

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In The Matter of the Application of)	
Duke Energy Ohio, Inc., for an)	Case No. 12-1685-GA-AIR
Increase in Gas Rates.)	
In the Matter of the Application of)	
Duke Energy Ohio, Inc., for Tariff)	Case No. 12-1686-GA-ATA
Approval.)	
In the Matter of the Application of)	
Duke Energy Ohio, Inc., for Approval)	Case No. 12-1687-GA-ALT
of an Alternative Rate Plan for Gas)	
Distribution Service.)	
In the Matter of the Application of)	
Duke Energy Ohio, Inc., for Approval)	Case No. 12-1688-GA-AAM
To Change Accounting Methods.)	

DIRECT PREPARED TESTIMONY OF TERESA RINGENBACH

ON BEHALF OF DIRECT ENERGY SERVICES, LLC

February 21, 2013

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I. Witness Background

Q1. Please state your name and business address.

A1. My name is Teresa Ringenbach. My business address is 21 E. State Street, 19th Floor, Columbus, Ohio, 43215.

Q2. By whom are you employed and in what capacity?

A2. I am the Senior Manager of Government and Regulatory Affairs for the Midwest for Direct Energy Services, LLC. (“Direct Energy”)

Q3. Please explain the job responsibilities and duties in your current position.

A3. I am responsible for monitoring, advocating and defending regulatory and legislative activities which affect Direct Energy’s ability to serve customers in Pennsylvania, Ohio, Illinois, Kentucky and Michigan. My responsibilities cover electric, natural gas, and home services issues for all levels of customers from residential to large industrial.

Q4. Please describe your educational background and relevant work experience.

A4. I hold a Bachelor of Business Administration with a concentration in International Business from the University of Toledo. I started in the energy industry in 2001 with Integrys Energy Services, Inc., formerly WPS Energy Services, Inc., as a Customer Service and Marketing Specialist promoting and managing the recently opened Ohio residential and small commercial electric offers. In 2002, I accepted the position of Account Manager – Inside Sales where I sold and managed the Government Aggregation Programs for both gas and electric. In 2005, I accepted the position of Regulatory

Specialist. In this position I was responsible for regulatory compliance and state registrations throughout the United States and Canada. In 2006, I accepted the position of Regulatory Affairs Analyst – East covering New England, New York, New Jersey, Ohio and Pennsylvania gas and electric issues. In the spring of 2008, I accepted the Regulatory Affairs Analyst position for the Midwest region covering Ohio, Michigan, Illinois, Indiana, Kentucky, and all of Canada. In this position, I directed the regulatory and legislative efforts affecting Integrys Energy's gas and electric business. In August 2009, I joined Direct Energy as the Manager of Government and Regulatory Affairs for the Midwest. In June 2011 I was promoted to Senior Manager of Government and Regulatory Affairs for the Midwest. As stated above this position advocates, protects and monitors regulatory and legislative activities affecting the gas, electric and home services business interests of Direct Energy.

Q5. Have you ever testified before a regulatory agency?

A5. Yes. I have testified before the Connecticut Department of Public Utility Control, the Pennsylvania Public Utility Commission, the Public Utilities Commission of Ohio, the Illinois Commerce Commission and the Public Service Commission of Kentucky.

Q6. On whose behalf are you testifying today?

A6. Today, I am testifying on behalf of Direct Energy.

Q7. What is the purpose of your testimony?

A7. To request that Duke Energy Ohio ("Duke") upgrade their natural gas service billing systems to either allow for unlimited rate codes, similar to the electric billing systems, or to

increase the number of allowed rate codes to 200 in order to allow suppliers to bring a variety of products to customers. I also request the Commission ensure that any economic development program or rider approved in this case that utilizes ratepayer dollars is competitively neutral.

II. Rate Codes

Q8. How many rate codes does Duke currently allow a certified retail natural gas service provider (“gas supplier”)?

A8. Currently gas suppliers have 40 rate codes available for use. A supplier is given 25 and then can purchase up to 15 more for \$30 per rate code per month.

Q9. Why is 40 rate codes not sufficient?

A9. Literally 40 rate codes equates to 40 products since the start of service by a particular gas supplier. While 40 products may seem like a lot, the reality is as markets move gas suppliers have to offer new pricing to reflect market conditions. For example, as customers take advantage of differently priced fixed price products, and markets then move, gas suppliers then offer new fixed products. Customers on fixed price product A from April use a different rate code than customers on fixed price product B from September. There is a cost to hold open a fixed price product in which to enroll customers, so gas suppliers cannot hold open the same price forever to fit within a single rate code. In turn, gas suppliers cannot just kick customers off of a product simply because they need a rate code to compete with a new product.

Q10. Wouldn't bill ready billing remove the need for additional rate codes?

A10. Yes. However, Duke does not currently have bill ready functionality available for its natural gas service billing systems.

Q11. What would be a reasonable amount of rate codes to have available for use?

A11. Ideally unlimited would be the answer. While we believe allowing an unlimited number of rate codes would permit a supplier to customize pricing for individual customers, we understand that there are programming limits on the gas side which may not exist on the electric side where there is a more web based system. That said, allowing for 200 rate codes would be a reasonable number to keep the market moving forward.

Q12. Are there any other billing changes that could resolve this issue?

A12. Yes. Duke could allow for supplier consolidated billing when a supplier is providing both gas and electric commodities to the customer. This would increase the number of dual fuel offers and would eliminate the artificial cap on gas offerings. The key however for this work is for the utility to continue to shutoff for non-payment of all charges, as Duke currently does because it purchases the receivables of suppliers for both gas and electric commodity service. Either the supplier could simply print or issue bills with the utility continuing to receive payments or the supplier could purchase the receivable of the utility and forward payment priority information to the utility system to allow the same disconnect policies and payment plans that exist to protect customers today to remain in place.

Q13. Are you recommending that the Commission order in this case require Duke to take any particular steps towards supplier consolidated billing?

A13. I am raising the issue primarily to continue to inform the Commission and Duke that other billing options do exist and suppliers such as Direct Energy are interested in pursuing supplier consolidated billing arrangements. Supplier consolidated billing arrangements are particularly intriguing in Duke's territory because Duke provides both gas and electric service as a dual fuel utility. Direct Energy understands there are too many details on supplier consolidated billing to work out in this case and therefore instead recommends the Commission alleviate the issues previously described by requiring Duke to accommodate unlimited rate codes or at a minimum increase the number of rate codes available to gas suppliers to 200.

III. Economic Development Rider

Q14. Has Duke submitted a proposed economic development rider tariff?

A14. Yes. Duke proposed an economic development incentive rider ("Rider ED") to provide approximately \$1 million per year for use towards encouraging economic development projects for businesses to locate and expand their businesses in Duke's territory in Ohio.

Q15. What position did the Staff take in its January 4, 2013 Staff Report?

A15. The Staff Report (at page 20) rejects the proposed rider, stating that while economic development is good, the proposal put forth by Duke should be paid for by Duke with shareholder dollars. Also, Staff Report notes that Duke's application, as filed, lacks detail as to how the money is spent, and how decisions are made about economic development projects.

Q16. What is Direct Energy's interest in Duke's proposed Rider ED?

A16. Direct Energy takes no position regarding the merits of the proposed tariff. However, if the Commission does approve the use of ratepayer dollars for Rider ED, the Commission should require that the tariff be competitively neutral. In other words, any ratepayer funds in Rider ED should be equally available to customers regardless of whether they are shopping for natural gas commodity service through a gas supplier. While Direct Energy does not believe the proposed tariff language discriminates against shopping customers, the Commission should ensure as much in its Opinion and Order in this case.

Q17. Does this conclude your testimony?

A17. Yes. However, I reserve the right to incorporate new information that may subsequently become available. I also reserve the right to supplement my testimony in the event that Duke, PUCO Staff, or other parties submit new information or if additional information is provided through discovery.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *Direct Testimony of Teresa Ringenbach* was served upon the persons listed below, via electronic transmission, this 25th day of February 2013.

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Summary: Testimony Direct Testimony of Teresa Ringenbach electronically filed by Ms. Jennifer L. Lause on behalf of Direct Energy Services, LLC