

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

**In the Matter of the Commission's)
Investigation of Ohio's Retail Electric) Case No. 12-3151-EL-COI
Service Market.)**

**REPLY COMMENTS OF DUKE ENERGY RETAIL AND
DUKE ENERGY COMMERCIAL ASSET MANAGEMENT**

I. INTRODUCTION

On December 12, 2012, the Public Utilities Commission of Ohio (Commission) issued an Entry initiating the investigation of Ohio's retail electric service market (Entry). In its Entry, the Commission invited comments and reply comments from interested persons. Duke Energy Retail Sales, LLC, (DER) and Duke Energy Commercial Asset Management, Inc., (DECAM) hereby submit the following reply comments in response to certain of the comments that have been filed in the docket. The failure of DER and DECAM to comment in response to any inquiry or comment should not be interpreted as a lack of opinion on such inquiry or comment.

II. DISCUSSION

In order to respond more efficiently to the multitude of comments filed in this proceeding, DER and DECAM will discuss their reply issues thematically, rather than by party.

A. Regulation should be consistent and should support market development.

As DER and DECAM have previously expressed, consistency across the state is critical to the development of a fully functioning competitive retail electric service (CRES) market. Without regulatory consistency and, thus, predictability, the CRES market will not develop.

On the basis of this principle, DER and DECAM therefore agree with those comments that support consistency. For example, Exelon and Constellation NewEnergy support the

implementation of retail market enhancements and increased access to data and information. Although such changes have been incorporated in recent standard service offers, as noted by DP&L, that approach is a piecemeal one. A consistent regulatory approach by the Commission to enforce standardized access to information and data would provide a more robust framework, through which the competitive market can flourish across all territories within the Commission's purview. Similarly, Dominion Energy argues against minimum stay provisions. Again, DER and DECAM agree but recommend that the solution must be consistent across the state.

The need for programs to allow the purchase of CRES providers' accounts receivable (POR programs) has also been raised, although some have suggested that consistency would require that the Commission move to eliminate POR programs, as only one utility in Ohio offers one. The point of consistency is for the benefits of valuable competitive policies to be made available to all customers in Ohio regardless of territory. A program proven as valuable as the POR program in the Duke Energy Ohio territory should not be limited to just Southwest Ohio shopping customers. Uniform application of unfavorable policies is not the goal of consistency.

Consistency – with regard to beneficial policy decisions – should be the Commission's watchword, if it wishes to encourage the market to develop as fully and as quickly as possible.

B. PIPP customers and reasonable arrangement customers should be treated just like others.

Under the current paradigm, certain segments of customers would be treated differently than the rest of the population. Specifically, current law prohibits shopping by customers under the percentage-of-income payment program (PIPP) or under the terms of a reasonable arrangement. DER and DECAM recommend that these distinctions be removed. There is no tenable rationale for treating these customers differently and, thereby, preventing CRES suppliers from offering such customers more options. DER and DECAM agree with those commenters that have suggested such a change.

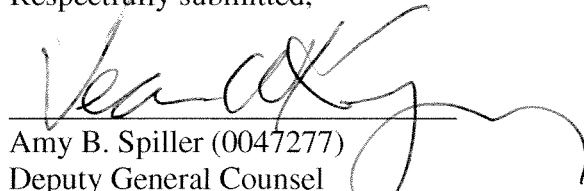
C. Neither the Commission nor the Legislature needs to exert additional influence on the market in order for it to develop appropriately.

A healthy market for CRES can, and should, develop independent of government interference, even if that interference is intended to be beneficial. When this market was first developing, assistance was needed. Indeed, in the early and mid-1990s, the Commission included “shopping credits” in utilities’ standard service offers and discussed the “headroom” necessary to incentivize shopping. However, that time is past; shopping is rampant in many parts of the state. It is thus unnecessary for the Commission to take actions such as developing educational resources about the market. It is entirely inappropriate for the Commission to mandate audits of CRES providers’ businesses in order to help them improve their offerings and compete more effectively. The market is developing, and will continue to do so, without such artificial buttresses.

III. CONCLUSION

DER and DECAM appreciate the opportunity to provide comment in connection with the Commission’s investigation into the retail electric service market.

Respectfully submitted,



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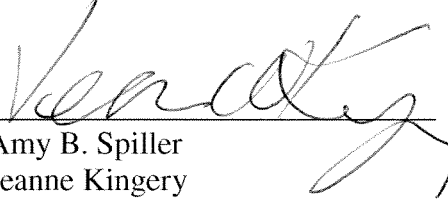
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing document was served this 5th day of April, 2013, by U.S. mail, postage prepaid, or by electronic mail upon the persons listed below.


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