

10/21/11

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke Energy)
Ohio, Inc. for Authority to Establish a Standard) Case No. 11-3549-EL-SSO
Service Offer Pursuant to Section 4928.143,)
Revised Code, in the Form of an Electric)
Security Plan, Accounting Modifications and)
Tariffs for Generation Service.)

In the Matter of the Application of Duke Energy)
Ohio for Authority to Amend its Certified) Case No. 11-3550-EL-ATA
Supplier Tariff, P.U.C.O. No. 20.)

In the Matter of the Application of Duke Energy)
Ohio for Authority to Amend its Corporate) Case No. 11-3551-EL-UNC
Separation Plan.)

**TESTIMONY OF
DAVID C. RINEBOLT
ON BEHALF OF OHIO PARTNERS FOR AFFORDABLE ENERGY**

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January 7, 2011

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Technician LD Date Processed 10-31-11

1 Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.

2 A. My name is David C. Rinebolt. My business address is 231 West Lima Street,
3 Findlay, Ohio 45840. I am the Executive Director of Ohio Partners for Affordable
4 Energy (OPAE), and I appear in this case as a witness on its behalf.

5

6 Q. PLEASE DESCRIBE YOUR BACKGROUND AND QUALIFICATIONS FOR
7 YOUR TESTIMONY IN THIS PROCEEDING.

8 A. My career has covered a broad spectrum of activities in the energy industry
9 including policy analysis at both the federal and state levels; design and
10 management of energy efficiency and renewable energy deployment programs;
11 and, extensive involvement in utility regulatory systems at the state and federal
12 level. I have worked with alternative fuel implementation and distributed
13 generation and have extensive knowledge of energy and environmental policy,
14 including renewable energy development and sustainability. My resume is
15 appended to this testimony as Exhibit DCR-1.

16

17 I have a Bachelor of Liberal Studies degree with concentrations in
18 Communications, English, Political Science, and Russian Literature from Bowling
19 Green State University (1978) and a Juris Doctor degree from the Columbus
20 School of Law at The Catholic University of America (1981). I have also received
21 training in utility regulatory policy through the NARUC Summer Study Program at
22 Michigan State University. I am the author of several works on biomass energy
23 and a regular lecturer on regulatory policy at the National Community Action

1 Foundation Energy Leveraging Conference; Affordable Comfort; and the National
2 Energy and Utility Conference. I have also been a presenter at the National
3 Association of Regulatory Utility Commissioners; the National Association of
4 State Utility Consumer Advocates; and, the Mid-America Regulatory Conference.
5 In 1994 I worked for the Department of Energy on assignment in the design and
6 deployment of the program that made up the Clinton Administration's Climate
7 Change Action Plan, and was a presenter at the White House Conference on
8 Climate Change.

9
10 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE OHIO PUBLIC UTILITIES
11 COMMISSION ("PUCO" or "Commission")?

12 A. No.

13
14 Q. PLEASE DESCRIBE THE PURPOSE OF YOUR TESTIMONY.

15 A. The purpose of my testimony is to demonstrate that the Stipulation: (1) is the
16 product of serious bargaining among capable, knowledgeable parties; (2) does
17 not violate any important regulatory principle or practice; (3) and, as a whole, will
18 benefit consumers and is in the public interest.

19
20 Q. PLEASE GENERALLY DESCRIBE THE STIPULATION.

21 A. The stipulation establishes the terms and conditions related to the Standard
22 Service Office (SSO) of Duke Energy Ohio from January, 2012 through May,
23 2015. The agreement also includes provisions related to the Significantly

1 Excessive Earnings Test (SEET); provides funding to improve the energy
2 efficiency of various customer groups; contains provisions to encourage
3 economic development in the Duke Energy Ohio service territory; and,
4 establishes a process for development of the next SSO application. The
5 stipulation also defines riders that will recover the costs of complying with Ohio's
6 Advanced Energy Standard and other components of the SSO.

7

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

10 A. Yes. The parties and their counsel are regular participants in regulatory
11 proceedings before the Commission and represent all customer classes affected
12 by the stipulation, as well as certified Competitive Retail Electric Suppliers and
13 organizations representing the interests of energy marketers. There were a
14 significant number of negotiating sessions including all parties and additional
15 bilateral discussions between the Company and individual parties.

16

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

19 No. Based on my understanding, the stipulation comports with all relevant and
20 important principles and practice. It is consistent with the requirements of state
21 regulatory principle and practice regarding the establishment of an SSO.

22

1 Q. DOES THE STIPULATION BENEFIT CONSUMERS AND IS IT IN THE PUBLIC
2 INTEREST?

3 A. The stipulation benefits consumers in a variety of ways. It allocates funding from
4 shareholders to meet pressing social and economic needs within the Company's
5 service territory. It will also utilize market forces to establish the price of the SSO
6 which, based on my analysis, will benefit consumers compared with the
7 alternative, which is consistent with the goal of the State of Ohio to utilize
8 competitive markets to establish generation prices. As such, the stipulation is in
9 the public interest.

10

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

13 Yes. The stipulation represents a balancing of the interests of the company, marketers,
14 and consumers and efficiently and effectively addresses the issues raised in this
15 proceeding. This outcome could only be the result of a negotiated resolution in this
16 matter. The agreement, in my opinion, will result in just and reasonable SSO rates
17 established by the use of market forces.

18 Q. DOES THIS CONCLUDE YOUR TESTIMONY

19 A. Yes.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *Testimony of David C. Rinebolt* was served electronically upon the following parties identified below in these cases on this 28th day of October 2011.

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Professional Experience

Executive Director and Counsel – Ohio Partners for Affordable Energy.

Head of statewide trade association providing program management, advocacy, and litigation services to over 60 nonprofit anti-poverty and community development organizations. Oversees education and training activities and the management of six utility-funded energy efficiency programs. Represents the interests of the organization and its members before the PUCO, the Ohio General Assembly, and Congress. Coordinates innovative partnerships between members and other organizations in the energy industry to benefit low-income consumers. Serves on the Demand Side Manage Collaboratives of Ohio's seven largest utilities. *April 1996 - present.*

Legislative Liaison – Ohio Association of Community Action Agencies.

Worked to educate the General Assembly on the activities of Ohio's community action agencies. Advocated for adequate funding for critical programs such as state Head Start, the Housing Trust Fund, and other anti-poverty programs. *January 2003 –June 2004.*

Director of Programs - National Association of State Energy Officials.

Developed and provided information on the activities of state energy offices to Congress, the press, and the executive branch. Provided assistance to states in the following areas: legislation and policy development; utility regulation; industrial, commercial and residential energy efficiency programs; renewable energy technologies; and, low-income energy issues. Temporarily posted to the Department of Energy to assist in the design of programs developed to implement the President's *Climate Change Action Plan*. *January 1994 - December 1995. Consultant, January 1996 - June 1996.*

Legislative Director/Counsel - Congressman Collin Peterson (MN-7th).

Organized and managed legislative staff for freshman Congressman. Also served as Associate Counsel to the Government Operations Subcommittee on Employment, Housing and Aviation. *January 1991 - December 1993.*

Director of Research - National Wood Energy Association.

Developed and coordinated public and Congressional education efforts. Assisted in drafting and securing support for federal and state legislative and regulatory initiatives. Represented members in state legislative and regulatory forums.

Also served as counsel to the Solar Energy Industries Association and other renewable energy groups. Editor of BIOLOGUE Magazine. *September 1987 - December 1990*. Served as consultant to successor organization, *National BioEnergy Industries Association, January 1996 - September 1996*.

Senior Research Associate, Energy - Coalition of Northeastern Governors Policy Research Center. Project Director for the Northeast Regional Biomass Program, an eleven-state, \$1.4 million annual program designed to promote the commercialization of biomass energy technologies. Also staffed the CONEG Energy Committee and coordinated lobbying of member states on energy issues, including LIHEAP, Weatherization and other state grant programs, and natural gas deregulation. *July 1985 - September 1987*.

Associate Director - State of Minnesota Washington Office. Coordinated Governor's federal legislative agenda and represented State before government departments and regulatory agencies. Served as staff representative for Governor Perpich to the National Governors' Association (NGA) Executive and Energy and Environment Committees. *November 1983 - July 1985*.

Paralegal Specialist – U.S. Department of Interior, Office of Legislation and Regulatory Management.

Conducted legal research related to public land laws, particularly the Federal Land Policy Management Act of 1976. *January 1980 – July 1981*.

EDUCATION and OTHER ACTIVITIES

Legal: The Columbus School of Law, Catholic University of America, Washington, D.C. Juris Doctor, 1981.

College: Bowling Green State University, Bowling Green, Ohio. Bachelor of Liberal Studies, May 1978. Concentrations in Communications, English, Political Science, and Russian Literature.

Memberships: District of Columbia Bar Association; Ohio Bar - Corporate Status; Hancock County Bar Association.

Guest Lecturer: Case Western Reserve University; Pace University; National Low Income Energy Consortium; Mid-American and National Associations of Regulatory Utility Commissioners; White House Conference on Climate Change and, other national and regional meetings.

Publications: Author, *The Biofuels Industry Data Base*, Solar Energy Research Institute, Golden, Colorado (1990); Editor, *BIOLOGUE Magazine*, National Wood Energy Association, Arlington, Virginia (1987-1990); Reviewer, *Changing by Degrees; Steps to Reduce Greenhouse Gases*, Office of Technology Assessment, OTA-0-482 (1991)