

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of Complaint of Direct)	
Energy Business, LLC)	
)	
Complainant,)	
)	Case No. 14-1277-EL-CSS
v.)	
)	
Duke Energy Ohio, Inc.)	
)	
Respondent.)	

DIRECT PREPARED TESTIMONY OF TERESA L. RINGENBACH
ON BEHALF OF DIRECT ENERGY BUSINESS, LLC

April 14, 2015

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1 **QUALIFICATION OF THE WITNESS**

2 **Q1. Please state your name and business address.**

3 **A1.** My name is Teresa Ringenbach. My business address is 21 East State Street, 19th Floor
4 Columbus, Ohio.

5
6 **Q2. By whom are you employed and in what capacity?**

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

9
10 **Q3. How long have you been employed in your current position?**

11 **A3.** I have been employed in my current position with Direct Energy since 2009.

12
13 **Q4. Please explain the job responsibilities and duties in your current position.**

14 **A4.** I am the key market lead for Ohio and responsible for directing the monitoring, advocacy,
15 regulatory, and legislative activities that affect Direct Energy’s ability to serve customers
16 in Ohio, Illinois, and Michigan. My responsibilities cover electric, natural gas, and home
17 services issues for all levels of customers from residential to large industrial.

18
19 **Q5. Please describe your educational background and relevant work experience prior to**
20 **joining Direct Energy.**

21 **A5.** I hold a Bachelor of Business Administration with a concentration in International
22 Business from the University of Toledo. I started in the energy industry in 2001 with
23 Integrys Energy Services, Inc., formerly WPS Energy Services, Inc., as a Customer
24 Service and Marketing Specialist promoting and managing the recently opened Ohio

1 residential and small commercial electric offers. In 2002, I accepted the position of
2 Account Manager – Inside Sales where I sold and managed the Government Aggregation
3 Programs for both gas and electric. In 2005, I accepted the position of Regulatory
4 Specialist. In this position I was responsible for regulatory compliance and state
5 registrations throughout the United States and Canada. In 2006, I accepted the position
6 of Regulatory Affairs Analyst – East covering New England, New York, New Jersey,
7 Ohio and Pennsylvania gas and electric issues. In the spring of 2008, I accepted the
8 Regulatory Affairs Analyst position for the Midwest region covering Ohio, Michigan,
9 Illinois, Indiana, Kentucky, and all of Canada. In this position, I directed the regulatory
10 and legislative efforts affecting Integrys Energy’s gas and electric business. In August
11 2009, I joined Direct Energy as the Manager of Government and Regulatory Affairs for
12 the Midwest. In June 2011 I was promoted to Senior Manager of Government and
13 Regulatory Affairs for the Midwest covering Ohio, Illinois, Kentucky, Pennsylvania and
14 Michigan. As of December 2013, my position changed to key market lead for Ohio and
15 lead for Illinois and Michigan. As stated above this position advocates, protects and
16 monitors regulatory and legislative activities affecting the gas, electric and home services
17 business interests of Direct.

18
19 **Q6. Have you ever testified before a regulatory agency?**

20 **A6.** Yes. I have testified before the Connecticut Department of Public Utility Control, the
21 Pennsylvania Public Utility Commission, the Public Utilities Commission of Ohio, the
22 Illinois Commerce Commission and the Public Service Commission of Kentucky.

1 **Q7. What is the purpose of your testimony?**

2 A7. The purpose of my testimony is to explain the solutions available to the Commission to
3 put Direct Energy back in the place it would have been if not for Duke's metering error.
4 Additionally, I note I am not a lawyer and my testimony is not meant to provide a legal
5 opinion. My testimony is meant only to explain to the Commission how Direct Energy
6 would like to solve this problem and to explain why certain steps are needed for
7 particular aspects of the solution. Direct Energy Business, LLC (DEB) witness Kennelly
8 will explain the metering errors made by Duke and the steps taken to this point to correct
9 Duke's errors.

10
11 **EXPLANATION OF SOLUTIONS**

12 **Q8. What is your preferred mechanism to make DEB whole for Duke's errors?**

13 A8. Direct Energy's preferred option is the Commission order Duke to make Direct Energy
14 whole for the metering errors. As witness Kennelly points out, this is ultimately a
15 metering error issue. Witness Kennelly also explains the details behind the amounts
16 Direct Energy requests as a remedy in this case. While Direct Energy's complaint
17 includes an option to require Duke to revisit the Resettlement C process, this matter is not
18 a dispute with PJM. Resettlement C is a possible solution, but ultimately the metering
19 error was Duke's, not PJM's. As a result, this matter is appropriate for resolution by the
20 Commission. Requiring Duke to repay Direct Energy this amount is the simplest route to
21 take and is appropriate in light of Duke's metering errors. Simply put, if the Commission
22 finds Duke made the metering error alleged by Direct Energy, then this route properly
23 holds the party responsible for the metering errors accountable for the results of its

1 mistakes. This would merely put DEB back in the place it would otherwise be in if not
2 for Duke's metering error.

3
4 I understand the lawyers in this case will address the legality of this recommendation, but
5 as a factual matter I believe this is a fair outcome. DEB is simply asking for what it is
6 owed as a result of Duke's metering error and the carrying costs associated with that
7 metering error. The Commission is no stranger to the carrying cost concept and DEB is
8 only asking that the Commission recognize this cost for DEB, just as it routinely does for
9 Ohio's regulated utilities.

10
11 **Q9. Doesn't the fact that Duke is Direct Energy's meter data management agent**
12 **("MDMA") eliminate Duke's responsibility for the metering errors?**

13 A9. Duke's supplier tariff does purport to exonerate Duke for its errors in its role as MDMA.
14 However, this is not an MDMA issue; it is a utility metering issue. An MDMA is the
15 entity that communicates to PJM what amount of load to bill a CRES provider. In some
16 states DEB itself is the MDMA. It is only a coincidence of the Ohio market that Duke is
17 also the MDMA for their service territory. An MDMA is not the same as the utility; it
18 may be a role that the utility undertakes or it may not be. If DEB had been its own
19 MDMA or used another company to be the MDMA, the same issue would have existed
20 because the MDMA receives meter data from the utility. Ultimately this is not an
21 MDMA or a PJM settlement issue; it is an issue of Duke providing PUCO jurisdictional
22 metering services, making mistakes, and those mistakes leading to financial harm to
23 DEB. Anything related to the MDMA is irrelevant to this case.

1
2
3 **Q10. You mentioned revisiting the Resettlement C process in your previous answer. Can**
4 **you explain what you mean by resettlement?**

5 A10. The electric utilities do not directly bill load serving entities (“LSE”) for the power
6 delivered to the LSEs’ customers by the utility. Instead, the utility sends meter data to
7 PJM and then PJM bills and collects from the LSEs. When a problem or error arises as it
8 relates to what PJM billed or collected from the LSEs, a process called resettlement is
9 available to correct those problems or errors.
10

11 **Q11. Has Duke already attempted the Resettlement C option?**

12 A11. Yes. As noted by witness Kennelly, Duke attempted Resettlement C in September 2013,
13 but only 5 of 44 affected LSEs affirmatively consented to the resettlement.
14

15 **Q12. What is your understanding of the Resettlement C mechanism?**

16 A12. Outside of a 60 day window following the month of delivery, the Resettlement C process
17 is available for resettlements by the utility. As laid out in the attached letter from Duke
18 counsel, the Resettlement C process is an informal process and there is no billing manual
19 or tariff that governs it. TLR Attachment 1. DEB understands that after the 60 day
20 window, PJM requires all affected LSEs to affirmatively consent to the resettlement.
21

22 **Q13. Who are the other LSE’s and why do all of the other LSE’s have to consent to**
23 **resettlement?**

1 A13. Other LSEs in this instance are largely other CRES providers serving customers in
2 Duke's territory. I do not know why PJM requires the other LSEs to consent to the
3 resettlement, but it is my understanding this is required based on information provided by
4 both Duke and PJM. As this is an informal process, there are not many defined
5 parameters to rely upon to explain why or how the process works the way it does.
6

7 **Q14. Do you have concerns about attempting the Resettlement C process again?**

8 A14. Yes. Using Resettlement C is more complicated than simply requiring Duke to pay
9 Direct Energy for its losses resulting from Duke's metering error. As noted previously,
10 only 5 of the 44 affected LSEs affirmatively consented to resettlement last time. I believe
11 the likelihood of a greater number of LSEs consenting to resettlement, let alone all of
12 them, is very unlikely without some action by the Commission. The amount of time that
13 has passed since January and February of 2013 makes this task even more difficult and
14 unlikely. Direct Energy suggested Resettlement C in a show of goodwill, but the matter
15 is ripe for resolution by the Commission without involving PJM.
16

17 **Q15. What are you recommending the Commission order in this case to make the**
18 **Resettlement C process work this time?**

19 A15. The Commission should require Duke to undertake the Resettlement C process, including
20 any steps that PJM may require of Duke, given that the Resettlement C process is an
21 informal process. Further, to ensure completion of the process, the Commission should
22 mandate that each supplier (CRES provider or their designated Transmission Scheduling
23 Agent or "TSA") affected by the resettlement that is regulated by the Commission

1 affirmatively consent in writing to the resettlement or risk consequences in its licensing
2 docket before the Commission. The Commission should also instruct Duke to provide
3 Staff a list of the affected suppliers or their successors and for Staff to work with
4 docketing to send a paper copy of the order to the regulatory contact of every affected
5 CRES provider or its successor identified by Duke.

6
7 Finally, the Commission should find that, even if another supplier does not affirmatively
8 consent, that a non-response to Duke's request for affirmative consent constitutes consent
9 by the supplier. In Direct Energy's discussions with PJM counsel on February 6, 2015
10 regarding the Resettlement C process, Direct Energy learned that Duke will need
11 affirmative consent from all affected LSEs to run resettlement for January 2013 and
12 February 2013. In other words, a Commission order deeming consent by a non-
13 responsive supplier is not good enough for PJM.

14
15 While such a Commission determination may not have any direct impact on Duke
16 attempting the Resettlement C process again, it will aid Direct Energy in the event a
17 complaint at the Federal Energy Regulatory Commission ("FERC") is required to cause
18 PJM to actually run a resettlement for January 2013 and February 2013. PJM counsel
19 indicated that PJM would be bound to accept an order from FERC to run the resettlement
20 even if there are LSEs who have not affirmatively consented. Therefore, Direct Energy
21 believes a Commission order finding other suppliers who do not affirmatively consent
22 will be deemed to have consented to the resettlement would provide Direct Energy an

1 important tool in a FERC complaint attempting to restore Direct Energy to the place it
2 should have been, but for Duke's metering error.

3
4 **Q16. Has Duke previously indicated that the Commission has authority to deem CRES**
5 **providers to have consented to a resettlement?**

6 A16. Yes, in its most recent electric security plan case (14-841-EL-SSO), Duke proposed to
7 add a new provision in its supplier tariff (at Section XIV, paragraph 14.4) to address
8 adjustments and resettlements related to interval data. Duke's proposed language reads
9 as follows:¹ "The Company shall have no obligation to authorize or initiate a billing
10 adjustment or resettlement under the RTO's rules, regulations, or agreements for any
11 Certified Supplier or their designated TSA. However, in the event the Company
12 authorizes or initiates any such billing adjustment or resettlement, each Certified Supplier
13 or their designated TSA shall consent to such billing adjustment or resettlement within
14 ten business days after receiving such notice from the Company." Duke never explained
15 what led them to ask for such a provision in their tariff, but its inclusion in the proposed
16 electric security plan demonstrates that Duke believes the Commission has the authority
17 to require CRES providers to consent to a resettlement. While the ramifications of non-
18 consent are not specified, the Commission has tools at its disposal to ensure consent.

19
20 **Q17. Does this conclude your testimony?**

21 A17. Yes. However, I reserve the right to supplement my testimony as needed or as
22 subsequent information becomes available.

23

¹ Duke Ex. 13 at Attachment DLJ-1 at 22.

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Summary: Testimony of Teresa Ringenbach electronically filed by Mr. Gerit F. Hull on behalf of Direct Energy Business, LLC