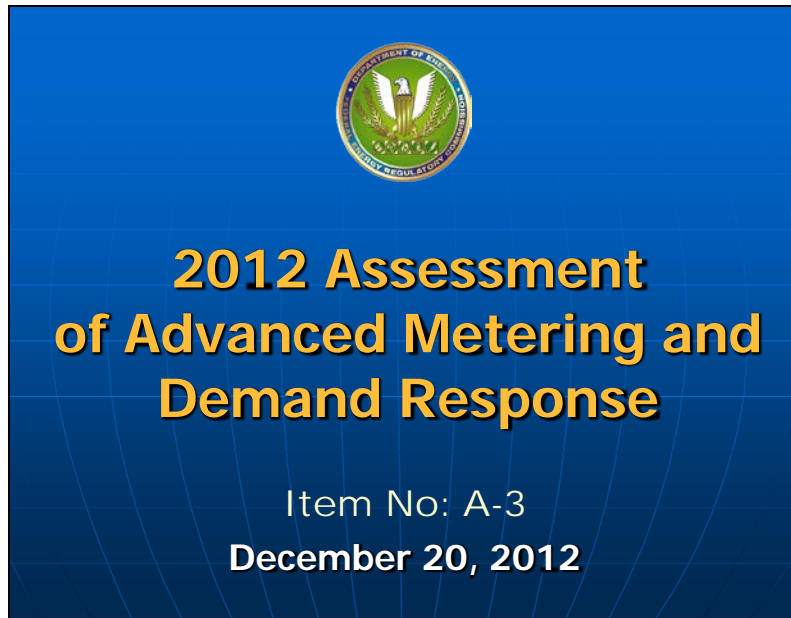


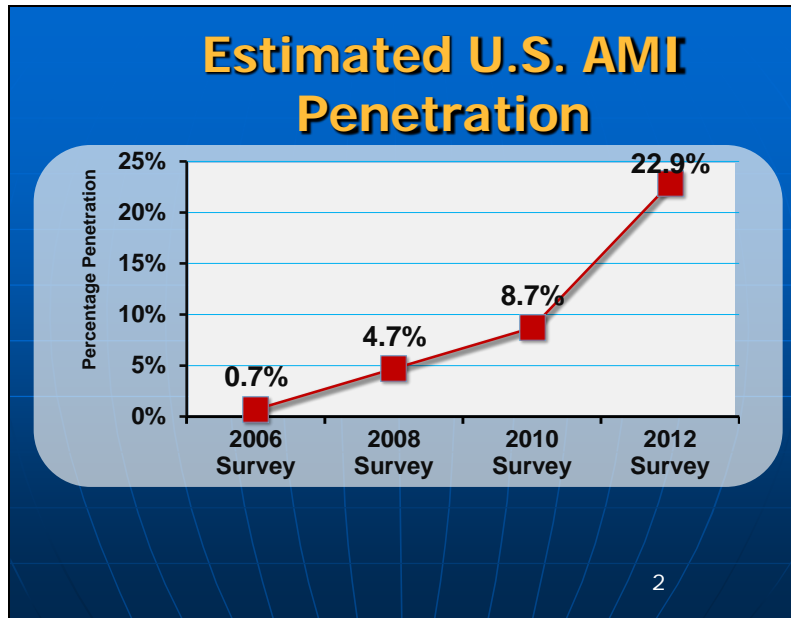
Slide 1



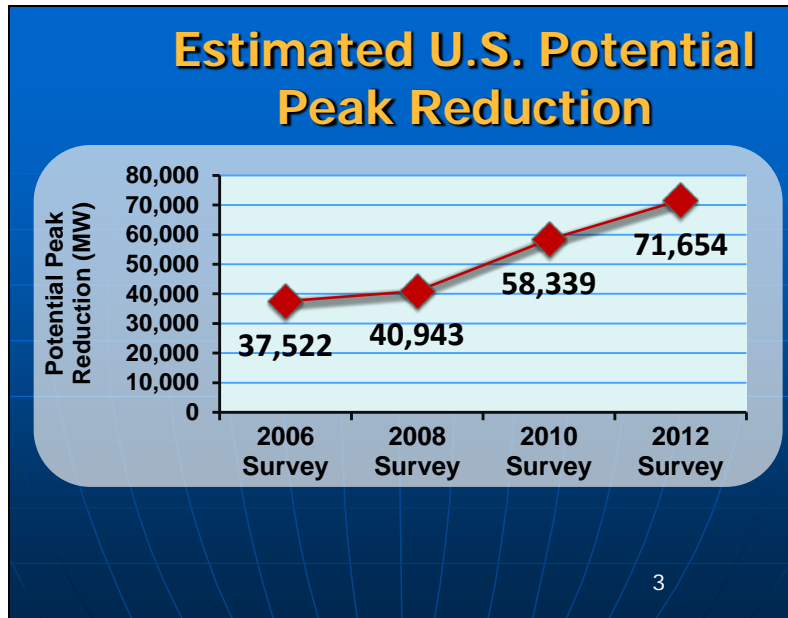
Mr. Chairman, Commissioners, good morning.

Today, the FERC staff will publish its seventh annual staff report entitled, *Assessment of Demand Response and Advanced Metering*. The Energy Policy Act of 2005 requires the Commission to publish an annual report on the penetration of advanced metering and demand response programs by region in the United States.

Today's report contains the results of a voluntary survey of more than 3,300 companies in the U.S., including investor-owned and municipal utilities, rural electric cooperatives, power marketers and others. More than 1,900 companies responded to the 2012 survey, a survey response rate of 59 percent.



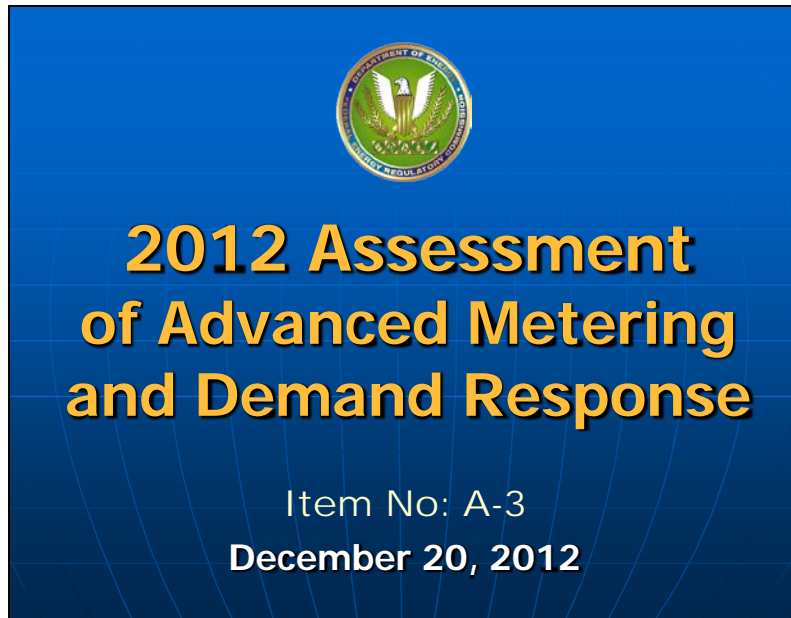
The results show continued significant growth in advanced metering deployment in the U.S.: advanced meters comprised about 23 percent of all electric meters in the U.S. in 2011, compared to less than 9 percent in 2009. The report also reviews advanced metering developments under the American Recovery and Reinvestment Act and other federal and state programs.



The megawatt capability of all U.S. demand response programs also continues to grow substantially. The report estimates nearly 72,000 megawatts of demand response, or almost 10 percent of U.S. coincident peak demand. This is an increase of about 13,000 megawatts between 2009 and 2011.

To gauge the relative speed of this growth in demand response participation, staff compared the most recent survey results to the estimate of national demand response potential in our 2009 *National Assessment of Demand Response Potential*. There staff estimated potential growth in demand response programs under a range of scenarios, including expansion of then-existing demand response programs to all states. In that scenario, staff projected 82 gigawatts of demand response in 2019. Our 2012 survey results of 72 gigawatts, although not directly comparable to the assumptions underlying staff's 2009 estimate, reflects the increased focus on and incorporation of demand response into meeting energy needs.

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Also discussed in the report are the Commission's demand response actions, a review of remaining barriers to demand response as required by the Energy Policy Act of 2005, and smart grid developments that support demand response programs.

The complete report and databases of survey responses (along with previous reports in this series) are available on the Commission's website www.ferc.gov.

I would like to thank the members of the project team for their dedication and contributions to this project - Robin Aldina, Michael Lee, Lisa Medearis, and Andy Wilkerson - and the contract assistance provided by Z Inc. and DNV KEMA.

This concludes my presentation. I'd be happy to answer any questions.