BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Duke Energy Ohio, Inc., for Approval of its 2010 Advanced and Renewable Energy Baseline and Benchmarks Pursuant to Section 4928.64(B), of the Ohio Revised Code.	)))))	Case No. 11-2515-EL-ACP

DIRECT TESTIMONY OF

ANDREW S. RITCH

ON BEHALF OF

DUKE ENERGY OHIO, INC.

April 2, 2012

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I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

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

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

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

Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATION AND PROFESSIONAL EXPERIENCE.

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

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

A. As the Director of Renewable Strategy and Compliance for Duke Energy's three

franchised Midwest jurisdictions (Duke Energy Ohio; Duke Energy Kentucky, Inc.; and Duke Energy Indiana, Inc.) my primary responsibility is to lead the development, execution, and communication of the strategies for activities involving renewable energy in these states. My responsibilities also extend to the compliance obligations for renewable activities, including but not limited to development and implementation strategies to procure or build renewable resources to meet all regulatory and legislative requirements. I am also responsible for managing the interface between Duke Energy and key external stakeholders on matters pertaining to renewable energy and for directing the messages and policies pertaining to renewable energy.

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

A. Yes. In 2011, I testified before the Public Utilities Commission of Ohio (Commission) in Case Nos. 10-2586-EL-SSO and 11-3549-EL-SSO. Additionally, I testified before the Commission in Case No. 10-511-EL-ACP.

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

A. The purpose of my testimony is to discuss and support the Stipulation and Recommendation (Stipulation) filed in the above-captioned proceeding. The Stipulation is filed with the support of the Staff of the Public Utilities Commission of Ohio, the Ohio Environmental Council and the Office of the Ohio Consumers' Counsel. Along with Duke Energy Ohio, these entities are

collectively referred to as the Stipulating Parties for the remainder of my testimony.

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

II. DISCUSSION

Q. PLEASE GENERALLY DESCRIBE THE STIPULATION.

A. The Stipulation, filed with the Public Utilities Commission of Ohio (Commission) on April 11, 2012, represents a resolution of all of the issues among the Stipulating Parties relating to Duke Energy Ohio's application regarding its compliance with the mandates for renewable and advanced energy as set forth in 4928.64 Revised Code (R.C.). Within this Stipulation, the Stipulating Parties agree that the unadjusted baseline, rather than the adjusted baseline, should be used for purposes of calculating the Company's renewable requirements. Under these conditions, the parties agree that the Company should be deemed compliant with the 2010 requirements.

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

mandate on an annual basis. The Company, in this proceeding, will have established its baseline and will thereafter, on an annual basis, demonstrate its compliance by obtaining sufficient renewable energy to satisfy the benchmark set forth herein.

Q. PLEASE DESCRIBE THE INFORMATION PROVIDED BY DUKE ENERGY OHIO TO SUPPORT ITS APPLICATION IN THIS PROCEEDING.

A. The Company calculated its baseline for purposes of compliance, proposed an alternative to the baseline based upon significant changes to its customer base during the relevant time period and demonstrated its efforts to obtain renewable energy credits to comply with the State's mandates.

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

A. Yes. All of the Parties intervening in this proceeding had an independent opportunity to review the information provided by the Company and determine whether or not they could agree that the Company was in compliance. The Parties did agree and have submitted the Stipulation jointly to recommend to the Commission that it find that Duke Energy Ohio, Inc. is in compliance for 2010.

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

A. Yes. The knowledge and capability of the Parties and their attorneys is readily apparent. The Stipulating Parties regularly participate in rate proceedings before the Commission, are knowledgeable in regulatory matters, and were represented by

experienced, competent counsel. Furthermore, the Stipulating Parties represent a broad range of interests.

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

Q. DOES THE STIPULATION VIOLATE ANY IMPORTANT REGULATORY PRINCIPLE OR PRACTICE?

A. No. Based on the advice of counsel, my understanding is that the Stipulation complies with all relevant and important principles and practices. Based upon my experience with regulatory matters, my involvement in this proceeding, and my examination of the Stipulation, I have also concluded that the Stipulation does not violate any regulatory ratemaking principle.

Q. DOES THE STIPULATION BENEFIT CONSUMERS AND THE PUBLIC INTEREST?

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

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

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

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

A. Yes, I do.

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

A. Yes.

III. CONCLUSION

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

A. Yes.

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Summary: Testimony DIRECT TESTIMONY OF ANDREW S. RITCH ON BEHALF OF DUKE ENERGY OHIO, INC.
electronically filed by Carys Cochern on behalf of Watts, Elizabeth H. Ms.