

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke )  
Energy Ohio, Inc., for Approval of its 2009 )  
Advanced and Renewable Energy Baseline ) Case No. 10-511-EL-ACP  
and Benchmarks Pursuant to Section )  
4928.64(B), of the Ohio Revised Code. )  
)

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**DIRECT TESTIMONY OF  
  
ANDREW S. RITCH  
  
ON BEHALF OF  
  
DUKE ENERGY OHIO, INC.**

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January 13, 2012

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## **I. INTRODUCTION**

1   **Q.   PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2   A.   My name is Andrew S. Ritch, and my business address is 139 East Fourth Street,  
3       Cincinnati, Ohio 45202.

4   **Q.   BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5   A.   I am employed by Duke Energy Business Services LLC (DEBS) as the Director of  
6       Renewable Strategy and Compliance. DEBS provides various administrative and other  
7       services to Duke Energy Ohio, Inc., (Duke Energy Ohio or the Company) and other  
8       affiliated companies of Duke Energy Corporation (Duke Energy).

9   **Q.   PLEASE BRIEFLY DESCRIBE YOUR EDUCATION AND PROFESSIONAL**  
10   **EXPERIENCE.**

11   A.   I received a bachelor's degree in English from Colby College in Waterville, Maine, in  
12       1993, and a master's degree in business administration from the F.W. Olin Graduate  
13       School of Business at Babson College, Wellesley, Massachusetts, in 2001. I began my  
14       career with Cinergy Corp. (Cinergy) in 2002, and have served both Cinergy, as well as  
15       the merged entity, Duke Energy, in a variety of capacities prior to my current role. These  
16       prior positions included Senior Analyst; Investor Relations; Director, Franchised Electric  
17       and Gas Strategy; and Director, Corporate Strategy.

18   **Q.   PLEASE BRIEFLY DESCRIBE YOUR DUTIES AS THE DIRECTOR OF**  
19   **RENEWABLE STRATEGY AND COMPLIANCE.**

20   A.   As the Director of Renewable Strategy and Compliance for Duke Energy's three  
21       franchised Midwest jurisdictions (Duke Energy Ohio; Duke Energy Kentucky, Inc.; and  
22       Duke Energy Indiana, Inc.) my primary responsibility is to lead the development,

1 execution, and communication of the strategies for activities involving renewable energy  
2 in these states. My responsibilities also extend to the compliance obligations for  
3 renewable activities, including but not limited to development and implementation  
4 strategies to procure or build renewable resources to meet all regulatory and legislative  
5 requirements. I am also responsible for managing the interface between Duke Energy  
6 and key external stakeholders on matters pertaining to renewable energy and for directing  
7 the messages and policies pertaining to renewable energy.

8 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC UTILITIES**  
9 **COMMISSION OF OHIO?**

10 A. Yes. In 2011, I testified before the Public Utilities Commission of Ohio (Commission) in  
11 Case Nos. 10-2586-EL-SSO and 11-3549-EL-SSO.

12 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

13 A. The purpose of my testimony is to discuss and support the Stipulation and  
14 Recommendation (Stipulation) filed in the above-captioned proceeding. The Stipulation  
15 is filed with the support of the Staff of the Public Utilities Commission of Ohio, the  
16 Office of the Ohio Consumers' Counsel, Ohio Environmental Council and Environmental  
17 Law and Policy Center. Along with Duke Energy Ohio, these entities are collectively  
18 referred to as the Stipulating Parties for the remainder of my testimony,

19 Through my testimony, I will demonstrate that the Stipulation: (1) is the product of  
20 serious bargaining among capable, knowledgeable parties; (2) does not violate any  
21 regulatory principle or practice; (3) as a whole, will benefit consumers and is in the  
22 public interest; and (4) is a just and reasonable resolution of the issues.

## **II. DISCUSSION**

**1 Q. PLEASE GENERALLY DESCRIBE THE STIPULATION.**

**2 A.** The Stipulation, filed with the Public Utilities Commission of Ohio (Commission) on  
**3** January 9, 2012, represents a resolution of all of the issues among the Stipulating Parties  
**4** relating to Duke Energy Ohio's application regarding its compliance with the mandates  
**5** for renewable and advanced energy as set forth in 4928.64 Revised Code (R.C.).

**6** To appreciate the significance of the commitment described in the Stipulation, it is  
**7** important to recognize that the Commission is authorized, under Section 4928.64 R.C. to  
**8** monitor and examine each electric distribution utilities' compliance with the State's  
**9** mandate to provide a portion of its electricity from alternative energy resources. In order  
**10** to do so, the Company must determine a baseline with which to establish its compliance  
**11** and provide adequate evidence of having met the renewable mandate on an annual basis.

**12** Within this Stipulation, the Stipulating Parties agree that the unadjusted baseline, rather  
**13** than the adjusted baseline, should be used for purposes of calculating the Company's  
**14** renewable requirements. The parties further agree in this Stipulation that the Company's  
**15** shortfall in the Ohio Solar category of RECs in 2009 should be rolled forward into 2010  
**16** to be met in that year, and that no penalty should be imposed on the Company for this  
**17** shortfall in 2009. Under these conditions, the parties agree that the Company should be  
**18** deemed compliant with the 2009 requirements.

**19 Q. DID THE PARTIES TO THIS PROCEEDING HAVE AN OPPORTUNITY TO**  
**20 EXAMINE THE INFORMATION SUBMITTED BY THE COMPANY AND**  
**21 REACH AN INDEPENDENT CONCLUSION?**

1 A. Yes. All of the Parties intervening in this proceeding had an independent opportunity to  
2 review the information provided by the Company and determine whether or not they  
3 could agree that the Company was in compliance. The Parties did agree and have  
4 submitted the Stipulation jointly to recommend to the Commission that it find that Duke  
5 Energy Ohio, Inc. is in compliance for 2009.

6 **Q. DOES THE STIPULATION REPRESENT THE PRODUCT OF SERIOUS**  
7 **BARGAINING AMONG CAPABLE, KNOWLEDGEABLE PARTIES?**

8 A. Yes. The knowledge and capability of the Parties and their attorneys is readily apparent.  
9 The Stipulating Parties regularly participate in rate proceedings before the Commission,  
10 are knowledgeable in regulatory matters, and were represented by experienced,  
11 competent counsel. Furthermore, the Stipulating Parties represent a broad range of  
12 interests.

13 The issue raised by the Parties in this proceeding was addressed during negotiation, and  
14 despite the divergent interests among the Parties, all of the Parties had an opportunity to  
15 express their respective opinions. For these reasons, I believe that the agreed Stipulation  
16 resulted from thorough analysis, discussion and understanding among capable and  
17 divergent interests and therefore represents a product of the efforts of capable,  
18 knowledgeable parties.

19 **Q. DOES THE STIPULATION VIOLATE ANY REGULATORY PRINCIPLE OR**  
20 **PRACTICE?**

21 A. No. Based on the advice of counsel, my understanding is that the Stipulation complies  
22 with all relevant and important principles and practices. Based upon my experience with  
23 regulatory matters, my involvement in this proceeding, and my examination of the

1 Stipulation, I have also concluded that the Stipulation does not violate any regulatory  
2 ratemaking principle.

3 **Q. DOES THE STIPULATION BENEFIT CONSUMERS AND THE PUBLIC**  
4 **INTEREST?**

5 A. Yes. The Stipulation demonstrates that stakeholders representing different interests in the  
6 Duke Energy Ohio service territory have examined information relevant to the  
7 Company's renewable compliance and determined that the Company is in compliance.  
8 The public interest is served when such Parties intervene and represent diverse interests  
9 in examining the record and ensuring that it meets regulatory requirements are met.

10 **Q. IS THE STIPULATION A JUST AND REASONABLE RESOLUTION OF THE**  
11 **ISSUES?**

12 A. Yes. As described above, the Stipulation is beneficial to consumers and the public and is  
13 consistent with established regulatory principles and practices. The Stipulation also  
14 represents a timely and efficient resolution of the issues raised in this proceeding,  
15 following thoughtful deliberation and discussion by the Stipulating Parties.

16 **Q. DO YOU BELIEVE THE STIPULATION MEETS THE THREE-PART TEST**  
17 **REGARDING CONSIDERATION OF STIPULATIONS AND THEREFORE**  
18 **SHOULD BE ADOPTED BY THE COMMISSION?**

19 A. Yes, I do.

20 **Q. DOES THE STIPULATION RESOLVE ALL OF THE ISSUES IN THIS**  
21 **PROCEEDING?**

22 A. Yes.

### **III. CONCLUSION**

1    **Q.     DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

2    **A.     Yes.**