

FILE

7

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Annual Application)
of Duke Energy Ohio, Inc., for an)
Adjustment to Rider AMRP Rates.) Case No. 11-5809-GA-RDR

In the Matter of the Application of Duke)
Energy Ohio, Inc., for Tariff Approval.) Case No. 11-5810-GA-ATA

SUPPLEMENTAL DIRECT TESTIMONY

OF PEGGY A. LAUB

ON BEHALF OF

DUKE ENERGY OHIO, INC.

PUCO

2012 APR -2 PM 5:20

RECEIVED-ROCKETING DIV

April 2, 2012

This is to certify that the images appearing are an
accurate and complete reproduction of a case file
document delivered in the regular course of business.
Technician SM Date Processed APR 03 2012

TABLE OF CONTENTS

	Page
I. INTRODUCTION.....	1
II. OVERVIEW OF THE STIPULATION	ii
III. CONCLUSION	v

I. INTRODUCTION

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Peggy A. Laub. My business address is 139 East Fourth Street, Cincinnati,
3 Ohio 45202.

4 **Q. WHAT IS YOUR CURRENT POSITION?**

5 A. I am employed by Duke Energy Business Services LLC as Rates Manager.

6 **Q. PLEASE SUMMARIZE YOUR EDUCATION AND PROFESSIONAL**
7 **QUALIFICATIONS.**

8 A. I received a Bachelor of Business Administration degree, with a major in accounting,
9 from the University of Cincinnati. I began my career with The Cincinnati Gas & Electric
10 Company, the predecessor of Duke Energy Ohio, in the Accounting department in 1981.
11 I worked in various departments, including Tax, the Regulated Business Unit's financial
12 group, and Fixed Assets. In May 2006, following the merger with Duke Energy
13 Corporation, I transferred to the Midwest US Franchised Electric & Gas accounting
14 group. In November 2008, I transferred to the Midwest wholesale accounting group as
15 Manager of Wholesale and Bulk Power Marketing accounting. In May 2010, I
16 transferred to the Rate Department and to my current position as Rates Manager.

17 **Q. PLEASE SUMAMRIZE YOUR DUTIES AS RATES MANAGER.**

18 A. As Rates Manager, I am responsible for the preparation of financial and accounting data
19 used in Duke Energy Ohio and Duke Energy Kentucky, Inc., retail rate filings and
20 changes in various other rate recovery mechanisms.

21 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?**

22

1 A. Yes. I have previously testified in a number of cases before this and other regulatory
2 commissions.

3 **Q. ARE YOU THE SAME PEGGY A. LAUB WHO FILED DIRECT TESTIMONY**
4 **IN THIS PROCEEDING ON FEBRUARY 28, 2012?**

5 A. Yes.

6 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL DIRECT TESTIMONY?**

7 A. My testimony addresses issues related to the stipulation concerning Duke Energy Ohio's
8 Accelerated Main Replacement Program and its Riser Replacement Program.

II. OVERVIEW OF THE STIPULATION

9 **Q. ARE YOU FAMILIAR WITH THE COMPANY'S FILINGS IN THIS MATTER?**

10 A. Yes.

11 **Q. WERE YOU INVOLVED IN THE SETTLEMENT OF THIS CASE?**

12 A. Yes. I assisted in preparing answers to discovery requests and data requests submitted by
13 the Office of the Ohio Consumers' Counsel (OCC) and the Staff of the Commission and
14 was in contact with legal counsel with regard to the settlement process.

15 **Q. ARE YOU FAMILIAR WITH THE THREE-PART TEST THAT THE**
16 **COMMISSION APPLIES TO ITS CONSIDERATIONS OF STIPULATIONS?**

17 A. Yes.

18 **Q. PLEASE GENERALLY DESCRIBE THE STIPULATION.**

19 A. The Stipulation, filed with the Commission on April 2, 2012, represents a resolution of
20 all of the issues among all of the parties (Stipulating Parties), relating to Duke Energy
21 Ohio's application regarding Rider AMRP, which recovers costs associated with the
22 Company's accelerated main replacement program (AMRP) and riser replacement

1 program (RRP). The Stipulation sets forth the revenue requirement to which the
2 Company is entitled for both the AMRP and the RRP, and the total under Rider AMRP.
3 These revenue requirement figures are identical to those included in the Company's
4 application in this proceeding. Further, in the Stipulation the Stipulating Parties agree to
5 the revenue distribution, billing determinants, and rates that were included in the
6 application. With regard to the savings that form a part of the basis for those rates, the
7 Stipulating Parties agree in the Stipulation with the Company's use of the guaranteed
8 minimum savings of \$475,152.00. Further, the Stipulating Parties specifically agree that
9 representatives of OCC may review certain data requested during the discovery process at
10 a later point in time, although such review will not have any impact on the outcome of
11 this particular proceeding.

12 **Q. DOES THE STIPULATION REPRESENT THE PRODUCT OF SERIOUS**
13 **BARGAINING AMONG CAPABLE, KNOWLEDGEABLE PARTIES?**

14 A. Yes. The Stipulating Parties regularly participate in numerous proceedings before the
15 Commission, are knowledgeable in regulatory matters, and were represented by
16 experienced, competent counsel and subject matter experts. The issues raised by the
17 Stipulating Parties in this proceeding were all addressed in the Stipulation. For these
18 reasons, I believe that the agreed-upon Stipulation resulted from thorough analysis,
19 discussion, and understanding among capable parties with divergent interests and,
20 therefore, represents a product of the efforts of capable, knowledgeable parties.

21 **Q. DOES THE STIPULATION VIOLATE ANY REGULATORY PRINCIPLE OR**
22 **PRACTICE?**

1 A. No. Based on the advice of counsel, my understanding is that the Stipulation complies
2 with all relevant and important regulatory principles and practices. Based upon my
3 experience with regulatory matters, my involvement in this proceeding, and my
4 examination of the Stipulation, I have also concluded that the Stipulation does not violate
5 any regulatory ratemaking principle.

6 **Q. DOES THE STIPULATION BENEFIT CONSUMERS AND THE PUBLIC**
7 **INTEREST?**

8 A. Yes. The Stipulation demonstrates that stakeholders representing different interests in the
9 Duke Energy Ohio service territory have examined information relevant to the
10 Company's AMRP and RRP, as well as the rates to be charged under Rider AMRP. The
11 public interest is served when such parties intervene and represent diverse interests in
12 examining the record and ensuring that the regulatory requirements are met.

13 **Q. IS THE STIPULATION A JUST AND REASONABLE RESOLUTION OF THE**
14 **ISSUES?**

15 A. Yes. The Stipulation is beneficial to consumers and the public and is consistent with
16 established regulatory principles and practices. The Stipulation also represents a timely
17 and efficient resolution of the issues raised in this proceeding, following thoughtful
18 deliberation and discussion by the Stipulating Parties.

19 **Q. DO YOU BELIEVE THE STIPULATION MEETS THE THREE-PART TEST**
20 **REGARDING CONSIDERATION OF STIPULATIONS AND THEREFORE**
21 **SHOULD BE ADOPTED BY THE COMMISSION?**

22 A. Yes, I do.

1 **Q. DOES THE STIPULATION RESOLVE ALL OF THE ISSUES IN THIS**
2 **PROCEEDING?**

3 **A. Yes.**

III. CONCLUSION

4 **Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL DIRECT TESTIMONY?**

5 **A. Yes.**