**BEFORE**

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

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| In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Modify Rider FBS, Rider EFBS, and Rider FRAS. | ::: | Case No. 15-50-GA-RDR |

**REPLY BRIEF**

SUBMITTED ON BEHALF OF THE STAFF OF

THE PUBLIC UTILITIES COMMISSION OF OHIO

 In this reply brief the Staff will only address those arguments not fully considered in the initial brief. There is only one such item.

 Intervenor Retail Energy Supply Association (RESA) makes a contingent argu­ment that should be rejected. It argues that should the Commission accept the company proposal, the Commission should examine the entirety of the costs associated with the Choice Program.[[1]](#footnote-1) RESA alleges, but offers no proof, of extensive subsidies in distribu­tion rates that it believes should be removed. There is no reason to perform such an anal­ysis. RESA offers nothing in the way of proof of the problems it alleges, no analysis of any sort.[[2]](#footnote-2) The proper forum for such a review is either a complaint case where RESA would bear the burden of proof to establish its allegations or in a rate case, presumably with a cost-of-service study. Even RESA admits this is not the forum for addressing long-term matters.[[3]](#footnote-3)

 The balancing problem at issue in this case has nothing to do with any alleged sub­sidies built into distribution rates. Even if RESA were correct in its bare allegations, addressing those matters has nothing to do with balancing. The expensive, time-consum­ing examination RESA advocates would not change the balancing problem in any way.

 In Staff’s view the purpose of this case is to deal with a relatively short term prob­lem caused by an interplay between storage and FT. The problem is short term in the sense that the company’s storage contracts will end in 2018 and 2020, with potential solutions being offered even sooner through Duke’s management performance report due in November, 2015. This will allow a more permanent restructuring of the supply port­folio. It is best to keep this case short-term and temporary as recommended in Staff’s ini­tial brief.

 The Commission should reject this effort to add extraneous issues to this case.

Respectfully submitted,

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/s/ Thomas W. McNamee

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**On behalf of the Staff of
The Public Utilities Commission of Ohio**

# PROOF OF SERVICE

 I hereby certify that a true copy of the foregoing **Reply Brief** submitted on behalf of the Staff of the Public Utilities Commis­sion of Ohio,was served via electronic mail upon the following Parties of Record, this 18th day of September, 2015.

/s/ Thomas W. McNamee

**Thomas W. McNamee**

Assistant Attorney General

**Parties of Record:**

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1. RESA Ex. 2 at \_\_. [↑](#footnote-ref-1)
2. Tr. at \_\_\_. [↑](#footnote-ref-2)
3. RESA Initial Brief at 16. [↑](#footnote-ref-3)